



REVISED AGENDA

REGULAR MEETING OF COUNCIL

November 19, 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 Regular Public Hearing of Council, 2018 October 09
 - 5.2 Minutes of the Regular Meeting of the Nominations Committee, 2018 October 10
 - 5.3 Minutes of the Special Meeting of Council, 2018 October 11
 - 5.4 Minutes of the Regular Meeting of Council, 2018 October 15
 - 5.5 Minutes of the Organizational Meeting of Council, 2018 October 22
 - 5.6 Minutes of the Strategic Meeting of Council, 2018 October 31
6. PRESENTATION(S) AND RECOGNITION(S)
None
7. CONSENT AGENDA
 - 7.1 Corporate Land Strategy – Information Report, UCS2018-1141
 - 7.2 Real Estate Acquisitions Audit (Green Line LRT Stage 1) - AC2018-1032
 - 7.3 City Auditor's Office 3rd Quarter 2018 Report - AC2018-1246
 - 7.4 Independent Review of Non-Residential Assessment and Appeal System, PFC2018-1222
 - 7.5 One Window Phase Two Update - Deferral, PFC2018-1181

- 7.6 Federal Review of Telecom, Broadcasting and Radio Act, GPT2018-1069
- 7.7 Fibre Infrastructure Strategy Annual Update, GPT2018-1094
Attachment 3 held confidential pursuant to Section 24 of *FOIP*.
- 7.8 Calgary Aboriginal Urban Affairs Committee Update, CPS2018-1215
- 7.9 Preview of the Proposed Calgary Indigenous Relations Office, CPS2018-1216
- 7.10 Golf Course Operations Update, CPS2018-1256
- 7.11 2018 Disaster Risk Assessment and Business Impact Analysis, EM2018-1277
- 7.12 2018 Triennial Reserve Review Report, PFC2018-1125
- 7.13 CIF Application: On Demand Transit, PFC2018-1291
- 7.14 CIF Application: Policy Review Proposal, PFC2018-1300
- 7.15 Proposed Method of Disposition (Renfrew) – Ward 09 (1324 Phair AV NE) (MAS), UCS2018-1138
Attachments 4 and 5 held confidential pursuant to Sections 23, 24 and 25 of *FOIP*.

8. POSTPONED REPORTS
(including related/supplemental reports)

None

9. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

9.1 OFFICER OF COUNCIL REPORTS

9.1.1 Official Results from the Vote of the Electors (Verbal), C2018-1366

9.1.2 Moving Forward on Olympic Project (Verbal), C2018-1367

9.2 ADMINISTRATION REPORTS
None

9.3 COMMITTEE REPORTS

9.3.1 Water Customer Assistance Program Pilot, UCS2018-1193

10. ITEMS DIRECTLY TO COUNCIL

10.1 NOTICE(S) OF MOTION

- 10.1.1 At-Grade LRT Crossing Safety, C2018-1288
Councillors Colley-Urquhart, Keating and Jones
- 10.1.2 Business Advisory Committee Terms of Reference Deferral, C2018-1351
Councillor Ward Sutherland
- 10.1.3 Subdivision and Development Regulation Setbacks, C2018-1337
Councillors Carra, Colley-Urquhart and Keating
- 10.1.4 Waste Management Storage Site Operational Practices, C2018-1356
Councillors Keating, Colley-Urquhart and Carra

10.2 BYLAW TABULATIONS
None

10.3 MISCELLANEOUS BUSINESS
None

11. URGENT BUSINESS

12. CONFIDENTIAL ITEMS

12.1 CONSENT AGENDA

- 12.1.1 Proposed Acquisition (Residual Ward 3 – Sub Area) – Ward 03 (17171 6 ST NE (BG), UCS2018-1139
Held confidential pursuant to Sections 23, 24 and 25 of *FOIP*.
- 12.1.2 Summary of Green Line Real Property Transactions for the Second Quarter 2018 (JC), UCS2018-1140
Held confidential pursuant to Sections 23, 24 and 25 of *FOIP*.

12.2 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
None

12.3 URGENT BUSINESS

13. ADMINISTRATIVE INQUIRIES

- 13.1 Administration's response to Councillor Farka's Administrative Inquiry submitted at the September 24 Combined Meeting of Council, AI2018-06
This response is intended for information only.

- 13.2 Administration's response to Councillor Keating's Administrative Inquiry submitted at the 2018 October 15 Regular Meeting of Council, AI2018-07
This response is intended for information only.
- 13.3 Administration's response to Councillor Colley-Urquhart and Councillor Chahal's Administrative Inquiry submitted at the 2018 July 30 Combined Meeting of Council, AI2018-08
This response is intended for information only.

REVISED MATERIALS

- 13.3.1 Revised Report and Attachments

14. ADJOURNMENT

Council Members may participate in the meeting remotely, if necessary.



MINUTES

REGULAR PUBLIC HEARING MEETING OF COUNCIL

**October 9, 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 S. Keating
Councillor J. Magliocca
Councillor W. Sutherland
Councillor E. Woolley

ALSO PRESENT:

Acting City Manager B. Stevens
City Solicitor and General Counsel G. Cole
Acting City Solicitor D. Jackal
General Manager S. Dalglish
Acting General Manager M. Tita
City Clerk L. Kennedy
Acting City Clerk J. Dubetz
Legislative Assistant T. Rowe
Legislative Assistant D. Williams

1. CALL TO ORDER

Mayor Nenshi called today's Meeting to order at 9:33 a.m.

2. OPENING REMARKS

Mayor Nenshi provided opening remarks and called for a moment of quiet contemplation.

3. CONFIRMATION OF AGENDA

Moved by Councillor Gondek

Seconded by Councillor Sutherland

That the Agenda for today's Meeting be amended by bringing forward and postponing Item 8.1.1, Verbal Report C2018-1198, to be dealt with as the first item of new business following the Confirmation of the Agenda.

Against: Councillor Farkas

MOTION CARRIED

Moved by Councillor Davison

Seconded by Councillor Magliocca

That the Agenda for today's Meeting, as amended, be further amended, by adding the following Items of Urgent Business:

- 7.1. Update on Visionary Work (Verbal), ECA2018-1154;
- 7.2. Update on Engagement (Verbal), ECA2018-1155; and
- 7.3. Third Party Economic Impact Evaluation (Verbal), ECA2018-1156.

MOTION CARRIED

Moved by Councillor Davison

Seconded by Councillor Magliocca

That the Agenda for today's Meeting, as amended, be further amended, by bringing forward the following, to be dealt with as the first items of new business at 1:15 p.m. or at the Call of the Chair:

- 7.1. Update on Visionary Work (Verbal), ECA2018-1154;
- 7.2. Update on Engagement (Verbal), ECA2018-1155; and
- 7.3. Third Party Economic Impact Evaluation (Verbal), ECA2018-1156.

ROLL CALL VOTE

For: (8): Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Gordek, Councillor Keating, Councillor Magliocca, and Councillor Sutherland

Against: (6): Mayor Nenshi, Councillor Carra, Councillor Demong, Councillor Farkas, Councillor Farrell, and Councillor Jones

MOTION CARRIED

Moved by Councillor Colley-Urquhart

Seconded by Councillor Davison

That the Agenda for today's Meeting, as amended, be further amended, by adding an Item of Confidential Urgent Business entitled "Personnel Matter #2 (Verbal), VR2018-0083".

Against: Councillor Farkas

MOTION CARRIED

Moved by Councillor Chahal

Seconded by Councillor Demong

That the Agenda for the 2018 October 09 Regular Public Hearing Meeting of Council be confirmed, **as amended**.

MOTION CARRIED

4. CONSENT AGENDA

Moved by Councillor Demong
Seconded by Councillor Chahal

That the Consent Agenda be postponed to be dealt with at the end of the Public Hearing portion of today's Agenda.

MOTION CARRIED

4.1 Green Line Southeast Local Area Plans – Deferral Request, PUD2018-1027

Moved by Councillor Magliocca
Seconded by Councillor Carra

That with respect to Report PUD2018-1027, the following be adopted:

1. That Council direct Administration to defer completion of the local area plans for Inglewood, Ramsay and Millican-Ogden to return to Council no later than Q2 2020 to allow for:
 - a. Council adoption of comprehensive amendments to the *Developed Areas Guidebook*, and
 - b. engagement with local communities on changes to the local area plans impacted by amendments to the *Developed Areas Guidebook*.
2. That Council direct Administration to defer completion of the local area plan for South Hill to return to Council no later than Q2 2020 to allow for:
 - a. Council adoption of comprehensive amendments to the *Developed Areas Guidebook*,
 - b. the completion of the Corporate Land Strategy; and
 - c. engagement with local communities on changes to the local area plan impacted by amendments to the *Developed Areas Guidebook* and results of the Corporate Land Strategy.

MOTION CARRIED

5. PLANNING MATTERS FOR PUBLIC HEARING

5.1 CALGARY PLANNING COMMISSION REPORTS

- 5.1.1 Land Use Amendment in Brentwood (Ward 4) at 4820 Northland Drive NW, LOC2018-0080, CPC2018-0972

The public hearing was called and Ron Ghitter addressed Council with respect to Bylaw 254D2018.

Moved by Councillor Chu

Seconded by Councillor Farrell

That with respect to Report CPC2018-0972, the following be adopted:

That Council:

1. Adopt, by Bylaw, the proposed redesignation of 1.31 hectares \pm (3.24 acres \pm) located at 4820 Northland Drive NW (NW1/4 Section 31-24-1-5) from DC Direct Control District to DC Direct Control District to accommodate commercial development, with guidelines; and
2. Give three readings to the proposed Bylaw 254D2018.

MOTION CARRIED

That Bylaw 254D2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 254D2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 255D2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 255D2018 be read a third time.

MOTION CARRIED

5.1.2 Land Use Amendment in Downtown East Village (Ward 7) at 399 – 9 Avenue SE, LOC2015-0170, CPC2018-0989

The public hearing was called and Amber Osada-Ullman addressed Council with respect to Bylaw 255D2018.

Moved by Councillor Farrell

Seconded by Councillor Carra

That with respect to Report CPC2018-0989, the following be adopted:

That Council:

1. Adopt, by Bylaw, the proposed redesignation of 0.88 hectares \pm (2.18 acres \pm) located at 399 - 9 Avenue SE (Plan 1711864, Block 3, Lot 5)

- from DC Direct Control District to DC Direct Control District to accommodate a mix use parking structure; and
2. Give three readings to the proposed Bylaw 255D2018.

MOTION CARRIED

That Bylaw 255D2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 255D2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 255D2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 255D2018 be read a third time.

MOTION CARRIED

5.1.3 Road Closure and Land Use Amendment in Centre City East Village (Ward 7) Adjacent to 539 - 7 Avenue SE and 502 - 8 Avenue SE, LOC2018-0099, CPC2018-0993

The public hearing was called, however no one addressed Council with respect to Bylaws 9C2018 and 249D2018.

Moved by Councillor Farrell
Seconded by Councillor Carra

That with respect to Report CPC2018-0993, the following be adopted:

That Council:

1. Adopt, by Bylaw, the proposed closure of 0.810 hectares \pm (2.00 acres \pm) of road (Plan 1811391, Area A) adjacent to 539 – 7 Avenue SE and 502 - 8 Avenue SE, with conditions;
2. Give three readings to the proposed closure Bylaw 9C2018;
3. Adopt, by Bylaw, the proposed redesignation of 0.810 hectares \pm (2.00 acres \pm) of closed road (Plan 1811391, Area A) adjacent to 539 – 7 Avenue SE and 502 - 8 Avenue SE from DC Direct Control District to Centre City East Village Integrated Residential District (CC-EIR); and
4. Give three readings to the proposed Bylaw 249D2018.

MOTION CARRIED

That Bylaw 9C2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 9C2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 9C2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 9C2018 be read a third time.

MOTION CARRIED

That Bylaw 249D2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 249D2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 249D2018 a third time

MOTION CARRIED UNANIMOUSLY

That Bylaw 249D2018 be read a third time.

MOTION CARRIED

**5.1.4 Policy Amendment and Land Use Amendment in Tuxedo Park (Ward 7)
at 121 – 18 Avenue NW, LOC2018-0092, CPC2018-0982**

A letter dated, 2018 February 09, from the True Buddha Pai Yuin Temple was received for the Corporate Record with respect to report CPC2018-0982.

The public hearing was called and Ky Ly addressed Council with respect to Bylaws 72P2018 and 252D2018.

Moved by Councillor Farrell
Seconded by Councillor Chu

That with respect to Report CPC2018-0982, the following be adopted:

That Council:

1. Adopt, by Bylaw, the proposed amendments to the North Hill Area Redevelopment Plan;
2. Give three readings to the proposed Bylaw 72P2018;
3. Adopt, by Bylaw the proposed redesignation of 0.03 hectares \pm (0.07 acres \pm) located at 121 – 18 Avenue NW (Plan 2129O, Block 9, Lot 28) from Residential – Contextual One/Two Dwelling (R-C2) District to Multi-Residential – Contextual Low Profile (M-C1) District; and
4. Give three readings to the proposed Bylaw 252D2018.

MOTION CARRIED

That Bylaw 72P2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 72P2018 be read a second time.

MOTION CARRIED

That authorization now be given to read 72P2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 72P2018 be read a third time.

MOTION CARRIED

That Bylaw 252D2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 252D2018 be read a second time.

MOTION CARRIED

That authorization now be given to read 252D2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 252D2018 be read a third time.

MOTION CARRIED

5.1.5 Land Use Amendment in Banff Trail (Ward 7) at 2026 – 24 Avenue NW, LOC2018-0122, CPC2018-0976

The public hearing was called and Ben Bailey addressed Council with respect to Bylaw 253D2018.

Moved by Councillor Farrell

Seconded by Councillor Keating

That with respect to Report CPC2018-0976, the following be adopted:

That Council:

1. Adopt, by Bylaw, the proposed redesignation of 0.06 hectares \pm (0.14 acres \pm) located at 2026 – 24 Avenue NW (Plan 2950AJ, Block 1, Lots 12 and 13) from Residential – Contextual One/Two Dwelling (R-C2) District to Residential – Grade-Oriented Infill (R-CG) District; and
2. Give three readings to the proposed Bylaw 253D2018.

MOTION CARRIED

That Bylaw 253D2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 253D2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 253D2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 253D2018 be read a third time.

MOTION CARRIED

5.1.6 Policy Amendments and Land Use Amendment in Sunalta (Ward 8) at 1510, 1514, 1516, 1518, 1530 and 1534 – 10 Avenue SW, LOC2018-0116, CPC2018-0990

The public hearing was called and Dave Symons addressed Council with respect to Bylaws 73P2018 and 256D2018.

Pursuant to Section 90 (2) of the Procedure Bylaw 35M2017, Council recalled the Applicant in order to consider new information, by general consent.

Moved by Councillor Woolley

Seconded by Councillor Davison

That with respect to Report CPC2018-0990, the following be adopted:

That Council:

1. Adopt, by Bylaw, the proposed amendments to the Sunalta Area Redevelopment Plan;
2. Give three readings to the proposed Bylaw 73P2018;
3. Adopt, by Bylaw, the proposed redesignation of 0.32 hectares \pm (0.79 acres \pm) located at 1510, 1514, 1516, 1518, 1530 and 1534 – 10 Avenue SW (Portion of Plan 5380V, Block 208, Lots 25 to 36) and 0.04 hectares \pm (0.1 acres \pm) representing a portion of 983 – 14 Street SW (Plan 0913611, Area A) from DC Direct Control District to DC Direct Control District to accommodate a mixed-use development with at-grade retail uses and residential tower development above with guidelines;
4. Give three readings to the proposed Bylaw 256D2018; and
5. Direct that any density bonus contributions made through the development permit process for this site be paid to and used in accordance with the community investment fund established for the Sunalta community, and as a priority, directed towards the Sunalta Community Hub project.

MOTION CARRIED

That Bylaw 73P2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 73P2018 be read a second time.

MOTION CARRIED

That authorization of now be given to read Bylaw 73P2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 73P2018 be read a third time.

MOTION CARRIED

That Bylaw 256D2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 256D2018 be read a second time.

MOTION CARRIED

That authorization of now be given to read Bylaw 256D2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 256D2018 be read a third time.

MOTION CARRIED

Moved by Councillor Woolley

Seconded by Councillor Farrell

That with respect to Report CPC2018-0990, the following Motion Arising be adopted:

That Council direct Administration to work with the applicant to explore the opportunity to provide private non-market affordable housing of up to 10% as part of the national housing strategy.

ROLL CALL VOTE

For: (11): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farrell, Councillor Keating, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

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

MOTION CARRIED

Moved by Councillor Woolley

Seconded by Councillor Davison

That with respect to Report CPC2018-0990, the following Motion Arising be adopted:

That Council direct Administration to establish a Sunalta community investment fund and governance structure, direct any density bonus contributions to this fund, and identify the Sunalta Community Hub Project as a top priority for this fund.

MOTION CARRIED

5.1.7 Land Use Amendment in Sunalta (Ward 8) at 1526 – 12 Avenue SW, LOC2018-0096, CPC2018-0981

The public hearing was called and Ron Maack addressed Council with respect to Bylaw 258D2018.

Moved by Councillor Woolley

Seconded by Councillor Chahal

That with respect to Report CPC2018-0981, the following be adopted:

That Council:

1. Adopt, by Bylaw, the proposed redesignation of 0.03 hectares ± (0.08 acres ±) located at 1526 - 12 Avenue SW (Plan 5380V, Block 206; Lot 31) from Multi-Residential – Contextual Medium Profile (M-C2) District

- to DC Direct Control District to accommodate a limited range of commercial uses within an existing house, with guidelines; and
2. Give three readings to the proposed Bylaw 258D2018.

MOTION CARRIED

That Bylaw 258D2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 258D2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 258D2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 258D2018 be read a third time.

MOTION CARRIED

- 5.1.8 Policy Amendment, Road Closure and Land Use Amendment in Richmond (Ward 8) at 2232, 2236, and 2240 - 33 Avenue SW, LOC2017-0391, CPC2018-0812

Pursuant to Section 32(d) of the Procedure Bylaw 35M2017, Council increased the applicant's presentation time from 5 minutes to 10 minutes, by general consent.

The public hearing was called and the following addressed Council with respect to Bylaws 74P2018, 10C2018 and 257D2018:

1. David White
2. Johanna Hurme
3. Alkarim Devani
4. Bob van Wegen
5. Chad Koski

Moved by Councillor Woolley
Seconded by Councillor Carra

That with respect to Report CPC2018-0812, the following be adopted:

That Council:

1. Adopt, by Bylaw, the proposed amendments to the Marda Loop Area Redevelopment Plan;

2. Give three readings to the proposed Bylaw 74P2018;
3. Adopt, by Bylaw, the proposed closure of 0.003 hectares \pm (0.008 acres \pm) of road (Plan 7710312) adjacent to 2232 - 33 Avenue SW, with conditions;
4. Give three readings to the proposed closure Bylaw 10C2018.
5. Adopt, by Bylaw, the proposed redesignation of 0.18 hectares \pm (0.43 acres \pm) located at 2232, 2236, and 2240 - 33 Avenue SW (Plan 4479P, Block 56, Lots 15 to 20; Plan 7710312) from Multi-Residential – Contextual Low Profile (M-C1) District and Undesignated Road Right-of-Way to DC Direct Control District based on the Mixed Use – Active Frontage (MU-2) District to accommodate opportunities for mixed-use multi-residential development with commercial uses with Guidelines; and
6. Give three readings to the proposed Bylaw 257D2018.

MOTION CARRIED

That Bylaw 74P2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 74P2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 74P2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 74P2018 be read a third time.

MOTION CARRIED

That Bylaw 10C2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 10C2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 10C2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 10C2018 be read a third time.

MOTION CARRIED

That Bylaw 257D2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 257D2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 257D2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 257D2018 be read a third time.

MOTION CARRIED

5.1.9 Policy Amendment and Land Use Amendment in Killarney/Glengarry (Ward 8) at 2840 - 35 Street SW, LOC2018-0134, CPC2018-0991

The public hearing was called and the following addressed Council with respect to Bylaws 75P2018 and 259D2018:

1. Ben Bailey
2. Alkarim Devani
3. Claire Agnew

Pursuant to Section 90 (2) of the Procedure Bylaw 35M2017, Council recalled the Applicant in order to ask further questions, by general consent.

Moved by Councillor Woolley
Seconded by Councillor Farrell

That with respect to Report CPC2018-0991, the following be adopted:

That Council:

1. Adopt, by Bylaw, the proposed amendment to the Killarney/Glengarry Area Redevelopment Plan
2. Give three readings to the proposed Bylaw 75P2018;
3. Adopt, by Bylaw, the proposed redesignation of 0.05 hectares \pm (0.14 acres \pm) located at 2840 – 35 Street SW (Plan 732GN; Block 11, Lot 1) from DC Direct Control District to Residential – Grade Oriented Infill (R-CG) District; and
4. Give three readings to the proposed Bylaw 259D2018.

Against: Councillor Chu

MOTION CARRIED

That Bylaw 75P2018 be introduced and read a first time.

Against: Councillor Chu

MOTION CARRIED

That Bylaw 75P2018 be read a second time.

Against: Councillor Chu

MOTION CARRIED

That authorization now be given to read Bylaw 75P2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 75P2018 be read a third time.

Against: Councillor Chu

MOTION CARRIED

That Bylaw 259D2018 be introduced and read a first time.

Against: Councillor Chu

MOTION CARRIED

Moved by Councillor Keating
Seconded by Councillor Demong

That Bylaw 259D2018 be amended on Page 3 of 3, Schedule B, in the Map by deleting the proposed Designation from Residential – Grade Oriented Infill (R-CG) District to Residential – Grade Oriented Infill (R-CGex) District.

ROLL CALL VOTE

For: (6): Councillor Chu, Councillor Davison, Councillor Demong, Councillor Keating, Councillor Magliocca, and Councillor Sutherland

Against: (8): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Jones, and Councillor Woolley

MOTION DEFEATED

That Bylaw 259D2018 be read a second time.

Against: Councillor Chu

MOTION CARRIED

That authorization now be given to read Bylaw 259D2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 259D2018 be read a third time.

Against: Councillor Chu

MOTION CARRIED

5.1.10 Land Use Amendment in Renfrew (Ward 9) at 824 Edmonton Trail NE, LOC2018-0138, CPC2018-0975

The public hearing was called and the following addressed Council with respect to Bylaw 250D2018:

1. Phil Dack
2. Jit Davda

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, Section 78(1)(a) was suspended to, allow Council to complete Item 5.1.10, prior to the scheduled 12:00 p.m. noon recess.

Moved by Councillor Carra

Seconded by Councillor Woolley

That with respect to Report CPC2018-0975, the following be adopted:

That Council:

1. Adopt, by Bylaw, the proposed redesignation of 0.06 hectares \pm (0.15 acres \pm) located at 824 Edmonton Trail NE (Plan 4031N; Block A; Lots 11 and 12) from DC Direct Control to Commercial – Neighbourhood 1 (C-N1) District; and
2. Give three readings to the proposed Bylaw 250D2018.

MOTION CARRIED

That Bylaw 250D2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 250D2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 250D2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 250D2018 be read a third time.

MOTION CARRIED

Council recessed at 12:08 p.m. and reconvened at 1:26 p.m. with Mayor Nenshi in the Chair.

5.1.11 Policy Amendments – Southeast Industrial Area Structure Plan (Ward 12), M-2018-001, CPC2018-0863

Pursuant to Section 32(d) of the Procedure Bylaw 35M2017, Council increased Bruce Abugov's presentation time from 5 minutes to 7 minutes, by general consent.

The public hearing was called and the following addressed Council with respect to Bylaw 63P2018:

1. Bruce Abugov
2. David Isaak

Moved by Councillor Keating
Seconded by Councillor Carra

That with respect to Report CPC2018-0863, the following be adopted:

That Council:

1. Adopt, by Bylaw, the proposed amendments to the Southeast Industrial Area Structure Plan;
2. Give three readings to the proposed Bylaw 63P2018; and
3. Adopt, by resolution, the proposed revisions to the Supporting Information section of the Southeast Industrial Area Structure Plan that does not form part of Bylaw 6P96 (Attachment 2).

Against: Councillor Chu and Councillor Farkas

MOTION CARRIED

That Bylaw 63P2018 be introduced and read a first time.

Against: Councillor Chu and Councillor Farkas

MOTION CARRIED

That Bylaw 63P2018 be read a second time.

Against: Councillor Chu and Councillor Farkas

MOTION CARRIED

That authorization now be given to read Bylaw 63P2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 63P2018 be read a third time.

Against: Councillor Chu and Councillor Farkas

MOTION CARRIED

5.1.12 Land Use Amendment in Midnapore (Ward 14) at 15425 Bannister Road SE, LOC2018-0111, CPC2018-0903

The public hearing was called and Ron Ghitter addressed Council with respect to Bylaw 251D2018.

Moved by Councillor Carra

Seconded by Councillor Woolley

That with respect to Report CPC2018-0903, the following be adopted:

That Council:

1. Adopt, by Bylaw, the proposed redesignation of 1.09 hectares \pm (2.70 acres \pm) located at 15425 Bannister Road SE (Plan 0711537, Block 12, Lot 1) from DC Direct Control District to Commercial – Community 1 (C-C1) District; and
2. Give three readings to the proposed Bylaw 251D2018.

Against: Councillor Demong

MOTION CARRIED

That Bylaw 251D2018 be introduced and read a first time.

Against: Councillor Demong

MOTION CARRIED

That Bylaw 251D2018 be read a second time.

Against: Councillor Demong

MOTION CARRIED

That authorization now be given to read Bylaw 251D2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 251D2018 be read a third time.

Against: Councillor Demong

MOTION CARRIED

5.2 OTHER REPORTS AND POSTPONEMENTS FOR PUBLIC HEARING

None

6. PLANNING MATTERS NOT REQUIRING PUBLIC HEARING

6.1 CALGARY PLANNING COMMISSION REPORTS

None

6.2 OTHER REPORTS AND POSTPONEMENTS NOT REQUIRING PUBLIC HEARING

6.2.1 Subdivision and Development Appeal Board Bylaw Amendments, C2018-1159

Moved by Councillor Woolley
Seconded by Councillor Carra

That with respect to Report C2018-1159, the following be adopted:

That Council give three readings to proposed Bylaw 43M2018, to amend Bylaw 25P95, the Subdivision and Development Appeal Board Bylaw.

Against: Councillor Chu

MOTION CARRIED

That Bylaw 43M2018 be introduced and read a first time.

Against: Councillor Chu

MOTION CARRIED

That Bylaw 43M2018 be read a second time.

Against: Councillor Chu

MOTION CARRIED

That authorization now be given to read Bylaw 43M2018 a third time.

MOTION CARRIED

That Bylaw 43M2018 be read a third time.

Against: Councillor Chu

MOTION CARRIED

6.3 BYLAW TABULATIONS

6.3.1 Tabulation of Bylaw to Amend the East Stoney Area Structure Plan Bylaw 23P2017

Moved by Councillor Chahal

Seconded by Councillor Magliocca

That with respect to Bylaw Tabulation to Amend the East Stoney Area Structure Plan Bylaw 23P2017, the following be adopted:

That Council give second and third reading, as amended, to Bylaw 69P2018.

MOTION CARRIED

That Bylaw 69P2018 be read as second time, **as amended**.

MOTION CARRIED

That Bylaw 69P2018 be read a third time, **as amended**.

MOTION CARRIED

7. URGENT BUSINESS

7.1 Update on Visionary Work (Verbal), ECA2018-1154

7.2 Update on Engagement (Verbal), ECA2018-1155

7.3 Third Party Economic Impact Evaluation (Verbal), ECA2018-1156

A PowerPoint presentation entitled "A Bold Vision for Calgary's Culture & Entertainment District, with respect to Reports ECA2018-1154, ECA2018-1155 and ECA2018-1156, was distributed.

Speakers

1. Michael Brown, Calgary Municipal Land Corporation

2. Claire LePan, Calgary Municipal Land Corporation

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, Section 78(1)(c), was suspended by general consent, to allow Council to complete Items 7.1, 7.2, and 7.3, prior to the scheduled recess.

Moved by Councillor Davison

Seconded by Councillor Keating

That with respect to Reports ECA2018-1154, ECA2018-1155 and ECA2018-1156, be the following be adopted:

That Council direct the Event Centre Assessment Committee, on behalf of the City, re-engage in partnership conversations with Calgary Sport and Entertainment Corporation regarding a new Event Centre within the culture and entertainment district, based on the revised principles adopted by Council in Report ECA2018-0942.

Against: Councillor Farrell

MOTION CARRIED

Council recessed at 3:25 p.m. and reconvened at 4:00 p.m. with Mayor Nenshi in the Chair.

8. CONFIDENTIAL ITEMS

8.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

Moved by Councillor Gondek

Seconded by Councillor Chahal

That pursuant to Sections 17 and 24 of the *Freedom of Information and Protection of Privacy Act*, Council now move into Closed Meeting, at 9:40 a.m. in the Council Boardroom to discuss a confidential matter with respect to the Item 8.1.1, Report C2018-1198.

MOTION CARRIED

Council moved into Public Meeting at 10:04 a.m., with Mayor Nenshi in the Chair.

Moved by Councillor Sutherland

Seconded by Councillor Carra

That Council rise and report.

MOTION CARRIED

8.1.1 Personnel Matter #1 (Verbal), C2018-1198

Administration in attendance during the Closed Meeting discussions with respect to Report C2018-1198:

Clerk: J. Dubetz, D. Williams. Legal: G. Cole, R. Andersen. External Advice: B. Thiessen. Observer: H. Spicer.

A confidential attachment was received for the Corporate Record with respect to Verbal Report C2018-1198.

Moved by Councillor Gondek
Seconded by Councillor Sutherland

That with respect to Report C2018-1198, the following be adopted:

That Council direct:

1. That the closed meeting discussions and attachment on Personnel Matter C2018-1198 remain confidential pursuant to Sections 17 and 24 of the *Freedom of Information and Protection of Privacy Act*; and
2. That the attachment on Personnel Matter C2018-1198 be made public on or before 31 December 2018.

MOTION CARRIED

8.2 URGENT BUSINESS

Moved by Councillor Colley-Urquhart
Seconded by Councillor Jones

That pursuant to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*, Council now move into Closed Meeting, at 4:47 p.m. in the Council Lounge to discuss a confidential matter with respect to the Item 8.2.1, Report VR2018-0083.

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 Sutherland, and Councillor Woolley

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

MOTION CARRIED

Council moved into Public Meeting at 5:27 p.m. with Mayor Nenshi in the Chair.

Moved by Councillor Sutherland
Seconded by Councillor Jones

That Council rise and report.

MOTION CARRIED

8.2.1 Personnel Matter #2 (Verbal), VR2018-0083

Administration in attendance during the Closed Meeting discussions with respect to Report VR2018-0083:

Clerk: L. Kennedy Legal: G. Cole Observer: B. Stevens.

Moved by Councillor Colley-Urquhart
Seconded by Councillor Farrell

That with respect to VR2018-0083, the following be adopted:

That Council direct that the closed meeting discussions on Personnel Matter VR2018-0083 remain confidential pursuant to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*.

Against: Councillor Farkas

MOTION CARRIED

9. ADJOURNMENT

Moved by Councillor Jones

Seconded by Councillor Sutherland

That this Council adjourn at 5:28 p.m.

ROLL CALL VOTE

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

MOTION CARRIED

MAYOR

CITY CLERK



MINUTES

NOMINATIONS COMMITTEE

**October 10, 2018, 9:30 AM
LEGAL TRADITIONS COMMITTEE ROOM**

PRESENT:

Mayor N. Nenshi
Councillor G. Chahal
Councillor J. Davison
Councillor J. Farkas
Councillor R. Jones

ALSO PRESENT:

Councillor J. Gondek
City Clerk L. Kennedy
Deputy City Clerk B. Hilford
Acting City Clerk J. Dubetz
Governance & Policy Coordinator R. Bly
Governance Administrator C. Coulombe

1. CALL TO ORDER

Mayor Nenshi called the Meeting to order at 9:32 a.m.

2. ELECTION OF VICE-CHAIR

Following nominations procedure, Councillor Jones was elected as Vice-Chair, by acclamation.

3. CONFIRMATION OF AGENDA

Moved by Councillor Jones

That the Agenda for the 2018 October 10 Regular Meeting of the Nominations Committee be confirmed.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Regular Meeting of the Nominations Committee, 2016 December 14

Moved by Mayor Nenshi

That the Minutes of the Regular Meeting of the Nominations Committee held on 2016 December 14, be confirmed.

MOTION CARRIED

5. CONFIDENTIAL ITEMS

Moved by Councillor Jones

That pursuant to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*, the Nominations Committee move into Closed Meeting, at 9:35 a.m., to consider confidential matters with respect to the following Reports:

- N2018-1036;
- N2018-1072;
- N2018-1071; and
- C2018-1145.

MOTION CARRIED

Committee moved into Public Meeting at 2:28 p.m. with Mayor Nenshi in the Chair.

Moved by Councillor Jones

That Committee rise and report.

MOTION CARRIED

5.1 Consideration of Shortlists Submitted by Boards, Commissions and Committees (BCCs) for Public Member Appointments, N2018-1036

5.1.3 Calgary Aboriginal Urban Affairs Committee

5.1.4 Calgary Heritage Authority

5.1.5 Calgary Parking Authority

5.1.5.1 Public Member Appointments to the Calgary Parking Authority
Supplementary, N2018-1071

5.1.6 Calgary Transit Access Eligibility Appeal Board

5.1.7 Calgary Transit Public Safety Citizen Oversight Committee

5.1.8 Licence and Community Standards Appeal Board

5.1.9 Public Art Board

5.1.1 Advisory Committee on Accessibility

5.1.2 BiodiverCity Advisory Committee

5.1.10 Subdivision and Development Appeal Board

5.1.11 Urban Design Review Panel

5.1.12 Social Wellbeing Advisory Committee

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, Section 78(2)(a) was suspended by general consent, in order that the Nominations Committee extend lunch recess by 15 minutes.

Committee recessed at 12:00 p.m. and reconvened in Closed Meeting at 1:17 p.m. with Vice Chair Jones in the Chair.

Mayor resumed the Chair in Closed Meeting at 1:19 p.m.

Moved by Councillor Jones

That with respect to Report N2018-1036, the Nominations Committee recommends:

1. That Council approve Administration Recommendations 1 and 2, as amended in Addendum 1;
2. That Council approve the Nominations Committee Recommendation contained in Addendum 2; and
3. That Council release report N2018-1036 as a public document, and direct that Attachments 1 – 12, all other confidential selection materials and the Addendums to report N2018-1036 remain confidential pursuant to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

5.1.5.1 Public Member Appointments to the Calgary Parking Authority Supplementary, N2018-1071

Moved by Councillor Davison

That with respect to Report N2018-1071, the Nominations Committee recommends:

1. That Council approve Administration Recommendation 1; and
2. That Council release report N2018-1071 as a public document, and direct that its Attachments remain confidential pursuant to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

5.2 Consideration of Public Member Appointments to Boards, Commissions and Committees

- 5.2.1 Audit Committee
- 5.2.2 Calgary Airport Authority
- 5.2.3 Calgary Planning Commission
- 5.2.4 Calgary Police Commission
- 5.2.5 Calgary Technologies Inc.
- 5.2.6 Combative Sports Commission

5.2.7 Saddledome Foundation

Moved by Councillor Jones

That with respect to Report N2018-1072, the Nominations Committee recommends:

1. That Council approve the Nominations Committee's recommended appointments, as contained in the Addendum 1 to Report N2018-1072;
2. That Council approve the Nominations Committee Recommendation contained in Addendum 2; and
3. That Council release report N2018-1072 as a public document, and direct that Attachments 1 – 7, all other confidential selection materials and Addendums 1-2 to report N2018-1072 remain confidential pursuant to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

5.3 Civic Partner Appointments, C2018-1145

Moved by Councillor Jones

That with respect to Report C2018-1145, the Nominations Committee recommends:

1. That Council approve Administration Recommendations 1 – 5; and
2. That Council direct that Report C2018-1145 and Attachments 1 – 5 remain confidential pursuant to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

5.4 URGENT BUSINESS

None

6. ADJOURNMENT

Moved by Councillor Jones

That this meeting adjourn at 2:33 p.m.

MOTION CARRIED

The following items have been forwarded to the 2018 October 22 Organizational Meeting of Council:

Consideration of Shortlists Submitted by Boards, Commissions and Committees (BCCs) for Public Member Appointments, N2018-1036

Consideration of Public Member Appointments to Boards, Commissions and Committees, N2018-1072

Civic Partner Appointments, C2018-1145

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK

UNCONFIRMED



MINUTES

SPECIAL MEETING OF COUNCIL

RE: ONE CALGARY 2019-2022 AND RE: 2026 OLYMPIC AND PARALYMPIC WINTER GAMES ASSESSMENT

**October 11, 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 S. Keating
Councillor J. Magliocca
Councillor W. Sutherland
Councillor E. Woolley

ALSO PRESENT:

Deputy City Manager B. Stevens
City Solicitor and General Counsel G. Cole
General Manager and One Calgary Executive Sponsor S. Dalgleish
Acting General Manager C. Collier
General Manager D. Duckworth
General Manager R. Stanley
General Manager M. Thompson
Acting Chief Financial Officer C. Male
Acting General Manager K. Black
Acting City Clerk B. Hilford
Legislative Assistant M. A. Cario
Legislative Assistant D. Williams

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.

3. CONFIRMATION OF AGENDA

The Agenda for today's Meeting was confirmed by general consent.

4. UNFINISHED BUSINESS

None

5. POSTPONED REPORTS

None

6. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 6.1 One Calgary 2019-2022: Citizen research and engagement findings, C2018-1150

Stuart Dalglish, General Manager and One Calgary Executive Sponsor provided introductory comments with respect to Item 6.1, One Calgary 2019-2022: Citizen research and engagement findings, C2018-1150.

A PowerPoint Presentation entitled "One Calgary: 2019-2022 Service Plans and Budgets Special Meeting of Council", dated 2018 October 11, was distributed with respect to Reports C2018-1150, C2018-1148 and C2018-1149.

Moved by Councillor Chu

Seconded by Councillor Sutherland

That with respect to Report C2018-1150, the following be adopted:

That Council receive Report C2018-1150 for information.

MOTION CARRIED

- 6.2 One Calgary 2019-2022: Service plan preview feedback on enabling services, C2018-1148

Stuart Dalglish, General Manager and One Calgary Executive Sponsor provided introductory comments with respect to Item 6.2. One Calgary 2019-2022: Service plan preview feedback on enabling services, C2018-1148.

Moved by Councillor Chu

Seconded by Councillor Magliocca

That with respect to Report C2018-1148, the following be adopted:

That Council receive Report for information.

MOTION CARRIED

- 6.3 One Calgary 2019-2022: Update prior to finalizing proposed service plans and budgets, C2018-1149

Distributions with respect to Report C2018-1149:

- a Revised Page 10 of 10 to Attachment 1
- a Revised Page 2 of 3, Version 2 to Attachment 2

City Treasurer Male, General Manager Dalgleish, and Deputy City Manager Stevens provided comments.

Moved by Councillor Chahal

Seconded by Councillor Demong

That pursuant to Sections 24 and 25 of the *Freedom of Information and Protection of Privacy Act*, Council now move into Closed Meeting, at 10:05 a.m., in the Council Boardroom to discuss confidential matters with respect to the following Items:

- 6.3 One Calgary 2019-2022: Update prior to finalizing proposed service plans and budgets, C2018-1149;
- 7.1 One Calgary 2019-2022 Preliminary 2019 Property Assessment Update (Verbal), C2018-1203; and
- 6.4 2026 Olympic and Paralympic Winter Games City Secretariat Update, OPC2018-1146.

ROLL CALL VOTE

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

Against: (1): Councillor Farkas

MOTION CARRIED

Council recessed at 12:00 p.m. and reconvened in Closed Meeting at 1:18 p.m., with Mayor Nenshi in the Chair.

Council recessed at 3:19 p.m. and reconvened in Closed Meeting at 3:54 p.m. with Mayor Nenshi in the Chair.

Council reconvened in Public Meeting at 5:32 p.m., with Mayor Nenshi in the Chair.

Moved by Councillor Woolley

Seconded by Councillor Sutherland

That Council rise and report.

MOTION CARRIED

A Confidential PowerPoint presentation entitled "Material Unfunded Investment Analysis", dated 2018 October 11, with respect to Report C2018-1149, was received for the Corporate Record during the Closed Meeting Portion of today's Meeting.

Administration in attendance during the Closed Meeting discussions with respect to Report C2018-1149:

Clerk: B. Hilford, M. A. Cario, D. Williams. Legal: G. Cole. Advice: C. Male, B. Stevens, M. Thompson, S. McMullen. Observer: S. Dalgleish, K. Black, R. Stanley, D. Duckworth, C. Collier, N. Karpa, M. Perpeluk.

Pursuant to Section 6(1) of Procedure Bylaw 35M2017, Section 78(c) was suspended by general consent to allow Council to complete the remainder of the Agenda, prior to the scheduled 6:00 p.m. recess.

Mayor Nenshi left the Chair at 6:34 p.m. and Councillor Farrell assumed the Chair.

Moved by Councillor Chu

Seconded by Councillor Woolley

That with respect to Report C2018-1149, the following be adopted, **after amendment:**

That Council:

1. Receive this report for information.
2. Direct Administration to include in the 2018 November 14 One Calgary report to Council advice on potential additional investments and financing required in regard to the issues identified on the **Revised v2** Page 2 of Attachment 2 to C2018-1149, or, if information is not yet available for any of the issues, a status update and date when the information will be provided; and
3. Direct Administration to provide, by no later than 2018 Q4, a priority investment and financing plan for the potential material unfunded investments identified on page 15 of C2018-1149, or, if information is not yet available for any of the potential material unfunded investments, a status update and date when the information will be provided.
4. Direct that the Closed Meeting discussions with respect to Report C2018-1149 and the PowerPoint presentation be kept confidential pursuant to Sections 24 and 25 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

Moved by Councillor Colley-Urquhart

Seconded by Councillor Demong

That with respect to Report C2018-1149, the following be adopted:

Refer the proposed public portion of the PowerPoint presentation entitled "Material Unfunded Investment Analysis" to the 2018 October 30 Priorities and Finance Committee Meeting.

MOTION CARRIED

REVISED MATERIAL

6.3.1 Revised Page 10 to Attachment 1

6.3.2 Revised Page 2 to Attachment 2

6.4 2026 Olympic and Paralympic Winter Games City Secretariat Update, OPC2018-1146

Moved by Councillor Woolley

Seconded by Councillor Colley-Urquhart

That with respect to Report OPC2018-1146, the following be adopted:

That Council:

1. Receive this Report for information; and
2. Direct that the Closed Meeting discussions with respect to Report OPC2018-1146 be kept confidential pursuant to Section 23, 24, 25, and 27 of the *Freedom of Information and Protection of Privacy Act*.

Against: Councillor Farkas

MOTION CARRIED

7. CONFIDENTIAL ITEMS

7.1 One Calgary 2019-2022 Preliminary 2019 Property Assessment Update (Verbal), C2018-1203

A Confidential PowerPoint presentation entitled "Item 7.1 One Calgary 2019-2022: Preliminary 2019 Non-Residential Property Assessment Update", dated 2018 October 11, with respect to Report C2018-1203, was received for the Corporate Record during the Closed Meeting Portion of today's Meeting.

Administration in attendance during the Closed Meeting discussions with respect to Report C2018-1203:

Clerk: L. Kennedy, B. Hilford, M. A. Cario, D. Williams. Legal: G. Cole. Advice: N. Karpa, B. Stevens. Observer: S. Dalgleish, M. Thompson, S. McMullen, K. Black, R. Stanley, D. Duckworth, C. Male, M. Perpeluk.

Moved by Councillor Keating

Seconded by Councillor Colley-Urquhart

That with respect to Verbal Report C2018-1203, the following be adopted:

That Council:

1. Receive this Verbal Report for information; and

MOTION CARRIED

Moved by Councillor Keating

Seconded by Councillor Colley-Urquhart

That with respect to Verbal Report C2018-1203, the following be adopted:

That Council

2. Direct that the Closed Meeting discussions and the PowerPoint presentation

with respect to Verbal Report C2018-1203 be kept confidential pursuant to Section 24 of the *Freedom of Information and Protection of Privacy Act*.

ROLL CALL VOTE

For: (7): Mayor Nenshi, Councillor Chahal, Councillor Colley-Urquhart, Councillor Davison, Councillor Jones, Councillor Keating, and Councillor Woolley

Against: (7): Councillor Chu, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Magliocca, and Councillor Sutherland

MOTION DEFEATED

Moved by Councillor Farrell

Seconded by Councillor Colley-Urquhart

That Council reconsider their decision with respect to Item 7.1, Verbal Report C2018-1203.

MOTION CARRIED

Moved by Councillor Farrell

Seconded by Councillor Colley-Urquhart

That with respect to Verbal Report C2018-1203, the following be adopted:

That Council:

1. Refer Verbal Report C2018-1203 to the 2018 October 30 Priorities and Finance Committee Meeting; and
2. Direct that the Closed Meeting discussions and the PowerPoint presentation with respect to Verbal Report C2018-1203 be kept confidential pursuant to Section 24 of the *Freedom of Information and Protection of Privacy Act*.

ROLL CALL VOTE

For: (9): Mayor Nenshi, Councillor Chahal, Councillor Colley-Urquhart, Councillor Davison, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, and Councillor Woolley

Against: (5): Councillor Chu, Councillor Demong, Councillor Farkas, Councillor Magliocca, and Councillor Sutherland

MOTION CARRIED

8. **ADJOURNMENT**

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

That this Council adjourn at 7:00 p.m.

ROLL CALL VOTE

For: (11): Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

Against: (1): Councillor Jones

MOTION CARRIED

MAYOR

CITY CLERK

UNCONFIRMED



MINUTES
REGULAR MEETING OF COUNCIL

October 15, 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:

Deputy City Manager B. Stevens
City Solicitor and General Counsel G. Cole
Acting Chief Financial Officer C. Male
General Manager S. Dalglish
Acting General Manager K. Black
General Manager R. Stanley
Acting General Manager R. Valdarchi
General Manager D. Duckworth
General Manager M. Thompson
Acting City Clerk B. Hilford
Legislative Recorder L. McDougall
Legislative Recorder J. Lord Charest
Legislative Assistant D. Williams

1. CALL TO ORDER

Mayor Nenshi called the Meeting to order at 9:31 a.m.

2. OPENING REMARKS

Mayor Nenshi provided opening remarks and called for a moment of quiet contemplation.

Pursuant to Section 6(1) of the Procedure Bylaw, Section 48 was suspended by general consent in order that Council bring forward the Presentations and Recognitions to be dealt with prior to the rest of the Agenda.

3. QUESTION PERIOD

1. Councillor Carra

Topic: Provisions in Bylaw 5M2004 that prohibits the accumulation of materials likely to attract pests.

2. Councillor Demong

Topic: Snow Tires on Transit Vehicles.

3. Councillor Chu

Topic: Provincial Government Funding for the 2026 Olympic and Paralympic Bid.

4. CONFIRMATION OF AGENDA

A letter from the Chinatown District BIA and the Calgary Chinatown Community Association, Re: Cultural Plan/ Local Area Plan for Chinatown, dated 2018 October 11, was distributed with respect to Reports PFC2018-1107 and PFC2018-1133.

Moved by Councillor Farrell

Seconded by Councillor Chu

That Council bring forward, the following items, and that they be referred to Administration to reduce the forecasted budget/contingency by refining the project scope and by continuing to work with external partners, including Urban Alliance, returning to Council no later than Q1 2019:

- Item 9.3.4, Report PFC2018-1107, and
- Item 9.3.5, Report PFC2018-1133.

MOTION CARRIED

Councillor Carra introduced a group of Grade 6 students for the Alice Jamieson Girls' Academy in Ward 9, along with their teacher.

Moved by Councillor Demong

Seconded by Councillor Sutherland

That the Agenda for today's Meeting, as amended, be further amended by adding an item of Urgent Business entitled "Integrated Watershed Management Strategic Meeting - Deferral Request", Report UCS2018-1177, and further that this report be brought forward to be dealt with during the Consent Agenda.

MOTION CARRIED

Moved by Councillor Sutherland

Seconded by Councillor Demong

That the Agenda for today's Meeting, as amended, be further amended by adding an item of Urgent Business entitled "Regional Water Allocation", Report UCS2018-1050.

MOTION CARRIED

Moved by Councillor Demong
Seconded by Councillor Chu

That the Agenda for today's Meeting, as amended, be further amended by adding an item of Confidential Urgent Business entitled "Negotiations and Discussions, Project Financing Update (Verbal)", Report VR2018-0084, pursuant to Sections 23, 24 and 25 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

Moved by Councillor Davison
Seconded by Councillor Magliocca

That the Agenda for the 2018 October 15 Regular Meeting of Council be confirmed, **as amended**.

MOTION CARRIED

5. CONFIRMATION OF MINUTES

Moved by Councillor Demong
Seconded by Councillor Farkas

That the following Minutes be confirmed:

- 5.1 Minutes of the Combined Meeting of Council, 2018 September 24
- 5.2 Minutes of the Special Meeting of Council, 2018 September 25

MOTION CARRIED

6. PRESENTATION(S) AND RECOGNITION(S)

- 6.1 ESRI Award of Excellence
- 6.2 Canadian Network of Asset Management - Tereo Award
- 6.3 2018 Alberta's Minister's Award for Municipal Excellence - Municipally-Owned Internet of Things Wireless Network Project

7. CONSENT AGENDA

Moved by Councillor Colley-Urquhart
Seconded by Councillor Carra

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

- 7.1 Open Data Initiative Audit, AC2018-1008
- 7.3 Safer Mobility Plan Annual Report 2018 - Deferral, TT2018-1110
- 7.4 Hyperloop Development and Testing in Calgary, TT2018-1054

- 7.5 Green Line Update, TT2018-1089
- 7.6 Assessment and Tax Circumstances Report, PFC2018-1118
- 7.7 Integrated Watershed Management Strategic Meeting – Deferral Request, UCS2018-1171

MOTION CARRIED

- 7.1 Open Data Initiative Audit, AC2018-1008
- 7.2 Revised Prevention Investment Framework with Mental Health & Addictions, CPS2018-1096

Moved by Councillor Colley-Urquhart
Seconded by Councillor Carra

That with respect to Report CPS2018-1096, the following be adopted:

That Council approve the revised Terms of Reference for the Prevention Investment Framework (Attachment 1), to provide guidelines for awarding 2019 funds, as directed in Notice of Motion C2018-0956.

Against: Councillor Demong

MOTION CARRIED

- 7.3 Safer Mobility Plan Annual Report 2018 - Deferral, TT2018-1110
- 7.4 Hyperloop Development and Testing in Calgary, TT2018-1054
- 7.5 Green Line Update, TT2018-1089
- 7.6 Assessment and Tax Circumstances Report, PFC2018-1118
- 7.7 Integrated Watershed Management Strategic Meeting – Deferral Request, UCS2018-1171

Report UCS2018-1171 was added to the Consent Agenda as an item of Urgent Business at Confirmation of Agenda.

8. POSTPONED REPORTS

None

9. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

9.1 OFFICER OF COUNCIL REPORTS

None

9.2 ADMINISTRATION REPORTS

- 9.2.1 Multilingual Communications and Engagement Policy Report to Council, C2018-1082

A PowerPoint presentation, entitled "Multilingual Communications & Engagement Policy", dated 2018 October 15, was distributed with respect to Report C2018-1082.

Moved by Councillor Chahal

Seconded by Councillor Colley-Urquhart

That with respect to Report C2018-1082, the following be approved:

That Council:

1. Approve the short-term communications and engagement approach for translation and increasing access for multicultural communities.

MOTION CARRIED

9.3 COMMITTEE REPORTS

9.3.1 City Auditor's Office 2019-2020 Audit Plan, AC2018-0998

Moved by Councillor Woolley

Seconded by Councillor Demong

That with respect to Report AC2018-0998, the following be approved:

That Council:

1. Approve the City Auditor's Office 2019-2020 Audit Plan and forward to Council for formal presentation; and
2. Recommend that Council receive for information Report AC2018-0998 and the formal presentation of the City Auditor's Office 2019-2020 Audit Plan;

MOTION CARRIED

9.3.2 Emotional Support Animals Within the Responsible Pet Ownership Bylaw, CPS2018-1121

Moved by Councillor Gondek

Seconded by Councillor Colley-Urquhart

That with respect to Report CPS2018-1121, the following be adopted:

That Council give three readings to proposed Bylaw 45M2018, to amend the Responsible Pet Ownership Bylaw 23M2006.

Against: S. Chu

MOTION CARRIED

That Bylaw 45M2018 be introduced and read a first time.

Again: S. Chu

MOTION CARRIED

That Bylaw 45M2018 be read a second time.

Against: S. Chu

MOTION CARRIED

That authorization now be given to read Bylaw 45M2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 45M2018 be read a third time.

Against: S. Chu

MOTION CARRIED

9.3.3 Wheelchair Accessible Taxi Service (Formerly Accessible Taxi Initiatives), CPS2018-1033

A document entitled "Calgary Transit Services for Those with Mobility Needs", with respect to Report CPS2018-1033, was distributed with respect to Report CPS2018-1033.

Moved by Councillor Carra

Seconded by Councillor Chahal

That with respect to Report CPS2018-1033, the following be adopted:

That Council:

1. Give three readings to proposed Bylaw 46M2018 to amend the Livery Transport Bylaw 6M2007 contained in Attachment 2;
2. Direct Administration to monitor the effectiveness of the Accessible Taxi Incentive Program and report back to Council through the SPC on Community and Protective Services, no later than 2021 Q1;
3. Endorse Option 2 in Attachment 4 to pilot a third party accessible taxi centralized dispatch; and
4. Direct that the one-time funding request of \$350K in 2019 and \$350K in 2020 to support a two-year Centralized Dispatch pilot project be referred to the One Calgary budget deliberations in 2018 November.

Against: S. Chu and D. Colley-Urquhart

That Bylaw 46M2018 be introduced and read a first time.

Against: S. Chu and D. Colley-Urquhart

MOTION CARRIED

That Bylaw 46M2018 be read a second time.

Against: S. Chu and D. Colley-Urquhart

MOTION CARRIED

That authorization now be given to read Bylaw 46M2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 46M2018 be read a third time.

Against: S. Chu and D. Colley-Urquhart

MOTION CARRIED

Moved by Councillor Chahal

Seconded by Councillor Chu

That with respect to Report CPS2018-1033, the following Motion Arising be adopted:

That Given Council's direction to implement an accessible taxi centralized dispatch system, Council direct Calgary Transit and Law to evaluate opportunities for expanded customer offerings through the Access Calgary Extra (ACE) Card and Calgary Transit Access programs, and that Administration reports back to Council on this matter through the SPC on CPS by the end of Q1 2019.

MOTION CARRIED

- 9.3.4 Chinatown Cultural Plan and Local Area Plan – Update on Funding and External Partnerships, PFC2018-1107

Report PFC2018-1107 was referred to Administration to return to Council no later than Q1 2019 during Confirmation of Agenda.

- 9.3.5 Council Innovation Fund Application, Council Sponsor: Councillor Druh Farrell and Councillor Sean Chu, Internal Sponsor(s): Community Planning & Calgary Recreation, Name of Project: Chinatown Cultural Plan and Area Redevelopment Plan, PFC2018-1133

Report PFC2018-1133 was referred to Administration to return to Council no later than Q1 2019 during Confirmation of Agenda.

10. ITEMS DIRECTLY TO COUNCIL

10.1 NOTICE(S) OF MOTION

10.1.1 Pathway Closure and Detour Improvements, C2018-1117

A letter, written by Bike Calgary, Re: Pathway Closure and Detour Improvements, dated 2018 October 13, was distributed with respect to Report C2018-1117.

Moved by Councillor Farrell
Seconded by Councillor Carra

That with respect to Notice of Motion C2018-1117, the following be approved:

NOW THEREFORE BE IT RESOLVED that City Council directs City Administration to develop a consistent inter-departmental strategy to better manage pathway closures and detours, with particular consideration to:

1. Advanced on-site and digital communications to pathway users and local stakeholders;
2. Improved pathway signage that is clear and legible at both walking and cycling speeds;
3. Improved and more intuitive en route detour signage that is similar to detours for automobile-related closures;
4. Improved barrier implementation that more consistently prevents access to construction sites by pathway users;
5. Providing detour routes that offer similar accessibility, comfort, and safety for users of all ages and abilities wherever possible;
6. Providing temporary mid-block and intersection modifications on detour routes, where necessary, to improve the function of those routes for the influx of all age and ability users who are walking and cycling;
7. Clearer and more consistent expectations for contractors on pathway closures and detours, with proactive inspections from City Administration to ensure proper execution;
8. Improved coordination between Parks, Transportation, and other departments on closure timing and detour routes.

MOTION CARRIED

10.1.2 Reforming Council's Closed-Door Meetings, C2018-1218

Moved by Councillor Sutherland
Seconded by Councillor Demong

That Notice of Motion C2018-1218, Reforming Council's Closed-Door Meetings, be referred to Administration to be incorporated into the work directed by Council at the 2018 April 05 Combined Meeting of Council, in Notice of Motion C2018-0405, Ensuring Efficiency, Transparency and Appropriate use of Closed Meetings for Council Business, which is to return to Council, through the Priorities and Finance Committee, no later than Q4 2018.

MOTION CARRIED

Excerpt of the minutes of the 2018 April 05 Meeting of Council:

"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"

10.1.3 Business Advisory Committee, C2018-1219

A clerical correction was noted to Notice of Motion C2018-1219, in the second AND FURTHER BE IT RESOLVED, second line of by deleting the date "October 20th" immediately following the words "during the", and substituting with the dated "October 22nd".

Council recessed at 12:00 p.m. and reconvened at 1:17 p.m. with Deputy Mayor Farrell in the Chair.

Mayor Nenshi resumed the Chair at 1:21 p.m. and Councillor Farrell returned to her regular seat in Council.

Moved by Councillor Farkas

Seconded by Councillor Magliocca

That the first 'AND FURHTER BE IT RESOLVED' contained in Notice of Motion C2018-1219 be amended by deleting the words "(one Councillor to serve as Chair)", following the words 'Business Advisory Committee'.

For: (4): Mayor Nenshi, Councillor Chu, Councillor Farkas, and Councillor Farrell

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

MOTION DEFEATED

Moved by Councillor Sutherland
Seconded by Councillor Demong

That with respect to Notice of Motion C2018-1219, the following be adopted, **after amendment**:

NOW THEREFORE BE IT RESOLVED that Council support the creation of the Business Advisory Committee;

AND FURTHER IT BE RESOLVED that Council nominate two (2) Councillors to serve as members of the Business Advisory Committee (one Councillor to serve as Chair) during the **October 22nd** Organizational Meeting of Council;

AND FURTHER IT BE RESOLVED that the Business Advisory Committee report back to Priority and Finance Committee **on an as yet to be determined basis**;

AND FURTHER IT BE RESOLVED that the Business Advisory Committee brings back a proposed terms of reference no later than December 2018.

Against: J. Farkas

MOTION CARRIED

10.1.4 Genesis Centre Outdoor Artificial Turf Community Field, C2018-1212

The following documents were distributed with respect to Notice of Motion C2018-1212:

- A Revised Notice of Motion, C2018-1212; and
- A package containing 22 letters of support.

Item 10.1.4, Genesis Centre Outdoor Artificial Turf Community Field, C2018-1212, was postponed to the Call of the Chair.

Item 10.1.4, Genesis Centre Outdoor Artificial Turf Community Field, C2018-1212, was brought forward and dealt with at this time.

Moved by Councillor Chahal
Seconded by Councillor Jones

That with respect to Notice of Motion C2018-1212, the following amendments be adopted:

In Recommendation 1, by adding the words "from the Fiscal Stability Reserve (FSR) following the words "one-time budget increase" and by

adding the words "contingent on capital investment from the Genesis Centre," following the words "next to the Genesis Centre,";

In Recommendation 2, by adding the words "from the FSR" following the words "one-time budget increase"; and

In Recommendation 2(b)(i), by adding the words "The Genesis Centre will then be responsible for all ongoing operations and maintenance of the field, with no further operating funding from the City of Calgary for this project."

ROLL CALL VOTE

For: (12): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Jones, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

Against: (2): Councillor Colley-Urquhart, and Councillor Gondek

MOTION CARRIED

Moved by Councillor Chahal
Seconded by Councillor Jones

That with respect to Revised Notice of Motion C2018-1212, the following be adopted, **as amended**:

NOW THEREFORE BE IT RESOLVED, that Council:

1. Approve a one-time budget increase **from the Fiscal Stability Reserve (FSR)** to Recreation Capital Program #507 in the amount of \$2 million for the investment of an outdoor artificial turf community field next to the Genesis Centre, **contingent on capital investment from the Genesis Centre**, and another order of government and/or partners to cover the full cost of the capital required for the development, design, and construction of an artificial turf field.
2. Approve a one-time budget increase **from the FSR** to Recreation Capital Program #507 in the amount of \$150 thousand and direct Administration to:
 - a. Confirm the capital investments from partners, that this investment is secured and in alignment with City policies; and
 - b. Direct Administration to, once confirmation of 2(a) is received,
 - i. Expand the Lease boundary of the North East Centre of Community Society (Genesis Centre) to include the new artificial turf field as part of their recreational amenity package upon completion of the project. **The Genesis Centre will then be responsible for all ongoing operations and maintenance of the field, with no further operating funding from the City of Calgary for this project.**
 - ii. Proceed with appropriate planning, design and permitting for the construction of an outdoor artificial turf community field next to the Genesis Centre.

Against: Councillor Colley-Urquhart and Councillor Gondek

MOTION CARRIED

10.2 BYLAW TABULATIONS

10.2.1 Tabulation of Bylaws 38P2018 and 191D2018

The following documents were distributed, with respect to the Tabulation of Bylaws 38P2018 and 191D2018:

- A letter written by Gravity Architecture Corporation, Re: 235 14 Av NE LOC2017-0399, dated 2018 August 20; and
- A letter written by Troy Wolfe, Re: Application LOC2017-0399, dated 2018 October 09.

Moved by Councillor Farrell

Seconded by Councillor Carra

That with respect to Bylaw Tabulations, the following be approved:

1. That Council give second and third reading to Bylaw 38P2018; and
2. That council give second and third reading to Bylaw 191D2018.

Against: S. Chu

MOTION CARRIED

That Bylaw 38P2018 be read a second time.

Against: S. Chu

MOTION CARRIED

That Bylaw 38P2018 be read a third time.

Against: S. Chu

MOTION CARRIED

That Bylaw 191D2018 be read a second time.

Against: S. Chu

MOTION CARRIED

That Bylaw 191D2018 be read a third time.

Against: S. Chu

MOTION CARRIED

10.3 MISCELLANEOUS BUSINESS

None

11. URGENT BUSINESS

11.1 Regional Water Allocation, UCS2018-1050

Moved by Councillor Sutherland
Seconded by Councillor Chahal

That with respect to Report UCS2018-1050, the following be approved:

That Council Direct Administration to allocate, for 2019 – 2022, 11,400 ML of water within The City of Calgary's Annual Water Licence capacity to provide water services to existing customers outside the City in accordance with their regional servicing agreements (Attachment 1).

MOTION CARRIED

12. CONFIDENTIAL ITEMS

Moved by Councillor Colley-Urquhart
Seconded by Councillor Woolley

That pursuant to Sections 16, 23, 24, 25 and 27 of the Freedom of Information and Protection of Privacy Act, Council now move into Closed Meeting, at 2:30 p.m. in the Council Boardroom, to discuss confidential matters with respect to the following items:

- 12.2.1, Gas, Power and Telecommunications Mandate, GPT2018-0770;
- 12.2.2, Regional Servicing Update, C2018-1132;
- 12.2.3, Proposed Land Exchange- Greenbriar Development Corporation (Closed Meeting), C2018-1172;
- 12.2.4, Alberta Utilities Commission Proceedings, C2018-1224;
- 12.2.5, Confidential Project Update (Verbal), C2018-1161; and
- 12.3.1, Negotiations and Discussions, Project Financing Update (Verbal), VR2018-0084.

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

Council recessed, in Closed Meeting, at 3:20 p.m.

Council reconvened, in Closed Meeting at 3:54 p.m., with Deputy Mayor Farrell in the Chair.

Mayor Nenshi resumed the Chair at 3:55 p.m. and Council Farrell returned to her regular seat in Council.

Council reconvened in public session, at 6:03 p.m., with Mayor Nenshi in the Chair.

Moved by Councillor Chahal
Seconded by Councillor Gondek

That Council rise without reporting.

MOTION CARRIED

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, Section 78(1)(c) was suspended, by general consent, in order that Council may complete the remainder of today's Agenda prior to the scheduled 6:00 p.m. recess.

Moved by Councillor Sutherland

Seconded by Councillor Carra

That pursuant to Sections 16, 23, 24, 25 and 27 of the Freedom of Information and Protection of Privacy Act, Council now reconvene into Closed Meeting, at 6:14 p.m., in the Council Boardroom, to continue confidential discussions with respect to the following items:

- 12.2.1 Gas, Power and Telecommunications Mandate, GPT2018-0770; and
- 12.2.4 Alberta Utilities Commission Proceedings, C2018-1224

MOTION CARRIED

Council reconvened in public session, at 6:24 p.m., with Mayor Nenshi in the Chair.

Moved by Councillor Demong

Seconded by Councillor Chahal

That Council rise and report.

MOTION CARRIED

12.1 CONSENT AGENDA

None

12.2 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

12.2.1 Gas, Power and Telecommunications Mandate, GPT2018-0770

Administration in attendance during the Closed Meeting discussions with respect to Report GPT2018-0770:

Clerk: B. Hilford and L. McDougall. Legal: G. Cole. Advice: B. Stevens, C. Male. Observer: M. Thompson.

Moved by Councillor Chu

Seconded by Councillor Farrell

That with respect to Report GPT2018-0770, the following be approved:

That Council direct that this Report, Attachments and closed meeting discussions remain confidential pursuant to section 23 of the *Freedom of Information and Protection of Privacy Act*, until all matters referred to in the attachments are completed or resolved.

MOTION CARRIED

12.2.2 Regional Servicing Update, C2018-1132

A confidential document, which is to remain confidential pursuant to Sections 23, 24 and 25 of the *Freedom of Information and Protection of Privacy Act*, was distributed with respect to Report C2018-1132.

Administration in attendance during the Closed Meeting discussions with respect to Report C2018-1132:

Clerk: B. Hilford and L. McDougall. Legal: G. Cole and D. Mercer. Advice: C. Bowen, R. Dueck and A. McIntyre. Observer: B. Stevens, M. Thompson, C. Male, R. Valdarchi, N. Harckham, H. Sandhu and S. Abbot

Moved by Councillor Demong
Seconded by Councillor Carra

That with respect to Report C2018-1132, the following be adopted:

That Council:

1. Adopt the Recommendations contained in Report C2018-1132; and
2. Direct that Report, confidential discussions, presentation and attachments remain confidential pursuant to Sections 23, 24 and 25 of the *Freedom of Information and Protection of Privacy Act*, until all agreements have been finalized.

MOTION CARRIED

12.2.3 Proposed Land Exchange- Greenbriar Development Corporation (Closed Meeting), C2018-1172

A confidential document, which is to remain confidential pursuant to Section 24 of the *Freedom of Information and Protection of Privacy Act*, was distributed with respect to Report C2018-1172.

Administration in attendance during the Closed Meeting discussions with respect to Report C2018-1172:

Clerk: B. Hilford and L. McDougall. Legal: G. Cole. Advice: B. Stevens and C. Male. Observer: M. Thompson.

Moved by Councillor Sutherland
Seconded by Councillor Davison

With respect to Notice of Motion C2018-1172, the following be approved:

NOW THEREFORE BE IT RESOLVED That Council:

1. Adopt the resolution as contained in Notice of Motion C2018-1132; and
2. Direct that the Motion and confidential discussions, remain confidential pursuant to Sections 24 and 25 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

12.2.4 Alberta Utilities Commission Proceedings, C2018-1224

Confidential documents, which are to remain confidential pursuant to Sections 16, 23, 24 and 25 of the *Freedom of Information and Protection of Privacy Act*, were distributed with respect to Report C2018-1132.

A confidential document, which is to remain confidential pursuant to Sections 16, 23, 24 and 25 of the *Freedom of Information and Protection of Privacy Act*, was received for the Corporate Record with respect to Report C2018-1132.

Administration in attendance during the Closed Meeting discussions with respect to Report C2018-1224:

Clerk: B. Hilford and L. McDougall. Legal: G. Cole. Advice: B. Stevens, C. Male. Observer: M. Thompson. External Presenter: G. Melchin, A. Manes, D. Stephenson and E. Young.

Moved by Councillor Colley-Urquhart

Seconded by Councillor Chu

That with respect to Notice of Motion C2018-1224, the following be adopted, **after amendment**:

NOW THEREFORE BE IT RESOLVED that Council:

1. Adopt the **Amended Recommendations** contained in Notice of Motion C2018-1224; and
2. Direct that the Notice Motion, confidential presentation, distribution, and discussions, remain confidential pursuant to Sections 16, 23, 24, 25 and 27 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

12.2.5 Project Update (Verbal), C2018-1161

A clerical correction was noted to the titled of Verbal Report C2018-1161, by deleting the word "Confidential".

Administration in attendance during the Closed Meeting discussions with respect to Report C2018-1172:

Clerk: B. Hilford and L. McDougall. Legal: G. Cole. Advice: M. Thompson. Observer: B. Stevens and C. Male.

Moved by Councillor Davison

Seconded by Councillor Sutherland

That with respect to Project Update (Verbal), C2018-1161, the following be adopted:

That Council direct that the closed meeting discussions remain confidential subject to Section 24 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

12.3 URGENT BUSINESS

12.3.1 Discussions and Negotiation, Project Financing Update (Verbal), VR2018-0084

A confidential document, which is to remain confidential pursuant to Sections 23, 24 and 25 of the *Freedom of Information and Protection of Privacy Act*, was received for the Corporate Record with respect to Report VR2018-0084.

Administration in attendance during the Closed Meeting discussions with respect to Report C2018-1172:

Clerk: B. Hilford and L. McDougall. Legal: G. Cole. Advice: B. Stevens, C. Male and M. Thompson.

Moved by Councillor Carra
Seconded by Councillor Gondek

That with respect to Verbal Report VR2018-0084, the following be adopted:

That Council:

1. Adopt the Recommendations as contained in Attachment 1; and
2. Direct that the closed meeting discussions, Attachment 1 and presentation remain confidential subject to Sections 23, 24 and 25 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

13. ADMINISTRATIVE INQUIRIES

13.1 Administration's Response to Councillor Keating's Administrative Inquiry Submitted at the 2018 September 10 Combined Meeting of Council, AI2018-04

13.2 Administration's Response to Councillor Demong's Administrative Inquiry Submitted at the 2018 September 10 Combined Meeting of Council, AI2018-05

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, Section 75(2) was suspended, by general consent, to allow Council to debate Item AI2018-05.

Moved by Councillor Demong
Seconded by Councillor Farkas

That with respect to Administrative Inquiry AI2018-05, the following Motion Arising be adopted:

That Council amend Council Policy CC001, as follows:

- Page 1 of 3, Section 1, Background, first sentence by adding the words, “,including the Priorities and Finance Committee,” following the words “As approved in C2011-08, *Online Archive of Legislative Video*, audiovisual recordings (video) of Regular Council and Standing Policy Committee meetings.”;
- Page 1 of 3, Section 2, Purpose, first sentence by adding the words “,including the Priorities and Finance Committee,” following the words “Standing Policy Committee (SPC) meetings”; and
- Page 1 of 3, Section 3, Policy, first sentence by adding the words “,including the Priorities and Finance Committee,” following the words “Standing Policy Committee meetings”.

And further, that this be put into force immediately.

MOTION CARRIED

13.3 Administrative Inquiry: Councillor Keating and Councillor Woolley

In March 2017 Council approved the land use for a significant infill development on the former Highland Park golf course lands close to a future Centre Street LRT station. Prior to development proceeding the City has to complete a regional drainage study and has been working co-operatively with the Highland Park landowner in that context. We had a brief update on this study earlier this year and heard that the proposed regional drainage plan recommendation involved the City's use of the Highland Park lands.

Below is a list of questions relative to this study and potential City land purchase, and having regard to our budget discussions commencing November 26th. It would be helpful for Council to receive a response prior to budget deliberations.

1. What is the current status of the Confederation Park Regional Drainage Study, Draft Final Report, May 31, 2018?
2. The draft report recommendation is to utilize the former Highland Park golf course essentially as a stormwater reservoir (in the one in one hundred year event). What is the estimated cost to purchase this private land?
3. Did Administration (Water Resources) consider whether it could utilize the City-owned lands upstream to address the stormwater issue, i.e. could it store water on the Confederation Golf Course, Confederation Park and/or Queens Park cemetery lands? Has the cost of this option been addressed relative to the Highland Park development land purchase option?
4. If not analyzed, why were these existing City-owned lands with extensive open spaces, particularly for catastrophic stormwater events, not considered?
5. Is the recommended land purchase and some associated stormwater infrastructure included in the upcoming 2019-2022 budget discussions?
6. If not included in the upcoming proposed 4-year budget, what is the next step to resolve this situation working in cooperation with the landowner/developer of the Highland Park lands?

7. What is the process for the City to acquire private lands for a public purpose if there is an inability to reach an agreement between the City and the private landowner?

14. ADJOURNMENT

Mayor Nenshi, on behalf of Council, recognized and thanked Julien Lord Charest and Libbey McDougall, Legislative Assistants, for many years of dedicated service to City Council. He further advised that although both Mr. Lord Charest and Ms. McDougall will continue to work for The City of Calgary in new capacities, their contributions to Council will be truly missed.

Moved by Councillor Jones
Seconded by Councillor Colley-Urquhart

This is Council adjourn at 6:31 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



MINUTES

ORGANIZATIONAL MEETING OF COUNCIL

**October 22, 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 S. Keating
Councillor J. Magliocca
Councillor W. Sutherland
Councillor E. Woolley

ALSO PRESENT:

City Manager J. Fielding
City Solicitor and General Counsel G. Cole
City Clerk L. Kennedy
Acting City Clerk B. Hilford
Acting City Clerk J. Dubetz
Acting City Clerk R. Bly
Acting City Clerk C. Coulombe

1. CALL TO ORDER

Mayor Nenshi called today's meeting to order at 9:31 a.m.

2. OPENING REMARKS

Mayor Nenshi provided opening remarks and called for a moment of quiet contemplation.

INTRODUCTION

Councillor Magliocca introduced a group of students from Arbour Lake School in Ward 2, along with their teacher Jane Mowbray.

3. CONFIRMATION OF AGENDA

Moved by Councillor Demong
Seconded by Councillor Chahal

That the Agenda for today's meeting be amended by adding 2 items of Urgent Business, as follows:

- 8.1, Scheduling of a Special Meeting of the Gas, Power and Telecommunications Committee (Verbal), C2018-1263; and
- 8.2, Revision to the 2018 November 14 One Calgary Operating and Capital Budget Plan Start Time (Verbal), C2018-1264.

CARRIED

Moved by Councillor Sutherland

Seconded by Councillor Carra

That the Agenda for today's meeting, as amended, be further amended by adding 3 items of Confidential Urgent Business, as follows:

- 9.1, Gas, Power and Telecommunications Update, C2018-1262;
- 9.2, Greenline Update (Verbal), VR2018-0089; and
- 9.3, Legal Briefing (Verbal), VR2018-0090.

CARRIED

Moved by Councillor Jones

Seconded by Councillor Sutherland

That the Agenda for the 2018 October 22 Organizational Meeting of Council be confirmed, **as amended**.

CARRIED

4. APPOINT AND CONVENE A PRO-TEM NOMINATING COMMITTEE

Moved by Councillor Chahal

Seconded by Councillor Davison

That Councillors Colley-Urquhart, Keating, Magliocca and Sutherland be appointed to the Pro-Tem Nominating Committee with Mayor Nenshi as an Ex-Officio member.

CARRIED

Moved by Councillor Keating

Seconded by Councillor Davison

That Council recess at 9:35 a.m. and that, pursuant to Section 19 of *the Freedom of Information and Protection of Privacy Act*, the Pro-Tem Nominating Committee move into Closed Meeting, in the Council Lounge, for the purpose of nominating seven Councillors to each of the four Standing Policy Committees.

CARRIED

Administration in attendance during the Closed Meeting discussions with respect to the Pro-Tem nominations:

Clerk: B. Hilford, C. Coulombe.

The Pro-Tem Nominating Committee moved to a public meeting and adjourned at 9:47 a.m.

Council reconvened in the Council Chamber at 9:47 a.m. with Mayor Nenshi in the Chair.

5. REPORT OF THE PRO-TEM NOMINATING COMMITTEE FOR THE APPOINTMENT OF SPC MEMBERS

5.1 SPC on Community and Protective Services

Clerk Note: This SPC forms the membership of the Emergency Management Committee

Moved by Councillor Sutherland

Seconded by Councillor Colley-Urquhart

That the Recommendation of the Pro-Tem Nominating Committee with respect to membership of the SPC on Community and Protective Services be adopted, as follows, with terms effective 2018 October 23 and expiring at the 2019 Organizational Meeting of Council:

- Councillor Carra
- Councillor Chu
- Councillor Colley-Urquhart
- Councillor Gondek
- Councillor Jones
- Councillor Magliocca
- Councillor Woolley

And further, that the closed meeting discussions remain confidential pursuant to Section 19 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

5.2 SPC on Planning and Urban Development

Moved by Councillor Sutherland

Seconded by Councillor Colley-Urquhart

That the Recommendation of the Pro-Tem Nominating Committee with respect to membership of the SPC on Planning and Urban Development be adopted, as follows, with terms effective 2018 October 23 and expiring at the 2019 Organizational Meeting of Council:

- Councillor Davison
- Councillor Demong
- Councillor Farrell
- Councillor Gondek
- Councillor Jones

- Councillor Magliocca
- Councillor Sutherland

And further, that the closed meeting discussions remain confidential pursuant to Section 19 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

5.3 SPC on Transportation and Transit

Moved by Councillor Sutherland

Seconded by Councillor Colley-Urquhart

That the Recommendation of the Pro-Tem Nominating Committee with respect to membership of the SPC on Transportation and Transit be adopted, as follows, with terms effective 2018 October 23 and expiring at the 2019 Organizational Meeting of Council:

- Councillor Carra
- Councillor Chahal
- Councillor Chu
- Councillor Davison
- Councillor Farkas
- Councillor Keating
- Councillor Woolley

And further, that the closed meeting discussions remain confidential pursuant to Section 19 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

5.4 SPC on Utilities and Corporate Services

Moved by Councillor Sutherland

Seconded by Councillor Colley-Urquhart

That the Recommendation of the Pro-Tem Nominating Committee with respect to membership of the SPC on Utilities and Corporate Services be adopted, as follows, with terms effective 2018 October 23 and expiring at the 2019 Organizational Meeting of Council:

- Councillor Chahal
- Councillor Colley-Urquhart
- Councillor Demong
- Councillor Farkas
- Councillor Farrell
- Councillor Keating
- Councillor Sutherland

And further, that the closed meeting discussions remain confidential pursuant to Section 19 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

Council recessed at 9:54 a.m. by general consent, to the Call of the Chair, in order for the Standing Policy Committees to conduct the election of Chairs and Vice-Chairs.

Council reconvened in the Council Chamber at 10:03 a.m. with Mayor Nenshi in the Chair.

Moved by Councillor Jones

Seconded by Councillor Farkas

That, pursuant to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*, Council recess at 10:04 p.m., to reconvene in Closed Meeting, in the Council Boardroom, to consider the Councillor and Public Member appointments to various Boards, Commissions and Committees, with respect to the following items and Reports:

- Councillor Appointments to Boards, Commissions and Committees (Verbal);
- Wholly-Owned Subsidiary Councillor Appointment Process, C2018-1240;
- Potential Councillor Appointments, and Report C2018-1241;
- Public Member Appointments to Boards, Commissions and Committees, N2018-1036 and N2018-1072;
- Appointment of Chair for the SDAB (Verbal), C2018-1249; and
- Public Member Civic Partner Appointments, C2018-1145.

ROLL CALL VOTE

For: (15): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

CARRIED

Council recessed from their Closed meeting at 12:03 p.m. and reconvened at 1:19 p.m. in Closed meeting in the Council Boardroom.

6. CONFIDENTIAL ITEMS

Council reconvened in the Council Chamber at 3:02 p.m. with Mayor Nenshi in the Chair.

Moved by Councillor Chahal

Seconded by Councillor Davison

That Council rise and report on Councillor and Citizen appointments to Boards, Commissions and Committees.

CARRIED

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

That all confidential ballots with respect to the 2018 October 22 Organizational meeting of Council be destroyed upon conclusion of the meeting.

CARRIED

6.1 Councillor Appointments to Boards Commissions and Committees

6.1.1 Councillor Appointments to Standing Specialized Committees

6.1.1.1 Audit Committee

6.1.1.2 Gas, Power and Telecommunications Committee

6.1.1.3 Intergovernmental Affairs Committee

6.1.1.4 Priorities and Finance Committee

Moved by Councillor Woolley

Seconded by Councillor Chahal

That with respect to the Councillor and Citizen Audit Committee membership, the following Motion Arising be adopted:

That Council extend the terms of all Audit Committee Members expiring at the 2018 Organizational meeting for an additional week, to expire on October 29, 2018.

CARRIED

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

Omnibus Motion

That with respect to the Councillor appointments to Standing Specialized Committees, Council hereby appoints Councillors as set out below, with the terms to expire at the 2019 Organizational Meeting of Council:

Audit Committee

Terms to begin on 2018 October 29

- Councillor Carra
- Councillor Farkas
- Councillor Gondek
- Councillor Woolley
- Mayor Nenshi – Ex-Officio

Gas, Power and Telecommunications Committee

- Councillor Chu

- Councillor Davison
- Councillor Farkas
- Councillor Farrell
- Mayor Nenshi – Ex-Officio

Intergovernmental Affairs Committee

- Mayor Nenshi – Chair
- Councillor Carra (CMRB Representative)
- Councillor Chahal IMC-Rocky View Representative)
- Councillor Demong (AUMA and IMC-Foothills Representative)
- Councillor Farkas
- Councillor Jones (IMC-Chestermere Representative)
- Councillor Magliocca (FCM Representative)

Priorities and Finance Committee

- Mayor Nenshi – Chair
- Councillor Chu (Citizen-at-Large)
- Councillor Colley-Urquhart (SPC on Community and Protective Services Chair)
- Councillor Gondek (SPC on Planning and Urban Development Chair)
- Councillor Keating (SPC on Transportation and Transit Chair)
- Councillor Sutherland (SPC on Utilities and Corporate Services Chair)
- To be appointed – Chair of Audit Committee.

CARRIED

6.1.2 Councillor Appointments to Other Boards, Commissions and Committees

- 6.1.2.1 2026 Olympic and Paralympic Winter Games Council Committee
- 6.1.2.2 Alberta Urban Municipalities Association
- 6.1.2.3 Calgary Aboriginal Urban Affairs Committee
- 6.1.2.4 Calgary Convention Centre Authority
- 6.1.2.5 Calgary Homeless Foundation
- 6.1.2.6 Calgary Metropolitan Region Board
- 6.1.2.7 Calgary Parking Authority
- 6.1.2.8 Calgary Planning Commission
- 6.1.2.9 Calgary Police Commission
- 6.1.2.10 Calgary Public Library Board

- 6.1.2.11 Calgary Stampede Board
- 6.1.2.12 Co-ordinating Committee of the Councillors' Office
- 6.1.2.13 Family and Community Support Services Association of Alberta
- 6.1.2.14 Federation of Canadian Municipalities
- 6.1.2.15 Inter-Municipal Committee - Foothills
- 6.1.2.16 The City of Calgary and The City of Chestermere Intermunicipal Committee
- 6.1.2.17 Inter-Municipal Committee - Rocky View
- 6.1.2.18 Nominations Committee
- 6.1.2.19 Pathways and Bikeways Project Steering Committee
- 6.1.2.20 Silvera for Seniors

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

Omnibus Motion

That with respect to the Councillor appointments to other Boards, Commissions and Committees:

1. Council hereby appoints Councillors as set out below, with the terms to expire at the 2019 Organizational Meeting of Council unless otherwise indicated:

2026 Olympic And Paralympic Winter Games Assessment

- Mayor Nenshi
- Councillor Colley-Urquhart
- Councillor Demong
- Councillor Farrell
- Councillor Jones
- Councillor Magliocca
- Councillor Woolley

Alberta Urban Municipalities Association

Term to expire at the 2020 Organizational Meeting of Council:

- Councillor Sutherland

Continuing Term to 2019 Organizational Meeting of Council

- Councillor Demong

Calgary Aboriginal Urban Affairs Committee

- Councillor Colley-Urquhart

Calgary Convention Centre Authority

- Mayor Nenshi
- Councillor Colley-Urquhart

Calgary General Hospital Legacy Fund Review Committee

Continuing Term With No Set End

- Councillor Carra

Calgary Homeless Foundation

- Councillor Woolley

Calgary Metropolitan Region Board (CMRB)

- Mayor Nenshi
- Councillor Carra (alternate)

CMRB Sub-Committee, Land Use

- Councillor Carra
- Councillor Gondek (alternate)

CMRB Sub-Committee, Intermunicipal Servicing

- Councillor Carra
- Councillor Gondek (alternate)

CMRB Sub-Committee, Advocacy

- Councillor Chahal
- Councillor Gondek (alternate)

Calgary Parking Authority

- Councillor Chu
- Councillor Davison

Calgary Planning Commission

- Mayor Nenshi
- Councillor Chahal
- Councillor Woolley

Calgary Police Commission

Term to expire on 2020 October 31:

- Councillor Sutherland

Continuing Term to 2019 Organizational Meeting of Council

- Councillor Gondek

Calgary Public Library Board

Terms to expire at the 2021 Organizational Meeting of Council:

- Councillor Farrell
- Councillor Woolley

Calgary Stampede Board

- Councillor Magliocca
- Councillor Sutherland

Community Representation Framework Task Force

Continuing Appointments Until Mandate Complete

- Councillor Carra
- Councillor Demong
- Councillor Farkas
- Councillor Woolley

Co-ordinating Committee of the Councillors' Office

- Councillor Chu
- Councillor Colley-Urquhart
- Councillor Farkas
- Councillor Farrell
- Councillor Jones
- Mayor Nenshi – Ex-Officio

Corporate Pension Governance Committee

Continuing Term with No Set End

- Councillor Colley-Urquhart
- Councillor Jones

Emergency Management Committee

Clerk's Note: The membership of the SPC on Community and Protective Services is the membership of Emergency Management Committee

- Councillor Colley-Urquhart – Chair
- Councillor Carra – Vice-Chair
- Councillor Chu
- Councillor Gondek
- Councillor Jones
- Councillor Magliocca
- Councillor Woolley
- Mayor Nenshi – Ex-Officio

Event Centre Assessment Committee

Continuing terms to expire at the 2019 Organizational Meeting of Council:

- Councillor Davison
- Councillor Keating
- Councillor Sutherland

Family and Community Support Services Association of Alberta

- Councillor Carra

Federation of Canadian Municipalities

Term from AGM to AGM

- Councillor Magliocca

The City of Calgary and The City of Chestermere Inter-Municipal Committee

- Councillor Carra
- Councillor Jones

Inter-Municipal Committee – Foothills

- Councillor Colley-Urquhart
- Councillor Demong
- Councillor Keating

Inter-Municipal Committee – Rocky View

- Councillor Chahal
- Councillor Gondek

Local Emergency Committee

- Mayor Nenshi

Nominations Committee

- Mayor Nenshi – Chair
- Councillor Chahal
- Councillor Davison
- Councillor Farkas
- Councillor Jones

Pathways and Bikeways Project Steering Committee

- Councillor Colley-Urquhart
- Councillor Farrell

CARRIED

6.1.3 Wholly-Owned Subsidiary Councillor Appointment Process, C2018-1240

- 6.1.3.1 Attainable Homes Calgary Corporation
- 6.1.3.2 Calgary Arts Development Authority
- 6.1.3.3 Calgary Economic Development Ltd.
- 6.1.3.4 Calhome Properties Ltd. Operating as Calgary Housing Company
- 6.1.3.5 Calgary Municipal Land Corporation
- 6.1.3.6 Opportunity Calgary Investment Fund (formerly Economic Development Investment Fund)
- 6.1.3.7 Enmax Corporation

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

That with respect to Report C2018-1240, Council:

1. Confirm and approve the following appointments to the Boards of Directors of The City's wholly-owned subsidiaries:
 1. Attainable Homes Calgary Corporation, Councillor Chahal with a term to expire at the 2019 Organizational meeting;
 2. Calgary Arts Development Authority, Councillor Woolley with a term to expire at the 2019 Organizational meeting;

3. Calgary Economic Development Ltd, Councillor Davison with a term to expire at the 2019 Organizational meeting;
4. Calhome Properties Ltd. Operating as Calgary Housing Company, Councillors Farkas and Farrell, with continuing terms to expire at the 2020 Organizational meeting;
5. Calgary Municipal Land Corporation, Councillors Chahal and Gondek with terms to expire at the 2019 Organizational meeting; and
6. Enmax Corporation, Councillors Keating and Demong with terms to expire at the 2019 Organizational meeting;

CARRIED

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

That with respect to Report C2018-1240, Council:

To confirm new appointments,

1. Where the wholly-owned subsidiary has a shareholder approved Voting Procedure Resolution in place, execute the shareholder Resolution in following the process outlined in the procedure;
2. In the absence of a Voting Procedure Resolution, authorize the Mayor, or in the Mayor's absence, the Deputy Mayor, to execute a resolution on behalf of the shareholder of the wholly-owned subsidiaries appointing the Mayor or Councillor nominees for the term specified to the respective board of directors; and

CARRIED

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

That with respect to Report C2018-1240, Council:

3. Directs that the closed meeting discussions with respect to Report C2018-1240, remain confidential pursuant to Sections 17 and 19 of the Freedom of Information and Protection of Privacy Act.

CARRIED

6.1.4 Potential Councillor Appointments

- 6.1.4.1 Calgary Film Centre Appointment, C2018-1241
- 6.1.4.2 Inter-City Forum on Social Policy of Alberta
- 6.1.4.3 Business Advisory Committee

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

1. That with respect to Item 6.1.4, *Potential Councillor Appointments*, and Report C2018-1241, *Calgary Film Centre Appointments*, Council hereby appoints Councillors as set out below, with terms to expire at the 2019 Organizational Meeting of Council unless otherwise indicated:

Business Advisory Committee

- Councillor Sutherland – Chair
- Councillor Demong

Calgary Film Centre Ltd.

- Councillor Davison

Inter-City Forum on Social Policy

- Councillor Gondek

2. Council directs that the closed meeting discussions with respect to Report C2018-1241 and with respect to Other Potential Councillor Appointments, remain confidential pursuant to Sections 17 and 19 of the Freedom of Information and Protection of Privacy Act.

CARRIED

Moved by Councillor Colley-Urquhart

Seconded by Councillor Davison

That with respect to the Calgary Public Art Board, the following Motion Arising be adopted:

That Council direct Administration to amend the Corporate Public Art Council Policy, CSPA014, to add two Councillors to the member composition, and that Councillors Woolley and Keating be appointed as Council's representatives for one-year terms expiring at the 2019 Organizational Meeting of Council.

CARRIED

6.2 Public Member Appointments to Boards, Commissions and Committees

6.2.1 Consideration of Shortlists Submitted by Boards, Commissions and Committees (BCCs), N2018-1036

Moved by Councillor Jones
Seconded by Councillor Davison

That with respect to the Consideration of Short List Submissions by BCCs
For Public Member Appointments – N2018-1036, Council:

1. Thank all individuals who have put their names forward and hereby appoints Public Members as follows:

Advisory Committee on Accessibility

Terms to expire at the 2019 Organizational Meeting of Council:

- Bischoff, Shelly (Public member with a disability)
- McGregor, Jacob (Public member with a disability)
- McMeekin, Gregory (Public member with a disability)
- Corkum, Matthew Public member with a disability)

Terms to expire at the 2020 Organizational Meeting of Council:

- Brunner, Lauri (Public member with a disability)
- Ramji, Nabeel (Public member with a disability)
- Almond, Patrick (Public member representing seniors' community)
- Carmichael, Norah (Public member representing seniors' community)
- Armes, Carol (Citizen-at-Large)

Biodiversity Advisory Committee

Terms to expire at the 2019 Organizational Meeting of Council:

- Hlimi, Tawab (Public member, technical industry or research);

Terms to expire at the 2020 Organizational Meeting of Council:

- Al-Guneid, Nagwan (Citizen-at-Large);
- Brierley, Meaghan (Public member, ecological literacy);
- Chow, Geoff (Public member, technical industry or research);
- McFaul, John (Public member, technical industry or research); and
- Randall, Lea (Public member, technical industry or research).

Calgary Aboriginal Urban Affairs Committee

Terms to expire at the 2019 Organizational Meeting of Council:

- Shirt, Stephen Indigenous (Aboriginal);

Terms to expire at the 2020 Organizational Meeting of Council:

- Clearsky, Eileen Indigenous (Aboriginal);
- Fournie, Michelle Indigenous (Aboriginal);
- Hunt, Lisa Indigenous (Aboriginal);
- Korver, Annie Indigenous (Aboriginal); and
- Vaivada, Steven Indigenous (Aboriginal).

Calgary Heritage Authority

Terms to expire at the 2020 Organizational Meeting of Council:

- Shutiak, Laura (Elector).

Terms to expire at the 2021 Organizational Meeting of Council:

- Houry, Sami (Elector);
- Mendritzki, Volker (Elector);
- Morrison, David (Elector); and
- Tsenkova, Sasha (Elector).

Calgary Parking Authority

Terms to expire at the 2020 Organizational Meeting of Council:

- Chidley, Ellen (Elector);
- Osis, Andrew (Elector);
- Coutinho, Charmaine (Elector);
- Pantazopoulos, John (Elector); and
- Qureshi, Shahid (Elector).

Calgary Transit Access Eligibility Appeal Board

Terms to expire at the 2019 Organizational Meeting of Council:

- Herron, Scott (Public member with a disability or involvement);
- Hreys, Donna (Public member healthcare practitioner); and
- Lewkonja, Raymond (Public member healthcare practitioner).

Terms to expire at the 2020 Organizational Meeting of Council:

- Auktor, Chauntel (Public member with a disability or involvement);
- Mattinson, Shawna (Public member with a disability or involvement);
- Espana, Ximena (Citizen-at-Large); and
- Kucharski, Adam (Public member healthcare practitioner).

Calgary Transit Public Safety Citizen Oversight Committee

Term to expire at the 2021 Organizational Meeting of Council:

- Naveed, Afshan (Public Member).

Licence and Community Standards Appeal Board

Terms to begin on January 1, 2019 and to expire on December 31, 2019:

- Chaudhary, Asad (Public Member);
- Lewis, Jennifer (Public Member);
- Oldring, David (Public Member);
- Smith, Richard G (Public Member); and
- Snowdon, Dylan (Public Member).

Public Art Board

Terms to expire at the 2019 Organizational Meeting of Council:

- Simpson, Kayla (Visual Artist).

Terms to expire at the 2021 Organizational Meeting of Council:

- Shaikh, Linda (Visual Artist); and
- Fesko, Paul (Citizen-at-Large).

Social Wellbeing Advisory Committee

Terms to expire at the 2019 Organizational Meeting of Council:

- Briggs, Alexa (Representative of the Family & Community Support Services Calgary Forum);
- Danan, Karla (Public Member who has knowledge of the needs of and connections to networks of a diverse population)
- Meilleur, Sarah (Representative of the Cultural Leadership Council);
- Skierka, Lisa (Public Member with expertise in social innovation or social determinants of health);
- Douglas, Layne (Representative of the Advisory Committee on Accessibility);
- Kingsley, Jason (Public Member who has knowledge of the needs of and connections to networks of a diverse population)

Terms to expire at the 2020 Organizational Meeting of Council:

- Adejuwon, Adebayo (Public Member who has knowledge of the needs of and connections to networks of a diverse population);
- Boakye, Francis (Representative of the Calgary Local Immigration Partnership);
- Parker, Simone (Representative of the Calgary Aboriginal Urban Affairs Committee);

- Frideres, Jim (Public Member that is a faculty member of a post-secondary institution with experience advancing);
- Mehrer, Elsbeth (Representative of the Gender Equity and Diversity Strategy Committee); and
- Burns, Victoria (Representative of the Senior's Age Friendly Strategy Steering Committee).

Subdivision and Development Appeal Board

Terms to begin on January 1, 2019 and to expire on December 31, 2019:

- Funmi Abiiba (Public Member);
- Gary Belecki (Public Member);
- Kristi Beunder (Public Member);
- Collin Campbell (Public Member);
- Tim Creelman (Public Member);
- Iain Douglas (Public Member);
- Brent Foden (Public Member);
- Paul Mazumdar (Public Member);
- Robert Merchant (Public Member);
- Gordon Murray (Public Member);
- Nabeel Peermohamed (Public Member);
- Jacob Weber (Public Member); and
- Tanisha Singh (Public Member).

Terms to expire at the 2020 Organizational Meeting of Council:

- Sean Maclean (Public Member);
- Rijalda Ozulu (Public Member);
- Jim Palmer (Public Member);
- Judy Steele (Public Member);
- Jaydan Tait (Public Member); and
- Katherine Wagner (Public Member).

Urban Design Review Panel

Terms to expire at the 2020 Organizational Meeting of Council:

- Sydenham, Michael (Public Member representing the representing the Association of Professional Engineers and Geoscientists of Alberta);
- Klassen, Terry (Public Member representing the Alberta Association of Landscape Architects);
- Sandalack, Beverly (Public Member representing the Alberta Association of Landscape Architects);
- Friesen, Colin (Public Member representing the Alberta Association of Architects); and
- Russill, Chad (Public Member representing the Alberta Association of Architects).

2. Approve Reserve List appointments as contained in Addendum 1.a – 1.I **(as amended)**;
3. Approve the change of member type for Patrick Almond's service on the Advisory Committee on Accessibility, from Citizen-at-Large Member to Public Member Representing the Seniors' Community.
4. Unless otherwise specified, all appointments will expire on the later of:
 - a. The date of Council's Organizational Meeting in the year in which the appointment expires; or
 - b. The day of the appointment of the person's successor; and

CARRIED

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

That with respect to Report N2018-1036, the following Motion Arising be adopted:

That Council direct that the following Public Member resignations be accepted, and that they be thanked for their service:

- Deanna Picklyk and Anuya Pai, Advisory Committee on Accessibility;
- Abhishek Banerjee, BiodiverCity Advisory Committee
- Erika Topola and Michael McMordie, Calgary Heritage Authority;
- Carrie Phillips Kieser, Public Art Board.

CARRIED

Moved by Councillor Colley-Urquhart

Seconded by Councillor Sutherland

That with respect to Report N2018-1036, the following Motion Arising be adopted:

That Council direct Administration to:

1. Hire an external consultant with expertise in Indigenous governance, who, after being authorized by Administration, is to undertake a comprehensive review of Calgary Aboriginal Urban Affairs Committee (CAUAC) in conjunction with the work on developing an Indigenous Relations Office, and report back to Council in Q1 of 2019 with recommendations on modernizing the Terms of Reference.

2. Ensure that the work of the CAUAC review by the external consultant evolves into current best practice Indigenous governance in contrast to previous traditional colonial practices that have been a constraint in the past.
3. Ensure that the review provides a mechanism to meet the needs of Indigenous interests in Calgary.

CARRIED

6.2.2 Consideration of Public Member Appointments to Boards, Commissions and Committees, N2018-1072

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

That with respect to the Consideration of Other Public Member Appointments to BCCs – N2018-1072, Council:

1. Thank all individuals who have put their names forward and hereby appoints Public Members as follows:

Audit Committee

Term to expire at the 2020 Organizational Meeting of Council:

- Dalton, Mike (Elector).

Calgary Airport Authority

Terms to expire at the 2022 Organizational Meeting of Council:

- MacEachern, Grant (Director representing The City of Calgary).

Calgary Planning Commission

Terms to expire at the 2020 Organizational Meeting of Council:

- Gedy, Paul (Citizen);
- Juan, Lourdes (Citizen);
- Schmalz, Kelly (Citizen); and
- Palmiere, Andrew (Citizen representing Alberta Professional Planners Institute).

Calgary Police Commission

Terms to expire October 31 2020 or when a successor is appointed, whichever is later:

- Appoint Richard Sigurdson (Resident of Calgary);
- Adopt the appointment of 2 additional Public Members subject to the mandatory Calgary Police Service security check. Upon successful completion of the security check, names shall be made public.

Calgary Technologies Inc.

Terms to expire at the 2019 Organizational Meeting of Council:

- Furst, Dan (Elector);
- Herring, Heather (Elector); and
- Kamma, Sujatha (Elector).

Saddledome Foundation

With respect to the Saddledome Foundation, that the City Clerk, on behalf of City Council, forward the name of the nominated citizen to serve as one of The City of Calgary's three Directors on the Saddledome Foundation Board of Directors. The nominee is subject to appointment by the members of the Saddledome Foundation for a term of three years, to expire at the 2021 Organizational Meeting of Council.

Combative Sports Commission

Terms to expire at the 2019 Organizational Meeting of Council:

- Madigan, TJ (Resident) (Two-Thirds motion for term limit maximum); and
- Stunzi, Shirley (Resident) (Two-Thirds motion for term limit maximum)

Term to expire at the 2020 Organizational Meeting of Council:

- Ford, Chad (Resident).

2. Approve Reserve List appointments as contained in Addendum 1.a – 1.f **as amended**;
3. Unless otherwise specified, all appointments will expire on the later of:
 - a The date of Council's Organizational Meeting in the year in which the appointment expires; or
 - b The day of the appointment of the person's successor; and
4. Release Report N2018-1072 as a public document, and direct that Attachments 1 – 7, all other confidential selection materials and the Addendums to report N2018-1072 remain confidential pursuant to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

Moved by Councillor Sutherland

Seconded by Councillor Gondek

That with respect to Report N2018-1072, the following Motion Arising be adopted:

That Council direct that the resignation of Chris Salmon from the Calgary Police Commission be accepted, and that he be thanked for his service.

CARRIED

- 6.3 Appointment of Chair for the Subdivision and Development Appeal Board (Verbal), C2018-1249

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

That with respect to Report C2018-1249, the following be adopted:

That Council:

1. Appoint Bill Chomik as the Subdivision and Development Appeal Board Chair for 2019; and
2. Direct that the closed meeting discussions and confidential selection materials with respect to Verbal Report C2018-1249, remain confidential pursuant to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

6.4 Public Member Civic Partner Appointments, C2018-1145

6.4.1 Calgary Public Library Board

6.4.2 Calgary Convention Centre Authority

6.4.3 Silvera for Seniors

6.4.4 Tourism Calgary

6.4.5 Calgary Sports and Major Events Committee

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

Omnibus motion

That with respect to Report C2018-1145, Council:

1. Adopt the following Calgary Public Library Board appointments contained in Attachment 1 for three (3) year terms set to expire at the 2021 October Organizational Meeting of Council:

- Jocelyn Phu;
- Avnish Mehta; and
- Shereen Samuels.

2. Adopt the following Calgary Convention Centre Authority appointments contained in Attachment 2 for four (4) year terms set to expire at the 2022 Organizational Meeting of Council:

- Levonne Louie;
- Georgine Ulmer; and
- Leslie Weekes.

3. Adopt Silvera for Seniors appointments contained in the letter of clarification as follows:

Terms to expire at the 2019 Organizational Meeting of Council:

- Robert Easson; and
- Kelly Ogle.

Terms to expire at the 2021 Organizational Meeting of Council:

- Al Duerr;
- Judy MacLachlan;
- Doug Ng; and
- Lorraine Venturato.

4. Adopt the following Tourism Calgary appointment contained in Attachment 4 for a two (2) year term set to start at Tourism Calgary's 2019 May Annual General Meeting and expire 2021 May;

- Jeff Robinson.

5. Release the names of citizen Members appointed on 2018 July 30 by Council to the Calgary Sport and Major Events Committee as follows;

Terms to expire at the 2019 Organizational Meeting of Council:

- Bill Gray;
- Bob Hamilton;
- Brad Robertson;
- Dale Henwood;
- Ken King;
- Martha Hall Findlay; and
- Rod McKay.

Terms to expire at the 2020 Organizational Meeting of Council:

- Andy McCreath;
- Ian Allison;
- Karen MacNeill;
- Katherine Emberly;
- Mary Rozsa de Coquet; and
- Vicki Reid.

6. Approve Reserve List appointments as contained in Addendum 1.a – 1.d **(as amended)**; and

7. Direct that the closed meeting discussions, the report, Attachments 1 - 5 and the confidential selection materials remain confidential pursuant to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

Moved by Councillor Farrell
Seconded by Councillor Davison

That with respect to Report C2018-1145, the following Motion Arising be adopted:

That Council reconsider and then rescind its decision dated 2014 May 12, which directed that the Calgary Public Library Board engage a search consultant when conducting citizen recruitment campaigns.

CARRIED

7. ITEMS DIRECTLY TO COUNCIL

7.1 Administration Appointments to Boards, Commissions and Committees, C2018-1073

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

1. Appoint the Administration nominees to the Boards, Commissions and Committees with terms commencing 2018 October 22 and ending as contained in Attachment 1, **after amendment as follows:**
 - a. **On page 2 of 3, by adding a second Administration appointment under Silvera for Seniors – “City Treasurer or designate, 3-year term expiring at the 2021 Organizational meeting.”**
 - b. **On page 2 of 3, by adding a new Administrative appointment under the Inter-City Forum on Social Policy – Director, Calgary Neighbourhoods, or designate, 1-year term expiring at the 2019 Organizational meeting.”**
2. Receive for information the current Administration members that are continuing to serve on Boards, Commissions and Committees as contained in Attachment 2.

CARRIED

7.2 Authorization to Cover Meeting Costs of Council Representative to the Federation of Canadian Municipalities, C2018-0999

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

That Council agrees to cover all reasonable costs of attendance at meetings of the FCM National Board of Directors for its Member of Council representative to the FCM Board of Directors; such cost to be charged to Corporate Costs.

Against: Councillor Farkas

CARRIED

7.3 2018 BCC Advertising Campaign Statistics, C2018-1231

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

That Council accept this report and attachment for information.

CARRIED

7.4 2019 Deputy Mayor Roster and Related Duties, C2018-1000

Moved by Councillor Demong
Seconded by Councillor Chahal

That Council adopt the 2019 Deputy Mayor Roster from 2019 January 01 to 2019 December 31, **as amended**, as follows:

2019 Deputy Mayor Roster

January	Councillor Chu
February	Councillor Farkas
March	Councillor Farrell
April	Councillor Colley-Urquhart
May	Councillor Keating
June	Councillor Jones
July	Councillor Gondek
August	Councillor Demong
September	Councillor Carra
October	Councillor Sutherland
November	Councillor Magliocca
December	Councillor Chahal.

CARRIED

7.5 2018 - 2019 Council Seating Process, C2018-1001

Moved by Councillor Woolley
Seconded by Councillor Magliocca

That Council's decision dated 2017 December 11, which adopted amended Notice of Motion *Council Chamber Seating*, C2017-1179, be reconsidered.

ROLL CALL VOTE

For: (8): Councillor Carra, Councillor Chu, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Magliocca, and Councillor Woolley

Against: (7): Mayor Nenshi, Councillor Chahal, Councillor Colley-Urquhart, Councillor Gondek, Councillor Jones, Councillor Keating, and Councillor Sutherland

MOTION LOST

Note: A two-thirds affirmative vote is required for Reconsideration.

Moved by Councillor Davison
Seconded by Councillor Keating

That Council adopt the proposed 2018-2019 Council Chamber seating plan as set out in Attachment 1, **after amendment as follows:**

Seating positions beginning nearest to the North Council Chamber doors:

- **Councillor Farkas**
- **Councillor Demong**
- Councillor Chahal
- Councillor Keating
- **Councillor Woolley**
- **Councillor Sutherland**
- Councillor Gondek
- Mayor Nenshi
- Councillor Colley-Urquhart
- Councillor Carra
- Councillor Jones
- Councillor Farrell
- Councillor Davison
- Councillor Magliocca
- **Councillor Chu**

and ending nearest to the South Council Chamber doors, effective 2018 October 23 until the conclusion of the 2019 October Organizational Meeting of Council.

ROLL CALL VOTE

For: (11): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Farkas, Councillor Gondek, Councillor Jones, Councillor Keating, and Councillor Sutherland

Against: (4): Councillor Demong, Councillor Farrell, Councillor Magliocca, and Councillor Woolley

CARRIED

7.6 2019 Council Calendar and Bylaw 42M2018 to Amend the Procedure Bylaw, C2018-1116

Councillor Woolley participated remotely for this item (via phone).

Moved by Councillor Keating
Seconded by Councillor Demong

That Council:

1. Adopt the 2019 Council Calendar for the 2019 calendar year as contained in Attachment 1, **after amendment** as follows:

- **All meetings of the SPC on Planning and Urban Development to switch dates and times with all meetings of the SPC on Utilities and Corporate Services;**
- **Meetings of the Intergovernmental Affairs Committee on 2019 March 14, April 11, May 9, June 13 and October 10 be scheduled one week later on March 21, April 18, May 16, June 20 and October 17;**
- **Switch the dates of the December 9 Strategic Council meeting with the January 28 Strategic Council – Planning meeting.**

2. Give three readings to proposed Bylaw 42M2018 as contained in Attachment 2.

ROLL CALL VOTE

For: (15): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

CARRIED

That Bylaw 42M2018 be introduced and read a first time.

CARRIED

Moved by Councillor Colley-Urquhart
Seconded by Councillor Jones

That Bylaw 42M2018 be amended on page 1, section 2, by deleting the italicized words "*(scheduled as the first item of business following the 12:00 p.m. recess)*", following the words "Question period".

CARRIED

That Bylaw 42M2018 be read a second time, **as amended.**

CARRIED

That authorization now be given to read Bylaw 42M2018 a third time, **as amended.**

CARRIED UNANIMOUSLY

That Bylaw 42M2018 be read a third time, **as amended.**

CARRIED

8. URGENT BUSINESS

- 8.1 Scheduling of a Special Meeting of the Gas, Power and Telecommunications Committee (Verbal)- C2018-1263

Moved by Councillor Chu

Seconded by Councillor Magliocca

That Council file the verbal agenda item, "Scheduling of a Special Meeting of the Gas, Power and Telecommunications Committee, C2018-1263".

CARRIED

- 8.2 Revision to the 2018 November 14 One Calgary Operating and Capital Budget Plan Start Time (Verbal) - C2018-1264

Moved by Councillor Colley-Urquhart

Seconded by Councillor Magliocca

That with respect to "Revision to the 2018 November 14 One Calgary Operating and Capital Budget Plan Start Time (Verbal), C2018-1264", Council adopted the following:

That the start time of the 2018 November 14 One Calgary Operating and Capital Budget Plan meeting of Council be amended from 9:30 a.m. to 1:00 p.m.

CARRIED

Moved by Councillor Colley-Urquhart

Seconded by Councillor Farrell

That Council recess at 3:18 p.m. to reconvene, pursuant to Sections 16, 23, 24, 25 and 27 of the *Freedom of Information and Protection of Privacy Act*, in Closed Meeting, in the Council Boardroom, to consider the following items:

- Gas, Power and Telecommunications Update, C2018-1262;
- Greenline Update (Verbal), VR2018-0089; and
- Legal Briefing (Verbal), VR2018-0090.

ROLL CALL VOTE

For: (15): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

CARRIED

9. CONFIDENTIAL URGENT BUSINESS

Moved by Councillor Magliocca

Seconded by Councillor Chu

That Council rise and report at 5:20 p.m. with respect to Confidential Urgent Business items 9.1, 9.2 and 9.3.

CARRIED

9.1 Gas, Power and Telecommunications Update, C2018-1262

Confidential distributions with respect to Report C2018-1262:

- Report C2018-1262 and Attachments;
- Notice of Motion C2018-1224; and
- Amendments to resolutions contained in C2018-1224.

Administration in attendance during the Closed Meeting discussions with respect to Report C2018-1262:

Clerk: L. Kennedy, B. Hilford. Legal: G. Cole. Advice: C. Male, O. Shyllon, B. White. Observer: J. Fielding, B. Stevens.

Moved by Councillor Chu

Seconded by Councillor Farrell

1. That confidential Report C2018-1262 be postponed to the 2018 October 31 Special meeting of Council, as the first item of business; and
2. That the closed meeting discussions and distributions remain confidential pursuant to Sections 24 and 25 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

Moved by Councillor Colley-Urquhart

Seconded by Councillor Chu

That with respect to confidential Notice of Motion C2018-1224, as amended (Adopted by Council on 2018 October 15), the following be adopted:

1. That Council reconsider resolution #2; and
2. That Council replace the rescinded resolution #2, as follows:

"NOW THEREFORE BE IT RESOLVED that Council: 2. Direct that the Notice Motion, confidential presentation, distribution, and discussions, remain confidential pursuant to Sections 16, 23, 24, 25 and 27 of the *Freedom of Information and Protection of Privacy Act*"

with the following new resolution:

"NOW THEREFORE BE IT RESOLVED that Council: 2. Direct that the Notice Motion, confidential presentation, distribution, and discussions, remain confidential pursuant to Sections 16, 23, 24, 25 and 27 of the *Freedom of Information and Protection of Privacy Act*, except so far as Administration believes that this information should be shared with third parties."

CARRIED

9.2 Greenline Update (Verbal), VR2018-0089

Administration in attendance during the Closed Meeting discussions with respect to Report C2018-1262:

Clerk: L. Kennedy, B. Hilford. Legal: G. Cole. Presenter: M. Thompson. Observer: J. Fielding, B. Stevens.

Moved by Councillor Keating
Seconded by Councillor Carra

That with respect to Verbal Report VR2018-0089, the verbal presentation be received for information and the closed meeting discussions remain confidential pursuant to Section 24 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

9.3 Legal Briefing (Verbal), VR2018-0090

Administration in attendance during the Closed Meeting discussions with respect to Report C2018-1262:

Clerk: L. Kennedy, B. Hilford. Legal: G. Cole, M. Bendfeld. Advice: K. Hess, H. Reed-Fenske. Observer: J. Fielding, B. Stevens, B. Cullen.

Moved by Councillor Chu
Seconded by Councillor Farrell

That with respect to Verbal Report VR2018-0090, the verbal presentation be received for information and the closed meeting discussions remain confidential pursuant to Section 27 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

10. ADJOURNMENT

Moved by Councillor Jones
Seconded by Councillor Colley-Urquhart

That this meeting adjourn at 5:43 p.m.

ROLL CALL VOTE

For: (15): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

CARRIED

CONFIRMED BY COUNCIL ON

MAYOR

CITY CLERK

UNCONFIRMED



MINUTES
STRATEGIC MEETING OF COUNCIL

October 31, 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 S. Keating
Councillor J. Magliocca
Councillor W. Sutherland
Councillor E. Woolley

ALSO PRESENT:

City Manager J. Fielding
Acting Deputy City Manager C. Arthurs
City Solicitor and General Counsel G. Cole
Acting Chief Financial Officer C. Male
Acting General Manager K. Black
General Manager S. Dalglish
General Manager D. Duckworth
General Manager M. Thompson
City Clerk L. Kennedy
Acting City Clerk B. Hilford
Legislative Assistant M. A. Cario
Legislative Assistant D. Williams

1. CALL TO ORDER

Mayor Nenshi called today's Meeting to order at 9:34 a.m.

2. OPENING REMARKS

Mayor Nenshi provided opening remarks and called for a moment of quiet contemplation.

3. QUESTION PERIOD

1. Councillor Farkas

Topic: Interest Financing with respect to debt expenditures.

2. Councillor Magliocca

Topic: Green Bin Winter Pick Up cost savings to Calgarians.

4. CONFIRMATION OF AGENDA

Moved by Councillor Woolley

Seconded by Councillor Demong

That the Agenda for today's Meeting be amended, by adding an Item of Urgent Business entitled "2026 Olympic and Paralympic Winter Games Secretariat Update (Verbal), OPC2018-1275" and that it be brought forward to be dealt with as the first item of business following the Confirmation of the Agenda.

MOTION CARRIED

Moved by Councillor Colley-Urquhart

Seconded by Councillor Gondek

That the Agenda for today's Meeting be amended, by adding an Item of Urgent Business entitled "Reconsideration and Changes of Membership for the SPC on Transportation and Transit and SPC on Planning and Urban Development (Verbal), VR2018-0093".

MOTION CARRIED

Moved by Councillor Colley-Urquhart

Seconded by Councillor Gondek

That the Agenda for today's Meeting be amended, by adding an Item of Confidential Urgent Business entitled "Personnel Matter (Verbal), VR2018-0095".

MOTION CARRIED

Moved by Councillor Gondek

Seconded by Councillor Davison

That the Agenda for today's Meeting be amended, by adding an Item of Urgent Business entitled "Change Meeting Name of the 2019 January 28 from Strategic Meeting of Council to Strategic Council Meeting – 2019 Planning Session (Verbal), VR2018-0092".

MOTION CARRIED

Moved by Councillor Colley-Urquhart

Seconded by Councillor Gondek

That the Agenda for today's Meeting be amended, by bringing forward and referring Item 12.2.2, Working Together (Verbal), C2018-1281, to return to Council no later than Q1 2019".

MOTION CARRIED

Moved by Councillor Colley-Urquhart
Seconded by Councillor Jones

That the Agenda for the 2018 October 31 Strategic Meeting of Council be confirmed, **as amended.**

MOTION CARRIED

5. CONFIRMATION OF MINUTES

None

6. PRESENTATION(S) AND RECOGNITION(S)

None

7. CONSENT AGENDA

None

8. POSTPONED REPORTS

Moved by Councillor Farrell
Seconded by Councillor Colley-Urquhart

8.1 2019 Projected Tax Shift Non-Residential Properties, PFC2018-1134

8.2 Material Unfunded Investment Analysis (Verbal), PFC2018-1238

That with respect to Reports PFC2018-1134 and PFC2018-1238 the following be adopted:

That Council:

1. Postpone Item 8.1, 2019 Projected Tax Shift Non-Residential Properties, PFC2018-1134 and Item 8.2, Material Unfunded Investment Analysis (Verbal), PFC2018-1238 to the 2018 November 06 Regular Meeting of the Priorities and Finance Committee; and
2. Change the start time of the November 06 Regular Meeting of the Priorities and Finance Committee Meeting from 9:30 a.m. to 8:30 a.m.

MOTION CARRIED

9. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

9.1 OFFICER OF COUNCIL REPORTS

None

9.2 ADMINISTRATION REPORTS

None

9.3 COMMITTEE REPORTS

None

10. ITEMS DIRECTLY TO COUNCIL

10.1 NOTICE(S) OF MOTION

None

10.2 BYLAW TABULATIONS

None

10.3 MISCELLANEOUS BUSINESS

None

11. URGENT BUSINESS

11.1 2026 Olympic and Paralympic Winter Games Secretariat Update (Verbal), OPC2018-1275

Distributions were made with respect to Report OPC2018-1275:

- a letter dated 2018 October 12, from the Alberta Treasury Board and Finance, Joe Ceci, Minister of Finance;
- a letter, dated 2018 October 30, from the Calgary 2026 Bid Corporation;
- a PowerPoint presentation entitled "Calgary 2026, Calgary its your decision; and
- a document entitled "What Calgary is Paying".

Moved by Councillor Chu

Seconded by Councillor Magliocca

Pursuant to Section 6(1) of Procedure Bylaw 35M2017, as amended, Council suspend Section 77(b), for this item, to allow members of the public to come forward to address Council.

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

Against: (11): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farrell, Councillor Gondek, Councillor Keating, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

Pursuant to Section 6(1) of Procedure Bylaw 35M2017, as amended, Council suspend Section 77(b), for this item, by general consent, to allow Members of the Calgary 2026 Bid Corporation to come forward to address Council.

Speakers:

1. Scott Hutchenson, Calgary 2026 Bid Corporation ;
2. Mary Moran, Calgary 2026 Bid Corporation ;

3. Mary Conibear, Calgary 2026 Bid Corporation ;
4. Laura Kennedy, Returning Officer; and
5. Michael Brown, Calgary Municipal Land Corporation.

Council recessed at 12:02 p.m. and reconvened at 1:19 p.m. with Mayor Nenshi in the Chair.

Pursuant to Section 6(1) of Procedure Bylaw 35M2017, as amended, Council suspend Section 77 (c), for this item, by general consent, to allow Council to ask questions of clarification more than once and beyond the three minute time limit.

Councillor Magliocca introduced Tim Tierney, Councillor, from the City of Ottawa and Board of Director, for the Federation of Canadian Municipalities in attendance in the public gallery.

Pursuant to Section 6(1) of Procedure Bylaw 35M2017, as amended, Council suspend Section 78 1(b), by general consent, to complete this item.

Moved by Councillor Woolley

Seconded by Councillor Chu

That with respect to Verbal Report OPC2018-1275 the following be adopted:

That Council reconsider its 2018 September 11 decision set out in Report C2018-1005, being:

"1. In accordance with their decision of 2018 July 30, confirm that the vote of the electors on the matter on whether Calgary should host the 2026 Olympic and Paralympic Winter Games will be held on 2018 November 13."

RECORDED VOTE (Reconsider requires 10 votes to pass)

For: (8): Councillor Chu, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

Against: (7): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Colley-Urquhart, Councillor Davison, Councillor Jones, and Councillor Keating

MOTION DEFEATED

11.2 Reconsideration and Changes of Membership for the SPC on Transportation and Transit and SPC on Planning and Urban Development (Verbal), VR2018-0093

Moved by Councillor Keating

Seconded by Councillor Chahal

That with respect to Verbal Report VR2018-0093, the following be adopted:

That Council:

1. Reconsider their decision from Minutes of the 2018 October 22 Organizational Meeting, with respect to the appointment of the SPC Members for the SPC on Transportation and Transit;

2. Reconsider their decision from Minutes of the 2018 October 22 Organizational Meeting, with respect to the appointment of the SPC Members for the SPC on Planning and Urban Development;
3. Remove Councillor Carra from the membership SPC on Transportation and Transit and Councillor Magliocca from the membership of the SPC on Planning and Urban Development; and
4. Appoint Councillor Carra as a Member of the SPC on Planning and Urban Development and Councillor Magliocca as a Member of the SPC on Transportation and Transit, with terms effective 2018 October 23 and expiring at the 2019 Organizational Meeting of Council.

MOTION CARRIED

- 11.3 Change Meeting Name of the 2019 January 28 from Strategic Meeting of Council to Strategic Council Meeting – Annual Planning Session (Verbal), VR2018-0092

Moved by Councillor Gondek

Seconded by Councillor Davison

That with respect to Verbal Report VR2018-0092 the following be adopted:

That Council revise the 2019 January 28 Strategic Meeting of Council to the Strategic Council Meeting – 2019 Annual Planning Session.

MOTION CARRIED

12. CONFIDENTIAL ITEMS

Moved by Councillor Colley-Urquhart

Seconded by Councillor Jones

That, subject to Sections 17, 19, 23, 24, 25 and 27 of the *Freedom of Information and Protection of Privacy Act*, Council now move into Closed Meeting, at 4:48 p.m., in the Council Lounge to discuss confidential matters with respect to the following items:

- 12.2.1 Gas, Power and Telecommunications Update (Verbal), C2018-1262
- 12.3.1 Personnel Matter (Verbal), VR2018-0095

ROLL CALL VOTE

For: (12): Mayor Nenshi, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, and Councillor Sutherland

MOTION CARRIED

Council moved into Public Meeting at 5:13 p.m. with Mayor Nenshi in the Chair.

Moved by Councillor Colley-Urquhart

Seconded by Councillor Gondek

That Council rise and Report.

MOTION CARRIED

12.1 CONSENT AGENDA

None

12.2 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

12.2.1 Gas, Power and Telecommunications Update (Verbal), C2018-1262

A document was Received for the Corporate Record.

Administration in attendance during the Closed Meeting discussions with respect to Report C2018-1262:

Clerk: L. Kennedy. Advice: J. Fielding. Observer: C. Male. Legal: G. Cole.

Moved by Councillor Jones

Seconded by Councillor Magliocca

That with respect to Verbal Report C2018-1262, the following be adopted:

That Council:

1. Receive Verbal Report C2018-1262 adopt the direction for information; and
2. Direct that the closed meeting discussions, direction and document received remain confidential pursuant to Sections 23, 24, 25 and 27 of the *Freedom of Information and Protection of Privacy Act*, and except so far as Administration believes that this information should be shared with third parties.

MOTION CARRIED

12.2.2 Working Together (Verbal), C2018-1281

This item was referred at Confirmation of the Agenda.

12.3 URGENT BUSINESS

12.3.1 Personnel Matter (Verbal), VR2018-0095

Administration in attendance during the Closed Meeting discussions with respect to Report VR2018-0095:

Clerk: L. Kennedy. Advice: J. Fielding, C. Male. Legal: G. Cole.

Moved by Councillor Chu

Seconded by Councillor Farkas

That with respect to Verbal Report VR2018-0095, the following be adopted:

That Council:

1. Delegate the composition and appointment of a selection committee for the reference position to the Priorities and Finance Committee 2018 November 06; and
2. That the Closed Meeting discussions remain confidential pursuant to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

13. ADMINISTRATIVE INQUIRIES

None

14. ADJOURNMENT

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

That this Council adjourn at 5:18 p.m.

ROLL CALL VOTE

For: (12): Mayor Nenshi, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, and Councillor Sutherland

MOTION CARRIED

CONFIRMED BY COUNCIL ON

MAYOR

CITY CLERK

Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2018 October 10

ISC: UNRESTRICTED
UCS2018-1141

Corporate Land Strategy – Information Report

EXECUTIVE SUMMARY

The City of Calgary is the owner of over 8300 parcels of land. These parcels support the delivery of City services to business and citizens in the form of parks and natural spaces, community-focused services, affordable housing, administration buildings, public works and utility infrastructure. These lands are also an asset for The City, to be managed well in fulfilling its operational needs and leveraged to the benefit all Calgarians. This report provides information about work being led by Real Estate & Development Services (RE&DS) to define a strategic, portfolio-based approach to managing The City's land assets. The purpose is to support RE&DS leadership role in the Corporation to manage public land well and deliver its Real Estate and Land Development & Sales lines of service. The benefits will be more sustainable business operations and decision-making processes that maximize the overarching and long-term value of municipal lands.

Administration is proposing to develop a Corporate Land Strategy for Council approval in Q1 2019. Corresponding RE&DS-specific program strategies will also be delivered as chapters through Q4 2019. The chapters will be aligned to the Corporate Land Strategy and provide clarity on roles and responsibilities, procedures and tactics for RE&DS to deliver its real estate and land development services in a comprehensive, sustainable and customer-focussed manner.

ADMINISTRATION RECOMMENDATION:

The SPC on Utilities and Corporate Services recommend that Council receive this report for information.

RECOMMENDATION OF THE SPC ON UTILITIES AND CORPORATE SERVICES, DATED 2018 OCTOBER 10:

That Council receive this Report UCS2018-1141 for information.

PREVIOUS COUNCIL DIRECTION / POLICY

None.

BACKGROUND

Real Estate & Development Services (RE&DS) is a City business unit created in 2016 by the merger of the Office of Land Servicing & Housing, and the Land Division of Corporate Properties & Buildings. RE&DS is responsible to deliver two lines of service for the corporation:

- Real Estate Services
 - Real estate transactions (land acquisitions, land sales, leasing), and
 - Land Administration (land management, policies and standards, land asset information, circulations coordination and advisory services).
- Land Development & Sales Services
 - Service and sell industrial lots to businesses that support economic development and diversification, and;

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Corporate Land Strategy - Information Report

- Strategic redevelopment of City-owned lands to support community building and city shaping objectives, including transit oriented development (TOD), mixed use development, and surplus school sites.

RE&DS is largely a self-funded business unit, responsible for managing the financial health and sustainability of its program services and two supporting reserves. The Revolving Fund for General Land Purchases (Revolving Fund) is used to acquire ad hoc land requests for Business Units across the corporation. These opportunities can be both significant in value and strategic positioning for The City. The Real Estate Services Reserve is used to fund the development of industrial parks, TOD and other strategic redevelopment sites.

The costs to deliver RE&DS real estate activities are recovered from revenues generated through land transactions (acquisition fees from capital projects, sales commissions on surplus lands) and fees for services (encroachment fees, land title services). Costs to acquire, plan, service and sell RE&DS development projects are fully capitalized within each project and recovered when serviced lots are sold on the open market to builders and developers. RE&DS is therefore accountable to ensure its land development programs generate net positive returns to the Real Estate Services Reserve, which in turn are reinvested to future development projects.

As a newly formed business unit, RE&DS has adopted a culture of continuous learning and improvement to identify and refine work processes to improve efficiencies and deliver better services to its customers. As part of this work RE&DS is refining processes to manage The City's land assets and deliver its services more efficiently, in a sustainable financial model.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Appropriately located and sized land parcels are essential to allow The City to provide public infrastructure and deliver its services to Calgarians. Over time, The City has acquired significant land holdings, currently owning over 8300 titled parcels (~33,600 acres). The Corporate Land Management Framework (Framework) was approved in 2015 to provide a comprehensive approach to managing these land assets. Administration has updated its inventory of The City's holdings and Business Units land requirements. The Framework's land rationalization standard is supporting Business Units to pro-actively review their stewarded lands, confirm operational needs, and identify parcels no longer required for operations. These efforts have generated an inventory of surplus land parcels. This provides the opportunity to take a portfolio-perspective to derive highest value by leveraging these assets for other City purposes and selling parcels that will provide highest returns. Similarly, strategic consideration of RE&DS industrial, TOD and redevelopment portfolios will help ensure that The City's land development projects are being prioritized and delivered to meet market needs, support Calgary's economic development, and to achieve broader community building and city-shaping objectives.

In this regard, Administration, led by RE&DS, is undertaking a review of current issues, opportunities and challenges across its service programs. It will use learnings to define a desirable future state to strategically manage land and deliver its services. This includes a review of public land agency best practices, formalizing principles to support effective decision-making, and prioritizing actions to move in that direction. RE&DS is also developing a

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Corporate Land Strategy - Information Report

stakeholder engagement plan for its own delivery teams, and for business unit partners that steward land or influence corporate outcomes on land.

A strategic, portfolio-based approach to managing and leveraging land assets will:

- Articulate a clear position on the value of land as a resource to The City;
- Provide a portfolio-based (cradle to grave) framework for The City to actively steward its land assets and leverage them to deliver public planning outcomes and triple bottom line (TBL) objectives;
- Prioritize and develop a long-term plan to ensure the financial sustainability of the RE&DS self-funded services and programs;
- Support the financial sustainability and predictability of the Revolving Fund and Real Estate Services Reserve;
- Create a collaborative environment within Administration to review and leverage land's highest potential to deliver other corporate objectives (including affordable housing units, community building and redevelopment, economic development and business diversification, fund capital infrastructure, etc.);
- Clarify Administration's roles and responsibilities to strategically manage land;
- Clarify RE&DS roles and responsibilities and align programs to deliver the strategy; and,
- Improve land information management processes, parcel data, operating and maintenance costs, market knowledge and customer awareness.

Administration is proposing a two-part series of deliverables. First, a Corporate Land Strategy (Strategy) will be developed to confirm The City's overarching public commitment to managing its land, founded on the Guiding Principles for good land management practice (Attachment 1). It will provide the overall direction and road map for how The City will manage land interests within a sustainable, self-funding model, and how land assets can be leveraged to deliver broader corporate objectives that provide value to citizens. The Strategy will provide a clear City statement on the value of public land, land management expectations, transparency on decision-making and priorities, roles and responsibilities, governance, and direction to address competing corporate objectives. It may also include program-specific directions to clarify The City's commitment in providing its land services to both public customers and partnering agencies that request land to deliver their services. It is proposed the Strategy will be brought forward to Council through SPC on Utilities and Corporate Services in Q1 2019.

Secondly, Program strategies will be developed as "chapters" to provide guidance to the implementers within Administration. They will be aligned with and complement the Corporate Land Strategy, providing guidelines, processes and tactics to deliver RE&DS programs and projects. Though specific to RE&DS, these strategies will be developed in consultation with business unit partners and customers of these services. These Program chapters will not form part of the Council approved Corporate Land Strategy, but be approved as administrative documents by the Administrative Leadership Team (ALT).

Existing program-level strategy chapters and frameworks to be reviewed and aligned include:

- *Corporate Land Management Framework* - Administration of City-owned land (approved by ALT)
- *2013-22 Industrial Land Strategy* – Development of City-owned industrial land (Council approved in 2013).

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- Not-for-Profit Land Sales framework – for transacting land at below market value or a nominal cost (as proposed in UCS2018-0912).

New chapters will be created to support remaining program areas. Identified chapters include:

- TOD Implementation Strategy - Development and sales of City-owned station lands
- Surplus Land Sales Strategy – Process for identifying, valuating and prioritizing the sale of land not required by The City
- Affordable Housing Land Strategy – Process for making City-owned land available to affordable housing providers.
- Infill redevelopment strategy – Guidance for the redevelopment and sale of larger City-owned sites, including surplus school sites
- Leasing Strategy – Guidance for how and when The City will lease public land
- Strategy to address Unsolicited bids to purchase City-owned land

Completion of all program strategies is planned to be completed by Q4 2019.

Stakeholder Engagement, Research and Communication

Work will include a review of other public land jurisdictions, with specific attention to how land is managed and positioned as a corporate asset. Administration will build on those learnings and apply appropriately within The City and Alberta legislative context.

A major component of this work will be to engage key internal stakeholders to inform on the rationale and benefits of a comprehensive land management strategy, and to consult on how Administration can deliver this new approach. Stakeholder groups will include business unit partners in the land stewards' network (Corporate Land Committee/Corporate Land Administration Team) and business units influencing the delivery of corporate outcomes on City land.

Engagement has also been ongoing with managers of similar strategic portfolios at The City to ensure alignment and consistency of direction, and to differentiate roles and responsibilities. This includes the Asset Management program, Corporate Coordinated Operations & Maintenance program (CCOM) and Integrated Civic Facilities Project (ICFP).

The work to develop the Corporate Land Strategy is planned as an internal review to create a principled position on the value of public land to The City and how it will position its resources to best deliver its services. As the Program-specific chapters are developed, external stakeholders will be engaged, as the ultimate customers of lands sold by The City for economic development, TOD and strategic redevelopment.

Strategic Alignment

This work is being informed by and aligned with existing corporate initiatives and strategic directions, including:

One Calgary Service Plans and Budgets process - identifies RE&DS as the service owner to deliver the following two lines of service for the corporation: Real Estate Services and Land Development & Sales Services.

Leadership Strategic Plan: Contract with Council (2014) – this work supports Administration's commitment to strengthen the Corporation's financial position addressing long-term financial

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needs, maximizing return on municipal land investments, and rationalizing and divesting of municipal land.

Municipal Development Plan (2009) – the strategic management of The City's land assets supports the delivery of numerous goals of the Municipal Development Plan, including supporting a prosperous economy, modelling a more compact development form, creating great communities, and supporting integrated decision-making and investments.

Real Property Bylaw (52M2009) – The review, policies and strategies will be developed in context with the purpose and authority of this Bylaw and may inform further amendments.

Social, Environmental, Economic (External)

There are no social, environmental and economic impacts resulting from this report for information.

Financial Capacity

Current and Future Operating Budget:

Resources to complete this work are included in RE&DS existing operating budget Program 488.

Current and Future Capital Budget:

Consulting support required to supplement the project will be funded through existing Corporate Land Management Framework (Program 698).

Risk Assessment

There is a risk that if a more strategic, portfolio-based approach is not developed, City-owned land will be used in reactive ways and not recognize its full and long-term value to the community and Corporation. The Corporate Land Strategy will establish The City's commitment to strategic stewardship of its land assets and the provision of good land management practices. It will also help RE&DS align its program delivery to achieve better outcomes. The proposed Strategy and aligned Program chapters will also position Administration to deal with the speed, volume and growing complexity of land decisions and transactions, and support better corporate decision-making and service delivery.

REASON(S) FOR RECOMMENDATION(S):

This report provides an update to Council of Administration's review of current land management practices and processes, and the development of a strategic, portfolio-based approach to managing City land. It communicates Administration's intent to bring forward a Corporate Land Strategy for Council consideration and approval in Q1 2019.

ATTACHMENT(S)

1. Attachment 1 - Corporate Land Strategy – Guiding Principles

Corporate Land Strategy - Guiding Principles

Guiding Principles

- Land is a valued public resource that is managed well by The City.
- Land is leveraged to support the delivery of public services and to maximize value for the Corporation and citizens.
- RE&DS delivers professional real estate and land development & sales services to the corporation. It provides advice and makes real estate decisions on behalf of the corporation.
- RE&DS is a self-funded business unit. The financial success of its programs/projects and sustainability of its Reserves are paramount outcomes of delivering its services.
- RE&DS will apply a “portfolio” approach to managing City lands, its programs, and its two Reserves.
- RE&DS is committed to “One City/One Voice.” It leverages its staff’s real estate expertise and land availability to achieve the best outcomes where both The City and community benefit.
- RE&DS understands its customers’ needs and provides them with the best land and service solutions.
- RE&DS maintains the Corporation’s property information and market data and applies rigorous analysis to inform its decisions and recommendations.
- RE&DS is a continually improving real estate and land development organization.

Real Estate Acquisitions Audit (Green Line LRT Stage 1)

EXECUTIVE SUMMARY

The City Auditor's Office issued the Real Estate Acquisitions (Green Line LRT Stage 1) Audit Report to Administration on October 10, 2018. The report includes Administration's response to five recommendations raised by the City Auditor's Office. The real estate team within the Green Line Business Unit and Real Estate & Development Services Business Unit have agreed to all five recommendations and have set action plan implementation dates no later than October 31, 2018 and September 30, 2019 respectively. The City Auditor's Office will track the implementation of these commitments as part of our ongoing follow-up process.

RECOMMENDATIONS:

1. That Audit Committee receive this report for information; and
2. That Audit Committee recommend that Council receive this report for information.

RECOMMENDATION OF THE AUDIT COMMITTEE, DATED 2018 OCTOBER 24:

That Council receive Report AC2018-1032 for information.

PREVIOUS COUNCIL DIRECTION / POLICY

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties and functions of the position. Under the City Auditor's Office Charter, the City Auditor presents an annual risk-based audit plan to Audit Committee for approval. The City Auditor's 2017-18 plan was approved on November 10, 2016. The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 48M2012 (as amended).

BACKGROUND

The Green Line Light Rail Transit (Green Line) project is a significant public transit infrastructure project at the City of Calgary with an estimated construction cost of \$4.65B for the first stage of construction. A staged approach for implementation is planned. The first stage, Stage 1 delivery, protects for future growth and expandability by establishing the foundation for future development in both the Southeast and North, while accomplishing the most challenging segments of the line including the downtown connection, and land acquisitions. The real estate team which organizationally is now part of the Green Line Business Unit has responsibility to support the timely acquisition of land in accordance with the Acquisition Strategy for the Green Line and Delegated Authority Process. To support the expected construction schedule and mitigate the risk of contractor delay claims, an acquisition program between 16 Avenue N (Crescent Heights) and 126 Avenue SE (Shepard) was initiated to acquire required properties no later than March 31, 2020.

The objective of the audit was to provide assurance that the real estate team, within the Green Line Business Unit, has effective controls and risk mitigation processes to support achievement of their business objective, which is timely acquisition of all land for the Green Line Stage 1. We assessed the design and operation of controls to mitigate the risks of land acquisitions at unfavourable prices or conditions, inability to meet project schedule deadline, undetected environmental liabilities, and reputational risk.

Real Estate Acquisitions Audit (Green Line LRT Stage 1)

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The real estate team has an established process to manage land acquisitions and based on audit results controls to mitigate the risks of acquiring land at unfavourable prices or conditions are designed and operating effectively.

At a broader level, we identified two areas where control enhancements are required to further mitigate the risk of not meeting the project execution plan and of ineffective environmental due diligence. Specifically, ineffective communication and escalation of delays to the acquisition of required properties may impede the timely completion of the land acquisition portion of the project. In addition, roles and responsibilities for environmental review are not clearly defined for large projects resulting in the risk that environmental due diligence is not effective, and environmental liabilities and remediation costs are not identified and communicated. We raised two recommendations specific to the issue communication and escalation process, and three related to the environmental due diligence process.

Stakeholder Engagement, Research and Communication

This audit was conducted with the real estate team within the Green Line Business Unit as the principal audit contact within Administration and support from the Green Line project management team and staff in the Environmental & Safety Management Business Unit.

Strategic Alignment

Audit reports assist Council in its oversight of the City Manager's administration and accountability for stewardship over public funds and achievement on value for money in City operations.

Social, Environmental, Economic (External)

N/A

Financial Capacity

Current and Future Operating Budget

N/A

Current and Future Capital Budget

N/A

Risk Assessment

The activities of the City Auditor's Office serve to promote accountability, mitigate risk, and support an effective governance structure. The City Auditor's Office plans to conduct a series of audits on the Green Line over the lifespan of the project given the project's proposed complexity and significant capital budget. This audit was undertaken as part of the approved City Auditor's Office 2017-18 Annual Audit Plan and focused on real estate acquisitions for Stage 1 of the Green Line project since land acquisition represents one of the highest risks to the project's ability to move forward with construction, which is expected to be complete by 2026.

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Real Estate Acquisitions Audit (Green Line LRT Stage 1)

REASON FOR RECOMMENDATIONS

Bylaw 48M2012 (as amended) states: "Audit Committee receives directly from the City Auditor any individual audit report and forwards these to Council for information."

ATTACHMENT

Real Estate Acquisitions Audit (Green Line LRT Stage 1) – AC2018-1032



Calgary

City Auditor's Office

Real Estate Acquisitions Audit (Green Line LRT Stage 1)

October 10, 2018

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The City Auditor's Office completes all projects in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Executive Summary

The Green Line Light Rail Transit (Green Line) project is a significant public transit infrastructure project at The City of Calgary (The City) with an estimated construction cost of \$4.65B for the first stage of construction. The real estate team which organizationally is now part of the Green Line Business Unit has responsibility to support the timely acquisition of land in accordance with the Acquisition Strategy for the Green Line and Delegated Authority Process.

The objective of the audit was to provide assurance that the real estate team, within the Green Line Business Unit, has effective controls and risk mitigation processes to support achievement of their business objective, which is timely acquisition of all land for the Green Line Stage 1. To support the expected construction schedule and mitigate the risk of contractor delay claims an acquisition program between 16 Avenue N (Crescent Heights) and 126 Avenue SE (Shepard) was initiated to acquire required properties no later than March 31, 2020, in time to support the project execution plan¹. Administration has informed Council that land acquisition represents one of the highest risks to project readiness.

The real estate team has an established process to manage land acquisitions and, based on audit results, controls to mitigate the risks of acquiring land at unfavourable prices or conditions are designed and operating effectively.

At a broader level, we identified two areas where control enhancements are required to further mitigate the risk of not meeting the project execution plan and of ineffective environmental due diligence. Specifically, ineffective communication and escalation of delays to the acquisition of required properties and unclear roles and responsibilities may impede the timely completion of the land acquisition portion of the project and impact the identification and communication of environmental liabilities and risks.

The Green Line project management team has not identified final property requirements due to ongoing Stage 1 design which is delaying the continued progress of the acquisition process. As a result, the real estate team may have less time to negotiate with property owners, which could lead to more expropriations at a higher cost for The City, reputational risk, and the risk that the real estate team may not be able to meet the acquisition deadline. We confirmed that the real estate team monitored the status of acquisitions and identified issues and risks. Although the real estate team maintained a line of communication with the Green Line project management team on the Stage 1 acquisition process, formal reporting on issues ceased in March 2018 to accommodate Green Line organizational changes. In addition, as of January 2018, issues identified in the reports were not categorized by severity and did not include mitigation strategies. To better support meeting the Stage 1 acquisition deadline, we recommended that the real estate team clarify the issues communication and escalation process with the Green Line project management team, confirm that mitigation strategies are in place, and resume monthly reporting on the issues.

¹ The real estate acquisition deadline provided by the real estate team during the planning and fieldwork phases of the audit was March 31, 2020. During the reporting phase, the Director, Green Line, advised the acquisition deadline will be updated to support the project execution plan. The revised date will be no later than March 31, 2020.

Roles and responsibilities for environmental review are not clearly defined for large projects resulting in the risk that environmental due diligence is not effective, and environmental liabilities and remediation costs are not identified and communicated. The Green Line project management team assumed responsibility for the environmental review and management processes for Green Line Stage 1 acquisitions, and generally complied with the Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy. The real estate team continued to be responsible for the preparation of purchase offers and reports to delegated approvers, which incorporated environmental conditions and mitigation strategies. The S.A.L.E. Policy assigns environmental review and management responsibilities to the Real Estate & Development Services Business Unit for purchases on an individual basis with no clarity on roles and responsibilities for large projects. We raised recommendations to improve the environmental due diligence for the land acquisition process and support a higher degree of collaboration between the real estate team and the Green Line project management team. These recommendations were specific to defining environmental review management responsibilities for large projects and the level of information on the outcome of environmental assessments to communicate to the real estate team and delegated approvers, and updating the S.A.L.E. Policy.

In total five recommendations were raised, with two specific to the issue communication and escalation process, and three to the environmental due diligence process. The real estate team within the Green Line Business Unit and Real Estate & Development Services Business Unit have agreed to all recommendations and have set action plan implementation dates no later than October 31, 2018 and September 30, 2019 respectively. The City Auditor's Office will follow-up on all commitments as part of our ongoing recommendation follow-up process.

1.0 Background

The Green Line Light Rail Transit (LRT) (Green Line) is Calgary's next LRT line and the largest infrastructure investment to date. The long term vision for the Green Line is to have full build out of LRT service from 160 Avenue North to Seton Southeast. A staged approach for implementation is planned. The first stage, Stage 1 delivery (Figure 1), protects for future growth and expandability by establishing the foundation for future development in both the Southeast and North, while accomplishing the most challenging segments of the line including the downtown connection, and land acquisitions.

To support project readiness, as at March 2018, Administration has identified properties required for Stage 1 and commenced with an acquisition program. Land acquisition represents one of the highest risks to the project's ability to move forward with construction, which is expected to be complete by 2026. The full Green Line LRT will impact additional privately owned properties, which will be determined as designs advance.

The Green Line Business Unit is responsible for the overall Green Line project, including the acquisition of land in accordance with the Acquisition Strategy for the Green Line (approved by Council in December 2015), Delegated Authority Process (approved by Council in March 2018), and applicable legislation, bylaw and policy. At the time of this audit, the real estate team transitioned organizationally to the Green Line Business Unit. During the planning and fieldwork portions of our audit the real estate team communicated their objective to acquire all land for the Green Line Stage 1 by March 31, 2020. In the reporting phase of the audit, the Director, Green Line, advised the acquisition deadline will be updated to support the project execution plan. The revised date will be no later than March 31, 2020.

Figure 1 – Stage 1 Route Map



Figure 1 source
<https://engage.calgary.ca/greenline>

There are three components to the Acquisition Strategy: Negotiations, Expropriation and Approval Process. The Acquisition Strategy is critical to meet the construction schedule and limit The City of Calgary's (The City's) financial exposure related to potential expropriations and construction delays. In addition, the Acquisition Strategy indicates required properties will be reviewed in accordance with the Sales, Acquisitions and Leases Environmental Policy (S.A.L.E. Policy) to mitigate environmental risk. The City Auditor's Office plans to conduct a series of audits on the Green Line over the lifespan of the project given its proposed complexity and significant capital budget. This second Green Line audit, with a focus on real estate acquisitions for the Stage 1 of the Green Line project, is part of the City Auditor's Office 2017/2018 Annual Audit Plan.

2.0 Audit Objectives, Scope and Approach

2.1 Audit Objective

The objective of this audit was to provide assurance that the real estate team has effective controls and risk mitigation processes to support achievement of their business objective of acquiring all land for Green Line Stage 1 by the established deadline. The objective was achieved by assessing the design and operation of controls to mitigate the following risks:

- Land purchases at unfavourable prices or conditions to The City or property owners;
- Inability to meet project schedule deadline;
- Undetected environmental liabilities from contaminated soil and/or rectification costs; and
- Reputational risk.

Risks, key controls, and the corresponding components of the Acquisition Strategy are identified in the appendix.

2.2 Audit Scope

The scope of the audit included real estate acquisition activity completed or in progress for Green Line Stage 1 from February 2015 (properties which Administration confirmed to be required for Green Line) to April 2018. Processes related to the disposition strategy of any surplus land and management of holding costs associated with acquired properties (e.g. maintenance costs) were not included in the audit scope.

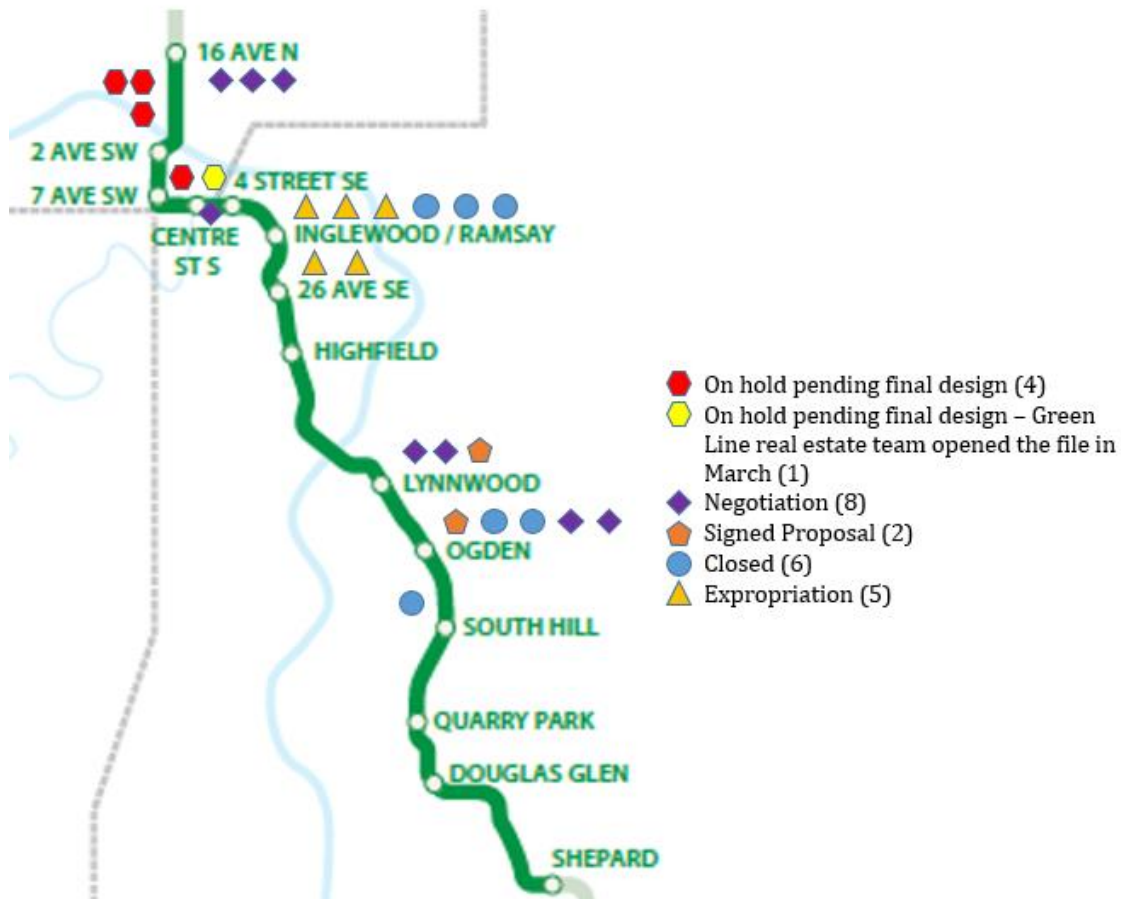
2.3 Audit Approach

Our audit approach included the following:

- Review of acquisition files and related documents to assess the effectiveness of controls;
- Interviews with Green Line real estate staff associated with the real estate acquisitions for Green Line Stage 1; and
- Interviews with the Green Line management team.

Based on the list of properties to be acquired by the real estate team for Green Line Stage 1, we selected a sample of 26 properties to test. The audit sample included properties at various stages of the acquisition process (Figure 2).

Figure 2 – Status of Audit Sample Properties – Stage 1 (March 2018)



Source: Audit sample based on Green Line Property Listing (March 2018)

Information on the status of the audit sample relative to the Acquisition Strategy:

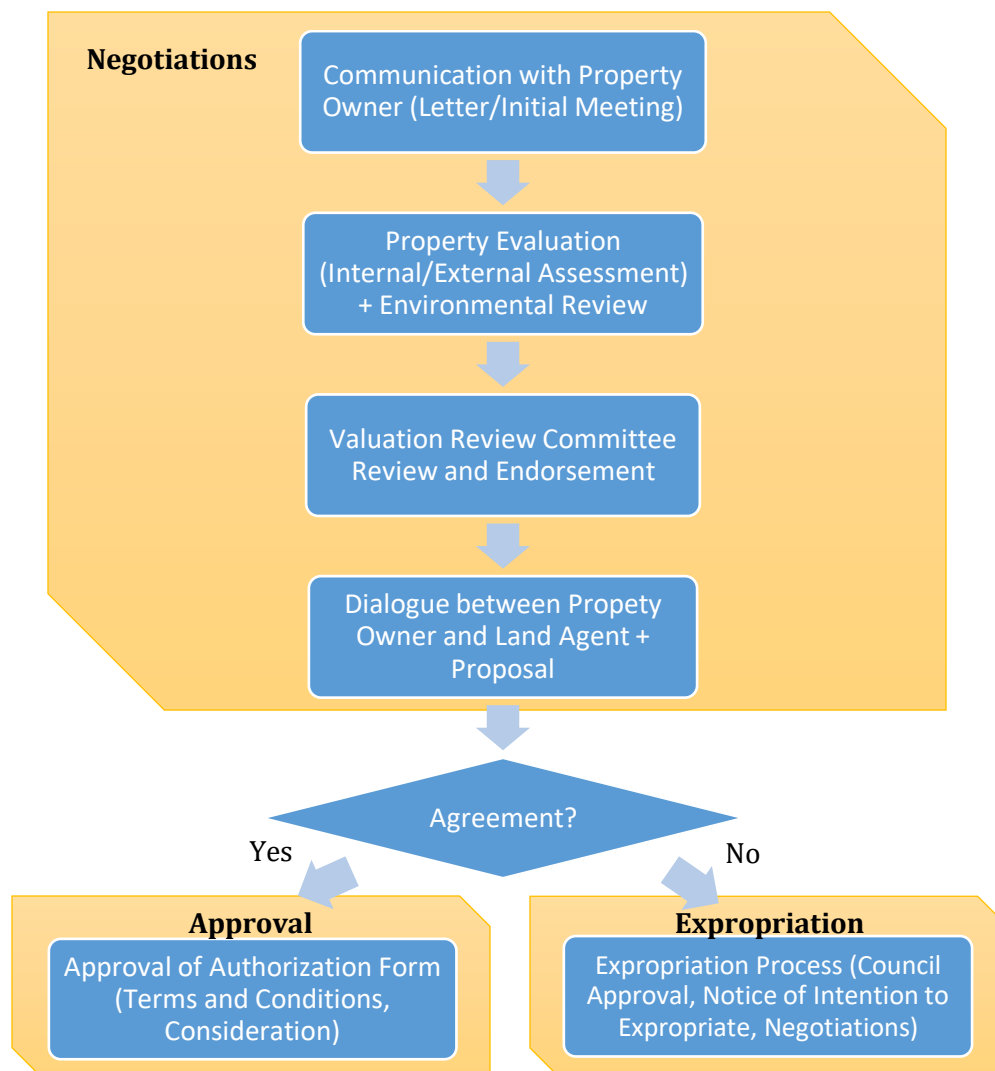
- On hold pending final design: the land acquisition process has not started.
- On hold pending final design: real estate team opened the file in March: letter of communication to property owner sent.
- Negotiation, signed proposal, closed, expropriation: see Figure 3.

3.0 Results

3.1 Land Acquisition Process

The real estate team has an established process to manage land acquisitions in accordance with the Acquisition Strategy, Bylaw 52M2009- Real Property Bylaw (Real Property Bylaw), and the S.A.L.E. Policy. We tested key controls under the three components of the Acquisition Strategy: Negotiations, Expropriation and Approval Process (Figure 3). Where applicable to the properties in the sample, we evaluated the effectiveness of key environmental controls identified in the S.A.L.E. Policy.

Figure 3 – Acquisition Strategy Components



Source: Acquisition Strategy – Green Line

3.1.1 Negotiations

Per the Acquisition Strategy, Administration will negotiate with all property owners throughout the process to reach an agreement, where possible. As negotiations advance with each property owner, an internal valuation or independent appraisal is completed to determine market value of the land being acquired. All internal valuations and independent appraisals are vetted through the Valuation Review Committee (VRC). Upon agreement between the parties on the terms of the transaction, which may include market value and additional compensation, a proposal letter is prepared and sent to the property owner. The proposal letter is not a final offer and states that internal endorsement is necessary. All supporting documentation is vetted through the VRC before it is presented to the appropriate delegated authority for final sign off.

For our sample, property valuations to define fair market value were conducted by qualified individuals and endorsed by the VRC. Land Agents maintained a line of communication with property owners to discuss the status of the acquisition throughout the process.

3.1.2 Expropriation

There were five instances in our sample where an agreement could not be negotiated with the property owner and the expropriation process was initiated. Per the Acquisition Strategy, Administration will continue to negotiate with all property owners until such time that the negotiations are no longer advancing in a meaningful manner. Following the commencement of expropriation proceedings Administration will continue to work with property owners to negotiate agreements for the required property acquisitions.

We observed that Council authorized the initiation of expropriation. Administration prepared the Notice of Intention to Expropriate detailing the purpose for which the land was required, the authority of The City, property owners' rights to object, and the approving authority of Council with respect to expropriations as outlined by the Province of Alberta Expropriation Act. Administration sent the Notice of Intention to Expropriate to property owners and new appraisal reports were issued with appropriate VRC endorsement.

3.1.3 Approval Process

In our sample there were eight instances where The City was able to negotiate a purchase agreement with the property owners. We verified that these agreements were approved by the appropriate authority as outlined in the Acquisition Strategy or the Real Property Bylaw². Approval of the land acquisitions was documented in Land Reports or Green Line Land Authorization Forms (GLLAF) containing the material terms and conditions of the proposed transaction, including description of the real

² Approval authorization for the SE portion of Green Line Stage 1 is outlined in the Acquisition Strategy for transactions after December 2015. Approval authorizations in the Real Property Bylaw apply to Stage 1 transactions prior to that date. In March 2018, Council approved the Delegated Authority Process that applies to the remainder of Green Line Stage 1.

property, parties, consideration, and material terms and conditions respecting the transaction.

3.1.4 S.A.L.E. Policy – Environmental Conditions

The purpose of the S.A.L.E. Policy is to ensure The City is informed on the environmental condition of the properties being acquired to enable The City to exercise due diligence in property transactions. The Green Line project management team has assumed responsibility for environmental review and management processes for Stage 1 rather than the Real Estate & Development Services Business Unit as outlined in the S.A.L.E. Policy. The real estate team was responsible for the preparation of Land Reports or GLLAFs and incorporating environmental conditions in purchase offers.

The Green Line project management team generally complied with the S.A.L.E. Policy, for all sampled acquisitions, and conducted environmental reviews, which consisted of historical information, risk assessment and recommendations. For complex environmental files, a more detailed Phase II Environmental Site Assessment was conducted.

The S.A.L.E. Policy does not specify environmental roles and responsibilities in the acquisition process for large projects, such as Green Line where two or more Business Units are involved. As a result, there is a risk environmental due diligence in the acquisition process is not effectively supported and environmental conditions and mitigation strategies are not effectively communicated to the Green Line real estate land agents for inclusion in Land Reports or GLLAFs and purchase offers.

There were two instances where the Land Reports did not include information on the environmental risk and three where the outcome of environmental assessments was in the attachment and not sufficiently clear in the GLLAFs to delegated approvers. In these instances of omission, we determined the risk exposure was not significant based on further discussion with the Environmental & Safety Management (ESM) Business Unit, who confirmed that there were no environmental exposures for these properties.

An updated Policy with defined environmental review responsibilities for large projects and the level of environmental assessment information to communicate to the Green Line real estate land agents for inclusion in Land Reports or GLLAFs and purchase offers, will enhance the due diligence process and provide approvers information on environmental risk and conditions to support effective decision making (Recommendations 3 to 5).

3.2 Monitoring and Oversight Controls

The real estate team maintains a master file list for Stage 1 properties. The list is updated monthly to reflect changes in the status of the files and newly identified risks. The real estate team prepared monthly Status Update Reports on Stage 1 acquisitions for the Green Line Project Director. Status Update Reports presented the current land acquisition status relative to performance, budget and schedule benchmarks as set out in the project plan and information on the percentage of completion of significant tasks. The Status Update Reports contained an issue log with a description of the issues along with an owner, status and open

date and risks to the project. However, as of January 2018, issues were presented with no severity and associated mitigation strategy.

Formal reporting ceased in March 2018 to accommodate Green Line organizational changes. Of significance, ongoing Stage 1 design by the Green Line project management team is delaying the identification of final Stage 1 property requirements and the continued progress of the acquisition process for some properties (see Figure 2 on page 9 for properties in our sample). This issue impacts the real estate team's ability to negotiate with property owners, which may lead to more expropriations and reputational risk. We recommended that the real estate team clarify, with the Green Line project management team, the communication and escalation process for Stage 1 land acquisition issues and risks to ensure that mitigation strategies are put in place and the deadline can be met. We also recommended that the real estate team resume monthly reporting on the status of the acquisitions including the severity of issues, mitigation strategy, corrective action and percentage of completion (Recommendations 1 and 2).

We would like to thank the real estate team, the Green Line project management team, and staff in ESM for their assistance and support throughout this audit.

4.0 Observations and Recommendations

4.1 Issue Communication and Escalation Process

Although the real estate team prepared monthly Status Update Reports on Stage 1 acquisitions to the Green Line Director, formal reporting ceased in March 2018 to accommodate Green Line organizational changes. In addition, as of January 2018, issues identified in the reports were not categorized by severity and did not include mitigation and corrective action strategies. Periodic communication ensures mitigation and corrective action strategies can be discussed and put in place and risks can be escalated to the Executive Steering Committee³ where appropriate to ensure the Stage 1 acquisition timeline can be met.

Per the Corporate Project Management Framework (CPMF) Progress Reporting Guidance, progress reports should be presented, at minimum, on a monthly basis, which supports the communication and escalation process. As a result of a reorganization of the Green Line project team, the monthly Status Update Reports were put on hold effective March 2018.

Although project issues were included in the monthly Status Update Report, for the January and February 2018 reports, there was no information on mitigation strategy or severity of the issue. Per the CPMF, the issue log should include a narrative describing the issue, including statements regarding the severity of the issue and a mitigation strategy describing how the issue will be resolved.

In our sample of 26 properties, four properties were on hold pending final design. The real estate team opened a file at the end of March on an additional property as a result of ongoing design. This issue, which impacts the real estate team's ability to achieve the deadline, was presented in the progress reports along with nine other issues in no particular order of severity and with no mitigation strategy.

Ongoing Stage 1 design is delaying the identification of final Stage 1 property requirements and the continued progress of the acquisition process. As a result, the real estate team may have less time to negotiate with property owners, which may lead to more expropriations at less favourable conditions, and reputational risk.

³ The Green Line Executive Steering Committee is chaired by the General Manager, Transportation and composed of the City Manager, Deputy City Manager, City Solicitor and General Counsel, Chief Financial Officer, Director Green Line, and Director Calgary Transit. The Committee meets on a weekly basis. Discussion topics include project governance, finance, schedule, and risk.

Recommendation 1

The Manager, Project Access, Green Line work with the Green Line project management team to:

- a) Clarify the communication and escalation process for Stage 1 land acquisition issues and risks, including mitigation and corrective action strategies; and
- b) Ensure mitigation and corrective action strategies are put in place.

Management Response

Agreed.

Action Plan	Responsibility
<p>A Responsibility, Accountability, Signatory, Consult, Inform, Omit/Out of Loop (RASCIO) schedule is being created to inform the Green Line team of the roles and responsibilities related to the various components of the acquisition process and help facilitate who to include if escalation is required. Additionally, an issue log has been developed for management by the Leader, Acquisitions and the Access Managers to identify issues/risks, open date, mitigation, person/position responsible, identification of escalation requirements and to what level, corrective action strategy and closed date. A memo explaining the escalation process and a copy of the above documents will be distributed to the Green Line leadership team and the Leader, Acquisitions.</p> <p>The issues log will be included in the regular project reporting on acquisitions to the Director. In addition to this, the Director has begun a new practice as part of the Senior Management Team meeting agenda. Items of a critical nature to the area of responsibility are to be identified with the date they are brought forward, and they will remain on the agenda until the item has been resolved. This initiative will ensure that issues are being escalated, recorded and actioned as required at the Senior Management levels.</p>	<p><u>Lead:</u> Manager, Project Access</p> <p><u>Support:</u> Manager, Sales & Acquisitions – Green Line, Leader, Acquisitions</p> <p><u>Commitment Date:</u> September 30, 2018</p>

Recommendation 2

The Manager, Project Access, Green Line:

- a) Resume monthly reporting; and
- b) Improve the effectiveness of communication by incorporating guidance from the Corporate Project Management Framework (CPMF), including, severity of issues, mitigation strategy and corrective action, and percentage of completion.

Management Response

Agreed.

Action Plan	Responsibility
<p>Organizational changes within the Green Line business unit took place in 2018 March. With these changes the reporting on acquisitions changed from one single point through the Project Director to Access Leaders reporting to Execution Director, as well as through Project Access at the Senior Management level.</p> <p>The Finance Manager has been tasked with developing a single template for Green Line project reporting. Once this is available, it will be used for all formal written project reporting moving forward. The template is required to be consistent with the requirements of the CPMF and will include severity, mitigation strategy, and corrective action with the issue identification.</p> <p>In the meantime the Leader, Acquisitions continues to report on acquisitions through functional reporting to the Access Leaders and the Manager, Sales & Acquisitions - Green Line by way of one on one meetings, email communication and team meetings.</p> <p>In addition to the above, the Green Line team under our new structure is working on developing dashboard reporting on Access items in the work areas that will include acquisitions.</p>	<p><u>Lead</u>: Manager, Project Access</p> <p><u>Support</u>: Finance Manager, Access Leader</p> <p><u>Commitment Date</u>: October 31, 2018</p>

4.2 Environmental Review and Management for Large Projects

The S.A.L.E. Policy does not define the environmental review and management roles, responsibilities, and procedures for large projects. The environmental review and management processes for Green Line were conducted by the Green Line project management team rather than Real Estate & Development Services Business Unit, which does not align to the S.A.L.E. Policy. Although this approach is reasonable given the magnitude of Green Line Stage 1, there is a risk that environmental due diligence in the acquisition process is not effectively supported and environmental conditions and mitigation strategies are not effectively communicated to Green Line real estate land agents for inclusion in Land Reports or GLLAFs (Section 4.3) and in purchase offers. Roles and responsibilities for environmental review and management on large projects should be clarified to support the identification and management of environmental liabilities and rectification costs.

Roles and Responsibilities

The S.A.L.E. Policy does not specify environmental roles and responsibilities in the acquisition process for large projects (such as Green Line) versus purchases on an individual basis. The S.A.L.E. Policy indicates that Corporate Properties and Buildings (CPB) (now Real Estate & Development Services Business Unit) is responsible for the acquisition of all City land and provides environmental and property management services to other City departments as follows:

- Manage and allocate environmental liability;
- Exercise environmental due diligence in property transactions;
- May, under certain conditions, acquire contaminated property;
- Will have an Environmental Review conducted for each purchase. CPB will, where warranted, commission further Environmental Assessments of Property based on the results of the Environmental Review;
- Will cause to be undertaken environmental remediation or risk management; and
- Will include in its Land Report to Council the outcomes of the Environmental Assessments and the allocation of liability for all transactions.

In addition, the S.A.L.E. Policy states that Environmental Assessments (Environmental Site Assessments and Environmental Reviews) are managed by ESM.

In March 2018, during the course of file reviews and through discussions with Land Agents and the Stage 1 Project Manager, we confirmed that the Green Line project management team had assumed responsibility for Stage 1 environmental reviews, commissioning further assessments, and the management and allocation of environmental liabilities and risks. We also noted that Environmental Reviews were conducted by consultants and managed by the Green Line project management team. Although ESM was provided with the consultant reports, the work performed by the consultants did not include reaching out to ESM to access their database during the Environmental Review. ESM advised that earlier consultation may have provided additional relevant information.

The real estate team continued to be responsible for the preparation of Land Reports or GLLAFs and incorporating environmental conditions in purchase offers, where appropriate.

The Policy was last revised in January 2005 and does not reflect structural changes to The City as CPB has been reorganized as Real Estate & Development Services Business Unit under the Deputy City Manager's Office and the Environmental Business Unit is now ESM.

Policy Clarity

The S.A.L.E. Policy and Procedures do not define what observations or conditions in the Environmental Review trigger the need for further environmental assessment, the purpose of this further assessment, and how the assessments are to be conducted. In addition, the S.A.L.E. Policy does not define the conditions under which contaminated property may or may not be acquired.

Recommendation 3

The Manager, Project Access, Green Line:

- a) Define environmental review management roles and responsibilities, and associated procedures, for land acquisitions for the Green Line project, including the timing of Environmental & Safety Management involvement (i.e. roles and responsibilities of the project management team and Law); and
- b) Define the conditions that warrant further environmental assessments of properties (i.e. Phase I or Phase II Environmental Site Assessments) and the conditions that may preclude the acquisition of contaminated property.

Management Response

Agreed.

Action Plan	Responsibility
<p>The Green Line Access team has developed an environmental process document (Environmental Site Assessment (ESA) Decision-making process (prior to property acquisition)). This document identifies the workflow for environmental site assessment decision making within the Green Line business unit. The process clearly identifies decision points and the roles and responsibilities of the various team members, including acquisitions, environmental, Access Leaders, ESM and Law.</p> <p>A further amendment to the document will be made to clearly define conditions for the team that will/will not trigger further environmental assessments or may prevent The City from proceeding with an acquisition.</p>	<p><u>Lead</u>: Manager, Project Access</p> <p><u>Support</u>: Regulatory Permits and Environment Lead, Manager, Sales & Acquisitions – Green Line, Access Leaders</p> <p><u>Commitment Date</u>: September 30, 2018</p>

Recommendation 4

The Director, Real Estate & Development Services review and update the Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy, including responsibilities for large projects and reflecting an up-to-date City organization structure.

Management Response

Agreed.

Action Plan	Responsibility
Real Estate and Development Services will lead a review and update of the S.A.L.E. Policy in 2018/2019. It is proposed that structural changes will be updated, and consideration will be given to identify process improvements for large scale projects. Collaboration will be necessary across the corporation, including the Law Department, Environmental and Safety Management, and potentially the Corporate Land Administration Team.	<u>Lead</u> : Director, Real Estate & Development Services <u>Support</u> : Manager, Sales & Acquisitions <u>Commitment Date</u> : September 30, 2019

4.3 Environmental Risk Communication

The real estate team did not consistently include effective information on the outcome of environmental assessments in Land Reports or GLLAFs. The inclusion of complete information on the outcome of the environmental assessment in Land Reports or GLLAFs and associated risk management provides approvers with knowledge about environmental conditions of properties being acquired and the exercise of due diligence in property transactions. Communication of the level of environmental risk, allows approvers to ask questions on the outcomes of environmental assessments and the allocation and management of environmental liability and supports effective decision-making.

The S.A.L.E. Policy establishes that Administration will include the outcomes of environmental assessments in Land Reports to Council. The Land Reports and GLLAFs reviewed, for our sample of acquisitions, contained information that The City engaged environmental consultants to perform an environmental assessment, in accordance to the S.A.L.E. Policy. We observed five instances where the Environmental Review prepared by consultants indicated a high or medium risk of property contamination, and recommendations for further environmental assessment (Phase I or Phase II Environmental Site Assessment). In the communication to approvers and to Council (Land Reports and GLLAFs), there were:

- Two instances where the Land Reports indicated completion of an Environmental Review on the property and acceptance of environmental conditions. The Land Reports did not include information on the outcome of the assessments (high or medium environmental risk) or the next steps for remediation; and

- Three instances where the GLLAFs indicated completion of an Environmental Review on the property and acceptance of environmental conditions. Information on the outcome of the assessments (high environmental risk) was contained in the attachment and not in the GLLAFs. As a result, the information on the environmental conditions may not be sufficiently clear to delegated approvers.

The real estate team continues to acquire land for Stage 1, creating an opportunity to include the outcome of environmental assessments and the level of environmental risk in future Land Reports or GLLAFs.

Recommendation 5

The Manager, Project Access, Green Line:

- a) Define the level of information on the outcome of environmental assessments that needs to be included in the Land Reports or Green Line Land Authorization Forms; and
- b) Obtain the required environmental information from the Green Line technical team and include the outcome of the environmental assessment with the corresponding level of environmental risk and mitigating strategies in the body of the Land Reports or Green Line Land Authorization Forms.

Management Response

Agreed.

Action Plan	Responsibility
<p>The GLLAF template has been amended to provide direction to the Land Agents to insert details in the Environmental section summarizing what assessments have been undertaken, findings of the environmental assessment(s), including the level of risk and mitigating strategies to be used. The Land Agents will obtain the required information on mitigation strategies from the Access Leader and Regulatory Permits and Environment Lead.</p> <p>A workshop will be held with the Land Agents to introduce the amendments. The workshop will ensure requirements and expectations for completing the Environmental section of Land Reports and GLLAF's is understood going forward.</p>	<p><u>Lead</u>: Manager, Project Access</p> <p><u>Support</u>: Manager, Sales & Acquisitions – Green Line, Access Leader</p> <p><u>Commitment Date</u>: September 30, 2018</p>

Appendix – Real Estate Acquisitions Risk and Control Matrix

Risk Category	#	Risk	Inherent Risk (H/M/L)	Identified Key Control ⁴
Financial / Schedule (project cost and schedule overrun, inefficient use of resources)	1	Land purchases at prices or conditions perceived as unfavourable to The City. No or insufficient valuation or appraisal processes	H	<ul style="list-style-type: none"> Property valuation by qualified individuals to define fair market value. If appraisal is standard, performed by the real estate team. If complex, then will be performed by qualified appraiser. Negotiation process allows for an open dialogue between the property owner and the land agent to discuss the specific terms and conditions of the proposed acquisition. (Negotiations) Valuation Review Report submitted to Valuation Review Committee for endorsement. (Negotiations) Review and approval of Authorization Forms in accordance with delegation of authority in the Acquisition Strategy and the Real Property Bylaw. (Approval)
	2	Acquisition deadline is not met	H	<ul style="list-style-type: none"> The real estate team receives request by the Green Line Business Unit to acquire the land. The real estate team opens all files and maintains a master file. A process exists to identify/map all required properties, status of the properties, heat map. Process to prioritize resources on highest risk files. Negotiation process allows for an open dialogue between the property owner and the land agent to discuss the specific terms and conditions of the proposed acquisition. If agreement cannot be reached, expropriation is initiated. Council authorizes all expropriation initiation processes. (Negotiations and Expropriation) Review and approval of Authorization Forms in accordance with delegation of authority in the Acquisition Strategy and the Real Property Bylaw. (Approval) Reporting on the status of acquisitions and mitigation strategies.

⁴ Acquisition Strategy Component included in brackets, where applicable.

Risk Category	#	Risk	Inherent Risk (H/M/L)	Identified Key Control ⁴
Environmental (non-compliance with the S.A.L.E. Policy, exposure to liability)	3	Potential environmental liabilities from contaminated soil / Environmental rectification costs not included as part of land cost	H	<ul style="list-style-type: none"> After opening a file, the real estate team will check the history/background information of the property and check for environmental risks; concerns identified by Green Line and others. (Negotiations) When acquiring properties, the S.A.L.E. Policy and Procedures are followed. Per S.A.L.E. Policy, Real Estate & Development Services Business Unit may, under conditions, acquire contaminated property. Real Estate & Development Services Business Unit will conduct an Environmental Review for each purchase. Further Environmental Assessments may be commissioned based on the results of the review. Disclosure of environmental information and liabilities are documented. (Negotiations) Property valuation assessment follows the Environmental Review and takes it into consideration. (Negotiations)
Reputation (negative media coverage, outcomes inconsistent with commitment to the public, decreased public satisfaction, complaints to Council)	4	Perception that The City is taking advantage of property owners	M	<ul style="list-style-type: none"> Property valuation by qualified individuals to define fair market value. If appraisal is standard, performed by the real estate team. If complex, then will be performed by qualified appraiser. Negotiation process allows for an open dialogue between the property owner and the land agent to discuss the specific terms and conditions of the proposed acquisition. (Negotiations) Valuation Review Report submitted to Valuation Review Committee for endorsement. (Negotiations) Review and approval of proposal letter in accordance with delegation of authority in the Acquisition Strategy and the Real Property Bylaw. (Approval) Communication, including letter and initial meeting with property owner to explain the acquisition process. Negotiation between Property Owner and The City. If agreement cannot be reached, expropriation is initiated. (Negotiations and Expropriation) Council authorizes all expropriation initiation processes. (Expropriation)

City Auditor's Office 3rd Quarter 2018 Report

EXECUTIVE SUMMARY

This report presents a summary of the activity of the City Auditor's Office during the period July 1, 2018 to September 30, 2018.

RECOMMENDATIONS:

1. That Audit Committee receive this report for information; and
2. That Audit Committee recommend that Council receive this report for information.

RECOMMENDATION OF THE AUDIT COMMITTEE, DATED 2018 OCTOBER 24:

That Council receive Report AC2018-1246 for information.

PREVIOUS COUNCIL DIRECTION / POLICY

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties and functions of the position. The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 48M2012 (as amended). Schedule C of Bylaw 48M2012 (as amended) states that Audit Committee "reviews and forwards to Council for information, the City Auditor's Office quarterly and annual status reports".

Under the City Auditor's Office Charter (AC2016 0247 Attachment 2), the City Auditor presents quarterly reports to Audit Committee summarizing the status of deliverables against the annual audit plan. The City Auditor's Office 2017/18 Annual Audit Plan was approved on November 10, 2016.

BACKGROUND

Quarterly reports are intended to support Audit Committee's oversight of the City Auditor's Office. To support this oversight, this quarterly report is divided into two sections:

- A summary of key information on Office activity during the past quarter; and
- A summary of our current status against the approved Annual Audit Plan.

During 3rd Quarter 2018, the City Auditor's Office:

- Finalized 2 audits, completed the planning stage on 4 audits, completed the fieldwork on 2 audits, and initiated 2 further audits.
- Reviewed 35 recommendations and closed 26 recommendations (22 implemented and 4 management accepted risk). Nine recommendations required additional time and are in-progress.
- Received 25 new whistle-blower reports and closed nine investigations.
- Continued to provide input to Infrastructure Calgary, and the Corporate Project Management Framework Steering Committee on an advisory basis.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

N/A

City Auditor's Office 3rd Quarter 2018 Report

Stakeholder Engagement, Research and Communication

N/A

Strategic Alignment

The City Auditor's Office quarterly reports provide Audit Committee and Council with information to support their oversight responsibility of the City Auditor's Office. The activities of the City Auditor's Office assist Council in its oversight of the City Manager's administration and accountability for stewardship over public funds and achievement on value for money in City operations.

Social, Environmental, Economic (External)

N/A

Financial Capacity

Current and Future Operating Budget:

N/A

Current and Future Capital Budget:

N/A

Risk Assessment

The activities of the City Auditor's Office, including the Whistle-blower Program, serve to promote accountability, mitigate risk, and support an effective governance structure.

REASON FOR RECOMMENDATIONS:

To comply with Bylaw 48M2012 (as amended) which states: Audit Committee reviews the City Auditor's Office quarterly and annual status reports and forwards these to Council for information.

ATTACHMENT

City Auditor's Office 3rd Quarter 2018 Report - AC2018-1246



Calgary

City Auditor's Office

3rd Quarter 2018 Report July 1, 2018 – September 30, 2018

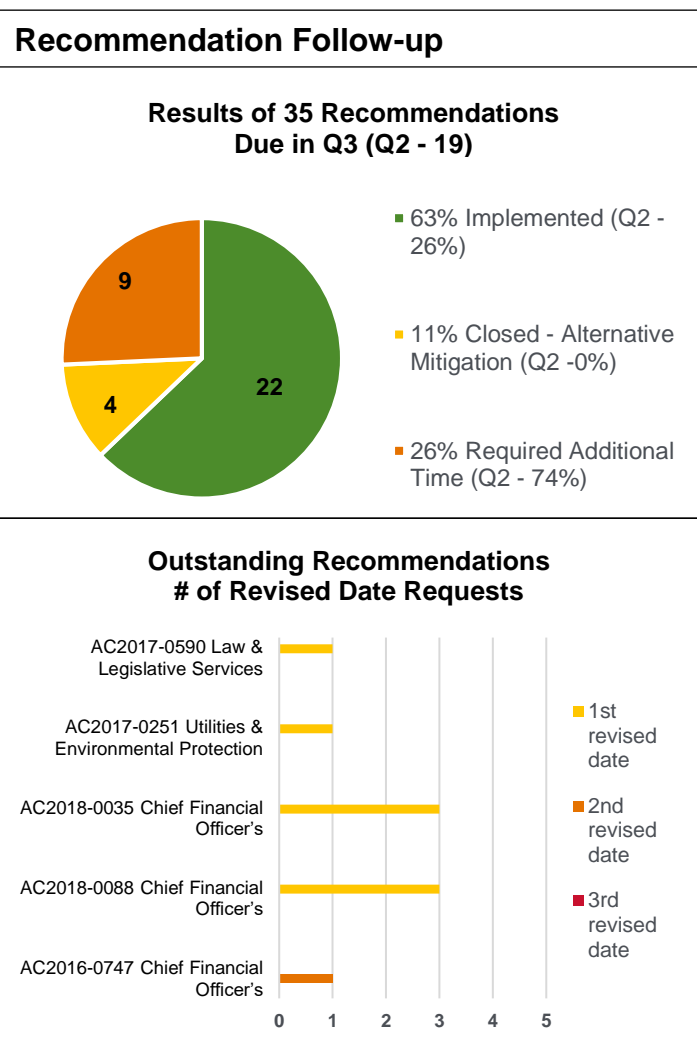
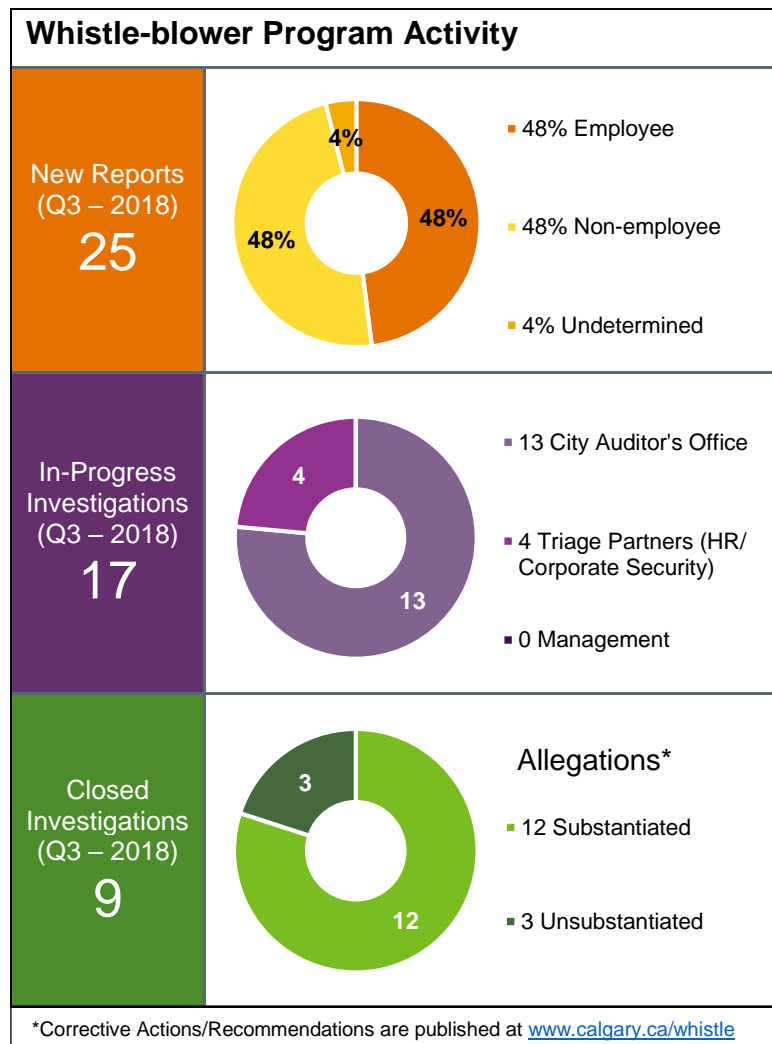
October 24, 2018

**Katharine Palmer
City Auditor**

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Status Update

Key Performance Indicators					Budget				
Measure Area	Performance Indicator	Target	Q2 2018	Q3 2018		2018 Annual Budget	Q3 Cumulative Budget	Actual to Date	Variance
Efficiency	On Track to Annual Plan	Q2-56% Q3-80%	49%	73%	Salary	2,619	1,957	1,797	160
Effectiveness	Implementation of Audit Rec.	65%	26%	40%	Contracts	96	66	66	0
Quality	Client Satisfaction	75%	94%	99%	Training	65	49	38	11
Staff	Training Plan Achieved	90%	100%	100%	Other	134	104	88	16
					Total	2,914	2,176	1,989	*187
					*Variance due to staff vacancy in Q1, and timing of contract costs.				



2017/2018 Annual Audit Plan – Status as at September 30, 2018

2017/18 Annual Audit Plan				
#	Title	Description	Report Target	Status
Risk Assessed Priority: 2017¹				
1	Green Line LRT (Engagement)	An operational audit on the effective utilization of citizen engagement to support the objectives of the capital project.	Q1	Complete Reported January
2	Corporate Credit Card (Data Analytics)	A compliance audit utilizing data analytics to assess the effectiveness of related Corporate Credit Card compliance and fraud prevention controls.	Q1	Complete Reported January
3	New Central Library Project	An operational audit on the readiness of Calgary Public Library and The City of Calgary to assume hand-off from the Calgary Municipal Land Corporation of the New Calgary Central Library.	Q1	Complete Reported February
4	Treasury Management	An operational audit of treasury (cash flow) management.	Q2	Complete Reported April
5	Cyber Security Incident Response	An IT audit assessing the effectiveness of response processes established to support and protect critical data from cyber-attacks.	Q2	Complete Reported April
6	Procurement	A follow-up audit which will focus on management actions to address recommendations raised in previous CAO audits (from 2009 to current).	Q2	Complete Reported April

¹ All other planned 2017 audits were completed and reported within 2017.

2017/18 Annual Audit Plan				
#	Title	Description	Report Target	Status
Risk Assessed Priority: 2018				
1	Employee Expenses	A compliance audit of employee expenses utilizing data analytics.	Q2	Complete Reported June
2	2017 Election Day	A management request (City Clerk's Office) to conduct a root cause analysis review of the issues which occurred on the 2017 election day and to evaluate proposed strategies to improve the election day process.	Q3	Complete Reported July
3	Open Data Program	An operational audit of the Open Data Program governance.	Q3	Complete Reported September
4	Real Estate Acquisitions (Green Line LRT)	An operational audit assessing the real estate acquisitions related to the Green Line LRT.	Q4	Reporting
5	Calgary Parking Authority	An operational audit of Calgary Parking Authority's asset management processes for the parkade portfolio that they own and operate.	Q1, 2019	Reporting
6	Bonnybrook Plant D Expansion	An operational audit of the Bonnybrook Plant D Expansion capital project.	Q1, 2019	Reporting
7	Community Planning/Calgary Approvals	An operational audit to assess the effectiveness of processes to improve permit timelines.	Q1, 2019	Planning
8	Calgary Community Standards – Livery Transport Services	An operational audit assessing the effectiveness of internal controls that support public and driver safety.	Q1, 2019	Fieldwork

2017/18 Annual Audit Plan				
#	Title	Description	Report Target	Status
9	Annual Control Environment Assessment	An operational audit assessing the design effectiveness of the Annual Control Environment Assessment, and assessing the operating effectiveness of control activities which support COSO Principle 3: Establishes Structure, Authority and Responsibility.	Q1, 2019	Fieldwork
10	Emergency Management	An operational audit of emergency preparedness and related business continuity plans.	Q2, 2019	Planning
11	Finance System	An IT audit assessing the efficiency and effectiveness of the finance system to manage budget and costs. <i>This audit will be deferred to 2019 as upgrades to the finance system are planned during 2018.</i>	Deferred to 2019	Included in the approved 2019-2020 Audit Plan.
12	Plebiscite Readiness Review	A special review at the request of the Returning Officer/City Clerk to validate plebiscite readiness and support greater transparency on actions taken by Election and Census Services to provide an improved voter experience.	Q4	Reporting

Deputy City Manager's Office Report to
Priorities and Finance Committee
2018 October 30

ISC: UNRESTRICTED
PFC2018-1222

Independent Review of Non-Residential Assessment and Appeal System

EXECUTIVE SUMMARY

In response to the attached 2017 September 11, Notice of Motion (Attachment 1), Heuristic Consulting was engaged to conduct an independent review of the non-residential assessment and assessment complaint processes. On 2018 June 19, Heuristic presented an interim report to the Priorities and Finance Committee (PFC). These preliminary findings and accompanying materials can be found in the Report PFC2018-0798 (Attachment 2). Following their presentation, Administration was directed to have Heuristic return with a final report no later than Q4 2018. Heuristic's final report (Attachment 3), including recommendations for the improvement of the non-residential assessment and complaint system, will therefore be the subject of a presentation from Heuristic to PFC on 2018 October 30.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council direct the City Manager to assign a lead to monitor and report back on the implementation of the consultant's recommendations as well as their impact on the non-residential assessment and complaint system, no later than 2019 Q3.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018 OCTOBER 30:

That the Administration Recommendation contained in Report PFC2018-1222 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

In addition to directing Administration to engage an external consultant to perform an independent review of the non-residential assessment and assessment appeal system, the September 2017 Notice of Motion further specifies that this review should:

- Determine what changes can be implemented within the bounds of existing legislation to increase fairness, transparency and equity from the standpoint of all non-residential taxpayers, while taking into consideration associated financial risks to The City.
- Determine whether changes could be implemented within the bounds of existing legislation to the way non-residential taxpayers can seek review of non-residential property assessments.
- Review similar processes in Edmonton and other relevant jurisdictions to determine any changes that The City of Calgary could emulate to ensure greater fairness, transparency and equity.

Deputy City Manager's Office Report to
Priorities and Finance Committee
2018 October 30

ISC: UNRESTRICTED
PFC2018-1222

Independent Review of Non-Residential Assessment and Appeal System

- Identify related changes to the Municipal Government Act (i.e. outside the bounds of existing legislation) that Council could consider for advocacy with the Government of Alberta.

Following an interim report in 2018 June, Administration was directed to have Heuristic produce a final report no later than 2018 Q4.

BACKGROUND

Beginning in 2017, several non-residential taxpayers in Calgary expressed their concern to Members of Council about the fairness, transparency and equity of the City's annual non-residential assessment system. Concerns were also raised about both the predictability and timeliness of the process used to hear assessment complaints.

The affected taxpayers pointed specifically to a recent rise in the number of non-residential assessment complaints before the Assessment Review Board (ARB), as well as the fact that in some cases, assessments that had been reduced by the ARB one year, were increased by The City in subsequent years. Affected taxpayers' have also raised related concerns about the ability to access important information about non-residential property assessments.

These concerns led Council to adopt the Notice of Motion referred to above, directing Administration to seek independent recommendations to improve both the non-residential assessment system, as well as the system governing non-residential assessment complaints. Recognizing that The City of Calgary is, in many ways, constrained by a legislative framework controlled by the Province, the Notice of Motion sought recommendations for changes both within The City's immediate control, as well as changes that The City might consider as advocacy positions in future dealings with the Government of Alberta. In response, Administration issued a Request for Proposals, and from a short-list of highly qualified applicants, selected Heuristic Consulting based on the team's depth of experience as well as the objectivity of a British Columbia-based organization.

Project-managed by Intergovernmental & Corporate Strategy to avoid any real or perceived conflicts of interest, the Heuristic team began their work in March 2018 with an extensive series of in-person interviews with external and internal stakeholders in Calgary and elsewhere (see below for list of stakeholders). The consultants also reviewed relevant legislation, spoke with senior representatives of other comparable jurisdictions, and established criteria and methodologies to measure fairness, transparency and predictability. During and after this research the consultants also organized two half-day workshops, well-attended by all internal and external stakeholders to validate and refine their findings, and to encourage collegiality and cooperation among the various parties.

Based on this work, Heuristic produced an interim report in 2018 June that:

- Identified and prioritized changes that could be made, within the existing legislative scheme and in a fiscally responsible manner, to increase taxpayers' levels of satisfaction with the fairness, transparency and predictability throughout the system

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2018 October 30

ISC: UNRESTRICTED
PFC2018-1222

Independent Review of Non-Residential Assessment and Appeal System

- Identified best practices from other jurisdictions, compatible with the existing legislative scheme and considering potential financial risks, to address the need for timely and equitable resolutions of assessment complaints
- Identified and prioritized areas of concern in the appeal process respecting that The City of Calgary might want to advocate for legislative change to the Province

INVESTIGATION: ALTERNATIVES AND ANALYSIS

At the June 28 meeting of PFC, representatives of Heuristic Consulting presented their preliminary findings and recommendations organized around six key issues.

1. Capacity: Different parties, including the ARB and The City of Calgary might benefit from additional training and/or expertise.
2. Culture: All parties to the non-residential assessment and complaint system need to focus on practices and processes that foster improved collaboration.
3. Mass Appraisal: The legislative requirement to use Mass Appraisal to find assessed value should be clarified to communicate assessors' authority and flexibility to adjust values.
4. Effective Communication: Different parties to the process should improve their communication strategies to better target timely messages to critical audiences.
5. Dispute Resolution: improvements should be made to improve the probability of resolving disputes prior to a formal appeal to the ARB.
6. The role of the Province: Clarify the oversight role of the province as well as reconvening the Stakeholders Advisory Committee active during the Municipal Government Act (MGA) Review could support improved trust among the parties.

Following the discussion of these preliminary findings at the June 28 meeting of PFC, the consultants continued to refine their recommendations in consultation with Administration and stakeholders. Building on the preliminary findings above, Heuristic offers several related recommendations for consideration. In presenting these recommendations, Heuristic notes that The City currently has the fundamentals in place for a leading-non-residential assessment jurisdiction, and that the specific recommendations are meant to build on existing strengths to enhance public acceptance and cost-effectiveness, while minimizing risk to The City's finances.

Heuristic further notes as an epilogue to their report, that primary stakeholders, including key elements of Administration, not only helped develop the practical solutions contained in the report, but have already begun to implement changes to drive "Made in Calgary" success.

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PFC2018-1222**

Independent Review of Non-Residential Assessment and Appeal System

Nevertheless, there remains room for improvement, and to build on the existing momentum, Heuristic's primary recommendation is that The City establish a leadership team reporting to the City Manager (or delegate) to plan and lead a transformation plan consisting of the following:

- Phase 1 / Year 1: implement immediate action by The City to build cooperative relations with stakeholders
- Phase 2 / Years 1-3: City-led transformation is planned and executed cooperatively within constraints of existing legislation
- Phase 3 / Years 3-10: Continuation of City-led transformation, adding initiatives requiring legislative change (with the encouragement and support of the Province and other stakeholders to imbed and enable improvements).

Within the Report, key internal stakeholders, including the Assessment Business Unit, were provided with an opportunity to respond to the general and specific recommendations, indicating not only that Administration agrees with the general direction of the report, but that there have already been substantial steps taken to address some of the deficiencies identified.

Stakeholder Engagement, Research and Communication

Stakeholder engagement was essential to help identify and prioritize concerns and develop recommendations leading to "made in Calgary" solutions. Stakeholders consulted include:

- Internal City of Calgary Stakeholders, including the City Manager and other senior management as well as staff from Law, the Assessment business unit, and other parts of the Finance Department.
- The ARB, including the Board Chair, Board Members and staff from City Clerks that support the work of the ARB.
- Non-residential taxpayers and their agents, including individual taxpayers, tax agents such as Altus, and representative bodies including the Calgary Chamber of Commerce and Calgary Economic Development.
- The Mayor and Members of Council.
- Representatives from the Government of Alberta, primarily focused on senior officials within the Ministry of Municipal Affairs.
- Professional associations including the Alberta Assessors Association.
- A range of similar stakeholders from other jurisdictions, including British Columbia, Ontario, and City of Winnipeg, but with an emphasis on staff from The City of Edmonton and the Edmonton ARB.

It is worth noting, that without exception, the stakeholders that have been approached and engaged have expressed their satisfaction with the choice of Heuristic Consulting to undertake this work. This buy-in to the review process has been important to developing useful analysis

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Independent Review of Non-Residential Assessment and Appeal System

and recommendations, but also helps demonstrate a willingness of parties to work collaboratively to improve the system.

In addition to the extensive local stakeholder engagement, Heuristic also drew on their networks to speak with senior representatives in other Canadian jurisdictions, and reviewed interjurisdictional studies, to analyze alternative approaches, with a focus on transparency, simplicity of understanding, procedural fairness and predictability.

Strategic Alignment

This exercise aligns with the 2019-2022 Council Directive for A Well-Run City. This directive instructs both Council and Administration to improve communication with Calgarians, improve the value of municipal services by simplifying and streamlining processes, and seize opportunities for innovative management and service delivery.

The exercise also aligns with Council's 2019-2022 Guidelines to Administration, including the building of strategically important relationships that promote community and city building.

Social, Environmental, Economic (External)

N/A

Financial Capacity

Current and Future Operating Budget:

In responding to the concerns raised in the Notice of Motion, many of the recommendations are focused on improving transparency, fairness and equity. But in so doing, they also recommend service level enhancements and organizational transformation that can achieve operating efficiency gains. For instance, Heuristic notes that the recent upward trend in the number of complaints and related hearings has financial and human resource stresses on both the Assessment business unit and the Assessment Review Board, supported by City Clerks. Heuristic estimates that if the recommendations are followed and the number of complaint hearings reduced, it could generate savings of approximately \$2M per year. However, the report is careful to note that the annual savings would not occur immediately. Transformation takes time and costs money – so it should be anticipated that costs would increase initially as both the current operation and transformation efforts need to be funded over the short term, with the projected annual savings being achievable within five years.

Current and Future Capital Budget:

N/A

Risk Assessment

Some changes will require the support of the Government of Alberta, particularly those around ensuring clarity of roles and responsibilities. Following the lengthy MGA Review and ongoing city charter processes, there is a very real risk that the Government of Alberta may be unwilling to entertain further changes to the assessment system in The City of Calgary, particularly in the lead-up to a provincial election. If any changes are sought in the near-term, it may therefore require a concerted advocacy campaign. One strategy may involve demonstrating the broader

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value of any changes to other parties, including the City of Edmonton and the Alberta Urban Municipalities Association, enlisting their support for future advocacy.

Furthermore, several of the recommendations focus on improved relationships. While all of the parties have demonstrated a willingness to improve communication and collaboration within this context of this review, there is a risk that any momentum could be lost once the review process is complete. Effective transformation and change management require coordination and leadership on the part of The City to ensure that all of the stakeholders, both internal and external, continue to build on the successes so far.

Finally, there is some risk that the recommendations coming from this report could be construed as a response to, or solution for, some of the other issues that have been raised regarding The City's assessment and taxation practices (e.g. the shifting tax burden resulting from low downtown occupancy). While related, it is important to ensure that the scope of this exercise is made clear in any associated communications.

REASON(S) FOR RECOMMENDATION:

As Council notes in the original Notice of Motion, taxpayers have been advocating for changes to the non-residential assessment and complaint system to address several concerns related to transparency, fairness and predictability. The recommendations contained in the consultant's final report are based on extensive consultations with, and enjoy the support of, these same stakeholders, as well as key elements of City of Calgary Administration. In fact, those same internal and external stakeholders have already begun collaboratively to implement many of the recommended changes. Requiring the City Manager to assign a lead to report back no later than 2019 Q3 will provide an opportunity to see how the implementation of these changes play out over the course of an assessment cycle, make any necessary course corrections, and ensure longer-term success.

ATTACHMENTS

1. Notice of Motion, PFC2018-0789
2. Interim Report, PFC2018-0798
3. Final Report, "An Independent Review: Calgary's Non-Residential Property Assessment and Complaint Systems," Heuristic Consulting Associates.

RECEIVED
NM 2017-38
2017 AUG 31 AM 9:26
THE CITY OF CALGARY
CITY CLERK'S

NOTICE OF MOTION

NM 2017, September 11
Combined Meeting of Council

RE: INDEPENDENT REVIEW OF NON-RESIDENTIAL ASSESSMENT AND COMPLAINTS

MAYOR Nenshi

WHEREAS there were 2,386 assessment complaints for non-residential properties filed in 2017, up from 2,159 in 2016 and 1,889 in 2015 and about 40% of those that proceeded to a hearing before the Composite Assessment Review Board in 2016 were successful for the complainant;

AND WHEREAS the Municipal Government Act and Regulations legislate that assessments are to be prepared each year to reflect market value and Provincial standards;

AND WHEREAS some assessments reduced by a Composite Assessment Review Board are increased by The City of Calgary in subsequent years, as "every year is a new year," resulting in further and recurring assessment complaints;

AND WHEREAS many businesses and individuals, as well as the Calgary Chamber of Commerce and Calgary Economic Development have raised significant, reasonable and persuasive concerns about the fairness, transparency and predictability of The City of Calgary's non-residential assessment process;

AND WHEREAS these concerns highlight the need to review the non-residential assessment and complaint process for potential improvements and reforms;

NOW THEREFORE BE IT RESOLVED that Council directs Administration to engage a consultant to conduct an independent review of the non-residential assessment process to determine if changes could be implemented within the bounds of the legislation to increase fairness, transparency and equity from the standpoint of all non-residential taxpayers, while taking into consideration associated financial risks to The City.

AND BE IT FURTHER RESOLVED that Council directs Administration to engage a consultant to conduct an independent review of the non-residential complaint process to determine if changes could be implemented within the bounds of the legislation to the manner in which non-residential taxpayers can seek review of non-residential property assessments.

AND BE IT FURTHER RESOLVED that the independent review include an examination of the non-residential assessment complaint processes in The City of Edmonton and other relevant jurisdictions to determine what practices, if any, The City of Calgary could emulate to ensure greater fairness, transparency and predictability.

AND BE IT FURTHER RESOLVED that the independent review examine non-residential assessment complaint best practices, associated financial risks and applicable legislation from other jurisdictions, for the timely and equitable resolution of assessment complaints.

AND BE IT FURTHER RESOLVED that the independent review identify and recommend potential changes to the assessment complaint process in the Municipal Government Act for Council to consider adopting as an advocacy position to the province.

AND BE IT FURTHER RESOLVED that a report return to the Priorities and Finance Committee no later than Q2 2018.

A handwritten signature in black ink, appearing to read "Dunlop", with a horizontal line underneath.

**Deputy City Manager's Office Report to
Priorities and Finance Committee
2018 June 28**

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PFC2018-0798
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Independent Review of Non-Residential Assessment and Appeal System

EXECUTIVE SUMMARY

On 11 September 2017, Council adopted a Notice of Motion (Attachment) directing Administration to engage a consultant to conduct an independent review of the non-residential assessment and assessment complaint processes, including recommendations for change, and to report back to the Priorities and Finance Committee (PFC) no later than Q2 2018.

In response to this direction, Heuristic Consulting was selected by a competitive process to perform this review, and will be presenting their interim findings to this (2018 June 28) meeting of PFC, to be followed by the submission of a final written report in the early fall, 2018.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee:

1. Receive this report and attachments for information; and
2. Direct that Administration return to PFC with the final, independent report and recommendations no later than Q4 2018.

PREVIOUS COUNCIL DIRECTION / POLICY

In addition to directing Administration to engage an external consultant to perform an independent review of the non-residential assessment and assessment appeal system, the September 2017 Notice of Motion further specifies that this review should:

- determine what changes can be implemented within the bounds of existing legislation to increase fairness, transparency and equity from the standpoint of all non-residential taxpayers, while taking into consideration associated financial risks to The City;
- determine whether changes could be implemented within the bounds of existing legislation to the way non-residential taxpayers can seek review of non-residential property assessments;
- review similar processes in Edmonton and other relevant jurisdictions to determine any changes that The City of Calgary could emulate to ensure greater fairness, transparency and equity; and
- identify related changes to the Municipal Government Act (i.e. outside the bounds of existing legislation) that Council could consider for advocacy with the Government of Alberta.

BACKGROUND

Over the past year, several non-residential taxpayers in Calgary expressed their concern to Members of Council about the fairness, transparency and equity of the City's annual non-residential assessment system. Concerns were also raised about both the predictability and timeliness of the process used to hear assessment complaints.

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2018 June 28**

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Independent Review of Non-Residential Assessment and Appeal System

The affected taxpayers pointed specifically to a recent rise in the number of non-residential assessment complaints before the Assessment Review Board (ARB), as well as the fact that in some cases, assessments that had been reduced by the ARB one year, were increased by The City in subsequent years. Affected taxpayers' have also raised related concerns about the ability to access important information about non-residential property assessments.

These concerns led Council to adopt the Notice of Motion referenced above, directing Administration to seek independent recommendations to improve both the non-residential assessment system, as well as the system governing non-residential assessment complaints. Recognizing that The City of Calgary is, in many ways, constrained by a legislative framework controlled by the province, the Notice of Motion sought recommendations for changes both within The City's immediate control, as well as changes that The City might consider as advocacy positions in future dealings with the Government of Alberta. In response, Administration issued a Request for Proposals, and from a short-list of highly qualified applicants, selected Heuristic Consulting based on the team's depth of experience as well as the objectivity of a BC-based organization.

Project-managed by Intergovernmental & Corporate Strategy to avoid any real or perceived conflicts of interest, the Heuristic team began their work in March 2018 with an extensive series of in-person interviews with external and internal stakeholders in Calgary and elsewhere (see below for list of stakeholders). The consultants also reviewed relevant legislation, spoke with senior representatives of other comparable jurisdictions, and established criteria and methodologies to measure fairness, transparency and predictability. During and after this research the consultants also organized two half-day workshops, well-attended by all internal and external stakeholders to validate and refine their findings, and to encourage collegiality and cooperation among the various parties.

Based on this work, Heuristic has:

- Identified and prioritized changes that could be made, within the existing legislative scheme and in a fiscally responsible manner, to increase taxpayers' levels of satisfaction with the fairness, transparency and predictability throughout the system
- Identified best practices from other jurisdictions, compatible with the existing legislative scheme and considering potential financial risks, to address the need for timely and equitable resolutions of assessment complaints
- Identified and prioritized areas of concern in the appeal process respecting that The City of Calgary might want to advocate for legislative change to the Province

INVESTIGATION: ALTERNATIVES AND ANALYSIS

At the June 28 meeting of PFC, representatives of Heuristic Consulting will present their preliminary findings and recommendations. Following input from PFC, they will continue to refine their recommendations, and return with a final, written report in the fall of 2018. Briefly, the preliminary findings can be organized around seven key issues.

**Deputy City Manager's Office Report to
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2018 June 28**

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Independent Review of Non-Residential Assessment and Appeal System

1. Capacity: Different parties, including the ARB and The City of Calgary might benefit from additional training and/or expertise.
2. Culture: All parties to the non-residential assessment and complaint system need to focus on practices and processes that foster improved collaboration.
3. Mass Appraisal: The legislative requirement to use Mass Appraisal to find assessed value should be clarified to communicate assessors' authority and flexibility to adjust values.
4. Effective Communication: Different parties to the process should improve their communication strategies to better target timely messages to critical audiences.
5. Dispute Resolution: improvements should be made to improve the probability of resolving disputes prior to a formal appeal to the ARB.
6. The role of the Province: Clarity the oversight role of the province as well as reconvening the Stakeholders Advisory Committee active during the Municipal Government Act (MGA) Review could support improved trust among the parties.

Following the discussion of these preliminary findings at the June 28 meeting of PFC, the consultants will continue to refine their recommendations for presentation of a written report to Council in the fall of 2018.

Stakeholder Engagement, Research and Communication

Since beginning their review, the independent consultants (Heuristic Consulting) have engaged repeatedly with a wide range of stakeholders and experts, both individually as well as together in two-half day workshops. These stakeholders include:

- Internal City of Calgary Stakeholders, including the City Manager and other senior management as well as staff from the Assessment Business Unit, and Law and Finance Departments.
- The ARB, including the Board Chair, Board Members and staff from City Clerks that support the work of the ARB.
- Non-residential taxpayers and their agents, including individual taxpayers, tax agents such as Altus, and representative bodies including the Calgary Chamber of Commerce and Calgary Economic Development.
- The Mayor and Members of Council.
- Representatives from the Government of Alberta, primarily focused on senior officials within the Ministry of Municipal Affairs.
- Professional associations including the Alberta Assessors Association.

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2018 June 28**

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Independent Review of Non-Residential Assessment and Appeal System

- A range of similar stakeholders from other jurisdictions, including British Columbia, Ontario, and City of Winnipeg, but with a particular emphasis on staff from The City of Edmonton and the Edmonton ARB.

It is worth noting, that without exception, all of the stakeholders that have been approached and engaged have expressed their satisfaction with the choice of Heuristic Consulting to undertake this work. This buy-in to the review process has been important to developing useful analysis and recommendations, but also helps demonstrate a willingness of parties to work collaboratively to improve the system.

Strategic Alignment

This exercise aligns with the 2019-2022 Council Directive for A Well-Run City. This directive instructs both Council and Administration to improve communication with Calgarians, improve the value of municipal services by simplifying and streamlining processes, and seizing opportunities for innovative management and service delivery.

The exercise also aligns with Council's 2019-2022 Guidelines to Administration, including the building of strategically important relationships that promote community and city building.

Social, Environmental, Economic (External)

N/A

Financial Capacity

Current and Future Operating Budget:

In responding to the concerns raised in the Notice of Motion, many of the preliminary recommendations are concerned with improving transparency, fairness and equity. But in so doing, they also recommend service level enhancements and organizational transformation that can achieve operating efficiency gains. However, these gains may also require an initial investment, in the form, for instance, of enhanced training. Greater detail on the expected gains will come with the final report, but might be expected to achieve overall cost-savings within 3-5 years and further savings over time.

Current and Future Capital Budget:

N/A

Risk Assessment

Some of the recommendations require action from the Government of Alberta. Following the lengthy MGA Review and ongoing city charter processes, there is a very real risk that the Government of Alberta may be unwilling to entertain further changes to the assessment system in The City of Calgary, particularly in the lead-up to a provincial election. If any changes are

**Deputy City Manager's Office Report to
Priorities and Finance Committee
2018 June 28**

**ISC: UNRESTRICTED
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Independent Review of Non-Residential Assessment and Appeal System

sought in the near-term, it may therefore require a concerted advocacy campaign. One strategy may involve demonstrating the broader value of any changes to other parties, including the City of Edmonton and the Alberta Urban Municipalities Association, enlisting their support for future advocacy.

Furthermore, several of the preliminary recommendations focus on improved relationships. While all of the parties have demonstrated a willingness to improve communication and collaboration within this context of this review, there is a risk that any momentum could be lost once the review process is complete. Effective transformation and change management require coordination and leadership on the part of The City to ensure that all of the stakeholders, both internal and external, continue to build on the successes so far.

Finally, there is some risk that the recommendations coming from this report could be construed as a response to, or solution for, some of the other issues that have been raised regarding The City's assessment and taxation practices (e.g. the shifting tax burden resulting from low downtown occupancy). While related, it will be important to ensure that the scope of this exercise is made clear in the final report and any associated communications.

REASON(S) FOR RECOMMENDATION(S):

Receiving this report and attachments for information provides an opportunity for Members of Council to hear and provide feedback on the preliminary findings and recommendations. Directing the Administration to work with the consultants to provide a final report no later than Q3 2018 will ensure that Council's feedback can be incorporated, while still providing an opportunity to implement certain recommendations prior to the next assessment year.

ATTACHMENT

1. Notice of Motion
2. PowerPoint Presentation

RECEIVED
NM 2017-38
2017 AUG 31 AM 9:26
THE CITY OF CALGARY
CITY CLERK'S

NOTICE OF MOTION

NM 2017, September 11
Combined Meeting of Council

RE: INDEPENDENT REVIEW OF NON-RESIDENTIAL ASSESSMENT AND COMPLAINTS

MAYOR Nenshi

WHEREAS there were 2,386 assessment complaints for non-residential properties filed in 2017, up from 2,159 in 2016 and 1,889 in 2015 and about 40% of those that proceeded to a hearing before the Composite Assessment Review Board in 2016 were successful for the complainant;

AND WHEREAS the Municipal Government Act and Regulations legislate that assessments are to be prepared each year to reflect market value and Provincial standards;

AND WHEREAS some assessments reduced by a Composite Assessment Review Board are increased by The City of Calgary in subsequent years, as "every year is a new year," resulting in further and recurring assessment complaints;

AND WHEREAS many businesses and individuals, as well as the Calgary Chamber of Commerce and Calgary Economic Development have raised significant, reasonable and persuasive concerns about the fairness, transparency and predictability of The City of Calgary's non-residential assessment process;

AND WHEREAS these concerns highlight the need to review the non-residential assessment and complaint process for potential improvements and reforms;

NOW THEREFORE BE IT RESOLVED that Council directs Administration to engage a consultant to conduct an independent review of the non-residential assessment process to determine if changes could be implemented within the bounds of the legislation to increase fairness, transparency and equity from the standpoint of all non-residential taxpayers, while taking into consideration associated financial risks to The City.

AND BE IT FURTHER RESOLVED that Council directs Administration to engage a consultant to conduct an independent review of the non-residential complaint process to determine if changes could be implemented within the bounds of the legislation to the manner in which non-residential taxpayers can seek review of non-residential property assessments.

AND BE IT FURTHER RESOLVED that the independent review include an examination of the non-residential assessment complaint processes in The City of Edmonton and other relevant jurisdictions to determine what practices, if any, The City of Calgary could emulate to ensure greater fairness, transparency and predictability.

AND BE IT FURTHER RESOLVED that the independent review examine non-residential assessment complaint best practices, associated financial risks and applicable legislation from other jurisdictions, for the timely and equitable resolution of assessment complaints.

AND BE IT FURTHER RESOLVED that the independent review identify and recommend potential changes to the assessment complaint process in the Municipal Government Act for Council to consider adopting as an advocacy position to the province.

AND BE IT FURTHER RESOLVED that a report return to the Priorities and Finance Committee no later that Q2 2018.

A handwritten signature in black ink, appearing to read "Dunshi", is written over a horizontal line.

Calgary



Review of Non-Residential Assessment and Assessment Appeals System

Attachment 2 – PFC2018-0798

Priorities & Finance Committee
June 28, 2018



Calgary City Council Motion

Calgary City Council, passed a Notice of Motion on September 11, 2017, approving an independent review of the non-residential assessment and complaint system to obtain recommendations to improve stakeholder satisfaction with the non-residential property assessment and complaint system.



- Determine if changes could be implemented to increase fairness, transparency and equity
- Determine if changes could be implemented to the manner in which taxpayers can seek review of non-residential property assessments
- Review the complaint processes from other relevant jurisdictions
- Consider best practices, associated financial risks and applicable legislation from other jurisdictions
- Identify and recommend potential changes to the assessment complaint process in the MGA.



Purpose of Today's Presentation

The Consultants will be providing a full report with final recommendations for Council in the early fall, 2018. The findings to date should be considered preliminary

Today's presentation is meant to:

- To provide an overview of the process of consultation and research
- Provide an overview of preliminary findings and draft recommendations
- Offer Members of Council an opportunity for additional feedback the consultants may consider as they prepare final recommendations



Key Review Activities

- Interviews, meetings and innovation workshops – outreach to primary stakeholders themed on **redefining WIN for community well-being**. Toward practical solutions to improve transparency, predictability, fairness & equity – while recognizing financial risk.
- Reviewed the assessment legislation applicable to Calgary and Edmonton, and to other Canadian jurisdictions
- Interjurisdictional and leading practice: researched alternative approaches to assessment and complaint/appeal systems



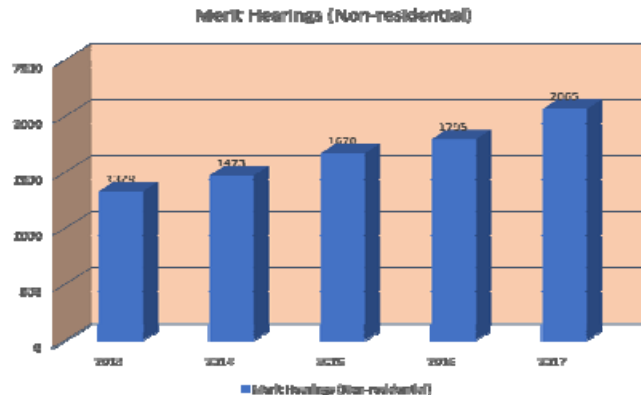


Stakeholder Engagement & Interjurisdiction Review

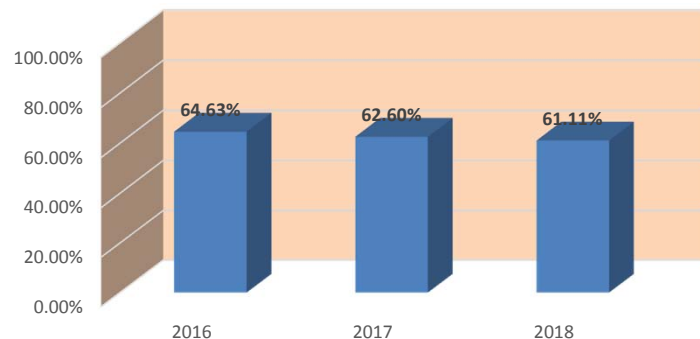
- Tax agents
- Property Owners & Industry Roundtable
- Calgary Chamber of Commerce
- Calgary Economic Development
- BOMA (Building Owners & Managers Assn)
- Calgary Assessment Business Unit
- Calgary Assessment Review Board
- Calgary City Staff
- Edmonton Assessment Business Unit
- Edmonton Assessment Review Board
- Ministry of Municipal Affairs
- Alberta Municipal Government Board
- Alberta Assessors Association
- City of Winnipeg
- Province of BC
- Province of Ontario



Non-Residential Assessment System *Findings*



Percentage of Properties With ARB Decreases that were Increased in Subsequent Years



- Current system has many **strengths**
- Challenges, but **improvements already under way** (e.g., ACP)
- System **capacity** strained – responding to appeals limits resources available for property assessment
- **Culture** of defensiveness: lack of trust; adversarial relationships focused on ‘win-lose’
- Lack of effective **communication** between the parties
- Unclear Provincial **leadership/oversight** role – from elevating standards to systemic performance management & forward-looking audit / QM



Preliminary Recommendations → Key Issues

Key Issue 1 - Capacity

- Use short-term external expertise; enhance training in valuation of complex, high value, properties
- Skills training in dispute negotiation and media/external communications
- Enhance annual performance reporting for both ABU and ARB (client-centric; capacity linked)
- Cooperatively streamline workloads and schedules associated with roll preparation and dispute resolution



Preliminary Recommendations → Key Issues

Key Issue 2 - Culture

- Clarify / describe roles of key players in Non-Res Assessment system
- Set basic ground rules for working relationships between ABU and principal tax agents through Memorandum of Understanding (MOU):
 - Roles and common goals
 - Professional conduct
 - Information sharing and communications expectations
 - Process - agreed statements of facts and/or agreed recommendations to ARB for scheduling hearings
 - Pre-Roll and post Pre-Roll negotiations



Preliminary Recommendations → Key Issues

Key Issue 2 - Culture

- ARB – support cooperative practices between the parties to provide maximum flexibility for scheduling and pre-hearing dispute resolution, while respecting principles of administrative law
- Throughout the transformation period, provide for **coordinating leadership role by the City - to monitor, advocate and sustain continuous improvement**





Coordinated Leadership; Clear Roles & Collaboration

**Sound
Assessment
/ Tax System**

Policy

Leading Practice

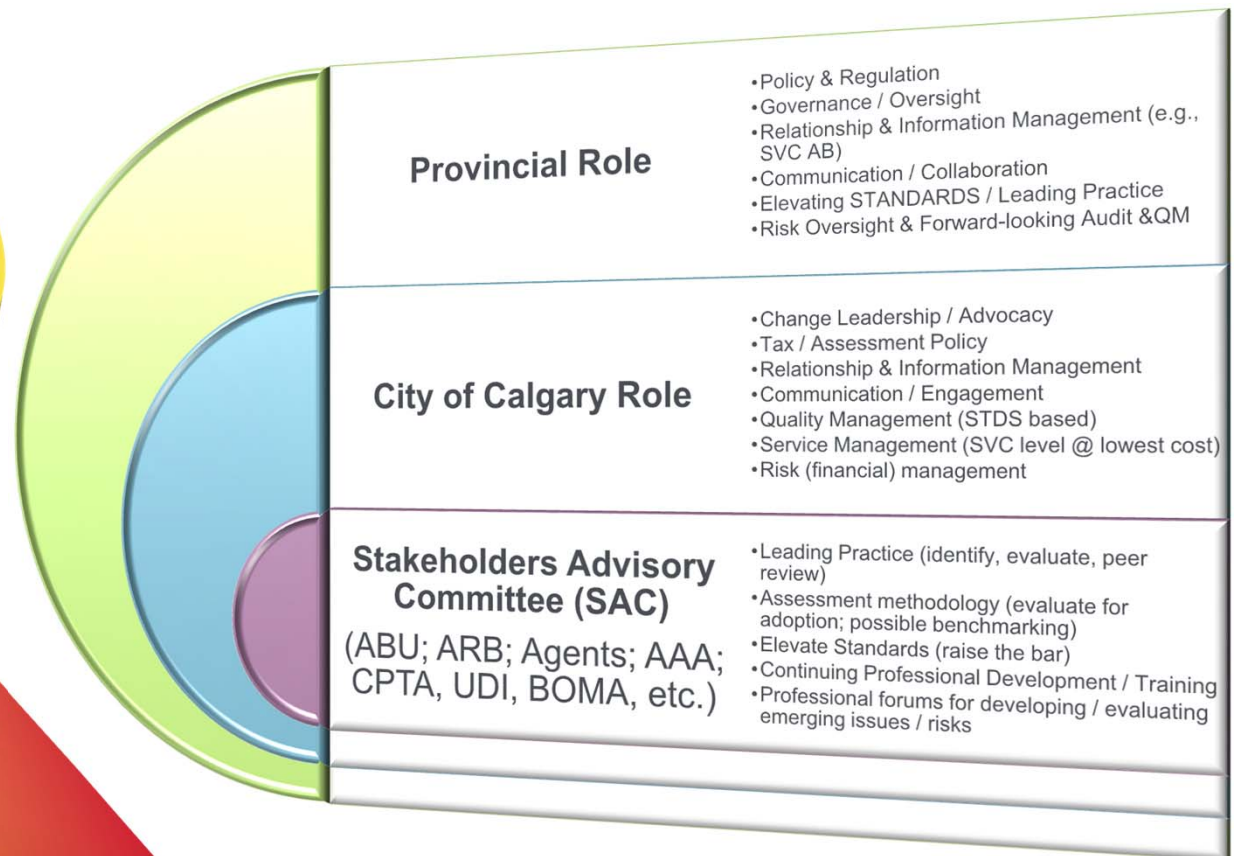
Assmt Methodology

Elevate Standards

Effective Audit Reporting

Alternative Dispute Resolution

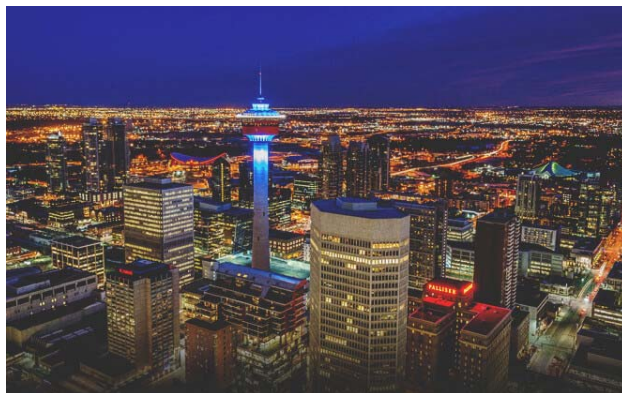
Emerging Issues/Risks





Recommendations to Address Key Issues

Key Issue 3 – the requirement to use Mass Appraisal to find assessed value



- Clarify that market value, consistently determined, is the target
- Recognize mass appraisal as a tool; not a solution
- Assessment quality, at lowest cost: mass appraisal is necessary to cost efficiency, but requires balance with appraisal judgment for valuing thinly traded, complex properties
- Clarify & communicate assessors' authority to adjust values ; accounting for individual property / market variations
- Provincial ratio studies: develop & report metrics (beyond ASR, COD) to recognize property strata & assessment methodology distinctions

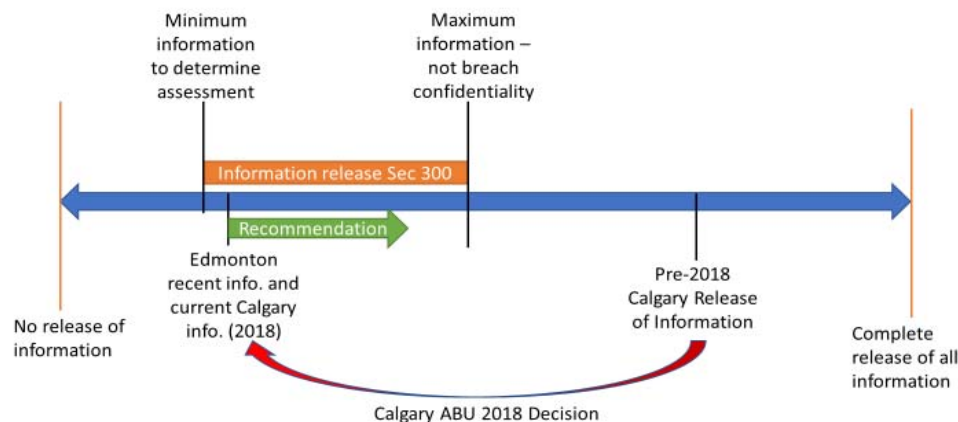


Recommendations to Address Key Issues

Key Issue 4 - Effective communications

- ABU - enhance communications strategy to better target timely messages to critical audiences
- Provide optimal (not minimal) amount of information for taxpayers' acceptance / understanding of their assessments, while protecting privacy

Information Sharing Issue



- Engage Stakeholders (e.g., re-energize an effective Stakeholders Advisory Committee) to:
- Aid identification & adaption of leading practice / continuous improvement, and
- Provide early information to inform financial risk assessment regarding tax base shifts due to complex market dynamics.



Recommendations to Address Key Issues

Key Issue 5 - Dispute resolution improvements

- Focus on improving the efficacy of the ACP (Pre-Roll), by
 - Prioritizing resolution of high value/common issue/principle setting properties
 - Supporting “without prejudice” settlement opportunities



- Expanding awareness of the ACP kickoff market analysis meeting
- Adjusting ABU resourcing to assign a single team leader/manager to administer and report out on the ACP



Recommendations to Address Key Issues

Key Issue 6 - Dispute resolution improvements

- ARB protocols to facilitate pre-hearing dispute resolution
- ABU and ARB to report on appeal costs and performance
- Improve the efficacy of the ARB system by
 - enhancing the member performance review process
 - considering resourcing board officer positions and/or transferring administrative responsibilities to the City Clerk's office
 - adopting the use of case management by Board members to narrow issues and encourage pre- hearing resolution of cases
 - publicizing the one year "cooling off" policy of the MGB and ARBs before hiring assessment staff as panel members



Recommendations to Address Key Issues

Key Issue 6 - Dispute resolution improvements

- In the mid-long term,
 - Investigate for adoption: ARB Rules of Practice & Procedure to incorporate active appeal management, alternate dispute resolution and settlement conferencing.
 - Advocate for legislative change to introduce dispute resolution alternatives (e.g., structured appeal management and mediation, single member adjudication either through hearing or written submissions) adapting experience of BC, Winnipeg and Ontario



Recommendations to Address Key Issues

Key Issue 6 - Dispute resolution improvements

- In the long term,
 - advocate for legislative change to model dispute resolution alternatives (e.g., structured appeal management and mediation, single member adjudication either through hearing or written submissions) adapting experience of BC, Winnipeg and Ontario
 - evaluate the advantages and disadvantages of a 2-3-year roll cycle.

• Key Issue 7 – the Role of the Province

- Clarify the oversight role of the Ministry of Municipal Affairs
- Re-energize and support the use of the Stakeholders Advisory Committee, that was active during the MGA revision process, (to assist with the setting of professional standards, advancement of professional and leading practices and to provide support to assessment practitioners).



Recommendations to Address Key Issues

Key Issue 7 – the Role of the Province

- Clarify the oversight role of the Ministry of Municipal Affairs
- Re-energize and support use of the Stakeholders Advisory Committee - active during the MGA revision process –
 - Setting of / elevating professional standards,
 - Advancing professional and leading practices
 - Introducing / evaluating alternate dispute resolution
- Evaluate the advantages and disadvantages of a 2-3-year roll cycle to address capacity issues and potential service improvement.



Recommended Actions

Priority 1 – ASAP

- Establish a City leadership team to oversee implementation of recommendations
- Secure commentary/responses on recommendations; develop & implement action plan.
- Engage short-term external expertise to address valuation challenges and capacity
- Develop, implement and monitor MOUs.
- Revisit 2018 appeals in progress – toward pre-hearing resolution where possible.
- ABU and City Staff, in consultation with appellants, develop recommended hearing schedule and present to ARB.
- Support ABU's Pre-Roll (nee ACP) and relationship building change initiatives

A graphic of a target with concentric circles in yellow, orange, and red. A white rectangular box is superimposed over the center of the target.

**Sound
Assessment /
Tax System**

Questions Discussion

A graphic of a pyramid with a color gradient from yellow at the top to red at the bottom.

Policy
Leading Practice
Assmt Methodology
Elevate Standards
Effective Audit Reporting
Alternative Dispute Resolution
Emerging Issues/Risks



Positive News

As a result of the actions taken to date, and reinvigorated leadership at ABU, we are observing early successes:

- Greater collaboration between all parties
- Positive reactions to early recommendations
- Advancements in ACP initiatives
- A strong desire to address new ideas



Recommendations

That the Priorities and Finance Committee:

1. Receive this report and attachments for information; and
2. Direct that Administration return to PFC with the final, independent report and recommendations no later than Q4 2018

Heuristic Consulting Associates



An Independent Review: Calgary's Non-Residential Property Assessment & Complaint Systems

FINAL REPORT
October 30, 2018

Michael Blaschuk
Catherine MacDonald
Bruce Turner

Calgary



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Executive Summary

The City of Calgary relies on property tax to provide approximately 50% of its total revenue. Alberta's market-value standard distributes property tax burden each year reflecting changing dynamics within the City's property markets. Recent economic turmoil in some sectors is increasing financial risk due to tax base instability from dynamic changes across submarkets in the non-residential class. Such circumstances make property assessment and tax policy challenging. For public confidence, they also emphasize the need for information transparency regarding property assessment and its interaction with tax policy.

These factors place increased pressures on Calgary's non-residential property assessment and dispute resolution systems.

Non-residential taxpayers take issue with:

- fairness, transparency and equity of the City's non-residential assessment system, and
- non-predictability and timeliness of the non-residential assessment complaint process
- the amount of information now being provided to them, by the assessor under ss. 299 and 300 of the *MGA*, to enable them to determine how particular assessments were determined, and
- the high percentage of non-residential assessments that require re-complaints to the Calgary Assessment Review Board (CARB) in the year following a successful appeal, where they believe the assessor has not duly considered the previous CARB decisions about appropriate assessed values⁵

Taxpayers have been advocating to Calgary City Council for changes to the non-residential assessment and complaint system to address their concerns.

Responding to these concerns - by Notice of Motion on September 11, 2017 - the Combined Meeting of City of Calgary Council approved an independent review of the City's non-residential assessment process and complaint system to attain recommendations for potential improvements and reforms to increase taxpayer satisfaction with the system while minimizing financial risk to the City.

In undertaking that review, Heuristic Consulting Associates focused on involving stakeholders, drawing upon experience in other jurisdictions to identify systemic performance gaps, leading to recommendations for transformational changes. Meetings, surveys and interactive workshops were well attended by a good cross-section of stakeholders from within the City of Calgary and outside groups - including taxpayers; tax agents; industry representatives; Chamber of Commerce; Calgary Economic Development; and Provincial Government representatives.

Drawing upon the wealth of stakeholders' experience and participation, we were able to identify gaps and make recommendations leading to '*Made in Calgary*' workable solutions.

We emphasize that - while we identified several challenges in the non-residential property assessment and complaints system - we also found, and our recommendations are intended to leverage, the many strengths and advantages within the City's current system. One of the most critical advantages is that – without exception – stakeholders indicated strong support for and willingness to participate in making systemic improvements. Transformational success requires that continued stakeholder participation.

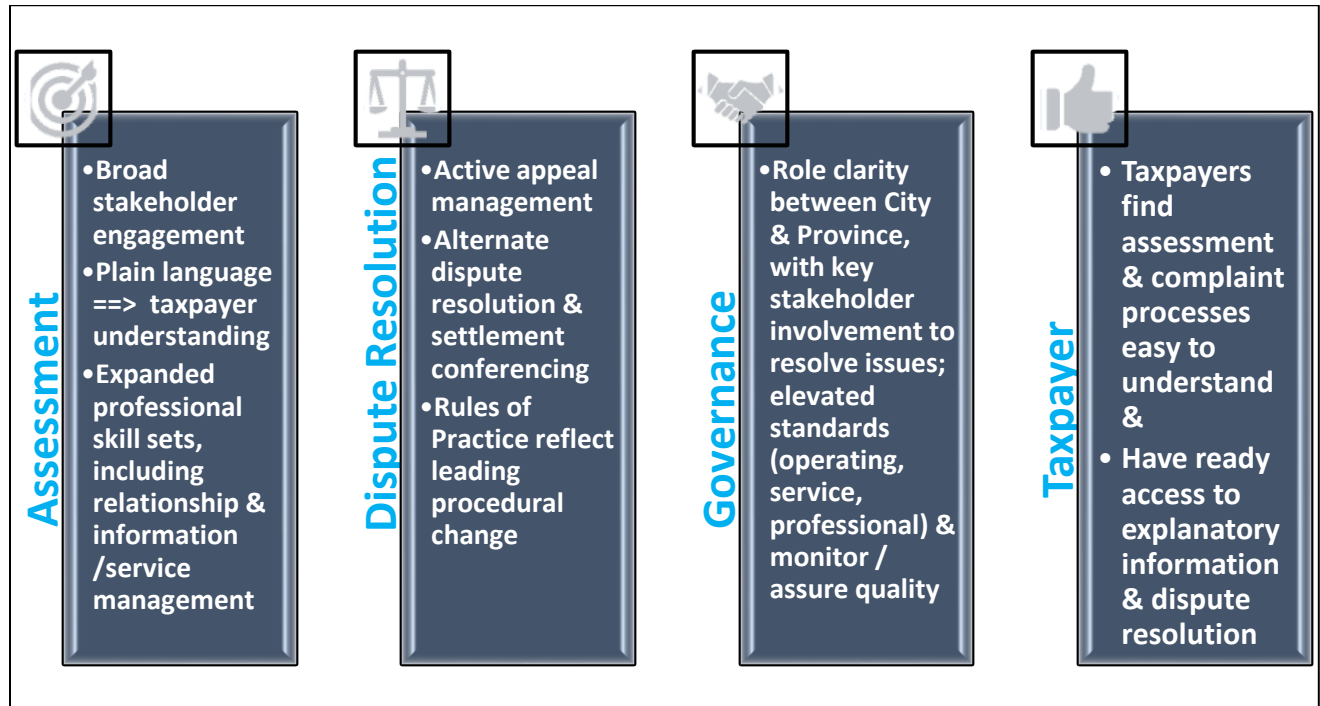
Working with stakeholders, we identified current state circumstances and then described the preferred future state.

Gaps between current and preferred future states are the basis for our recommendations across areas of concern, including:

- System capacity
- Culture
- Communication and information management
- Governance and Quality Management
- Dispute Resolution.

The figure below presents a view of the preferred future state:

Figure 1: Preferred Future State



Based on our stakeholder focused analysis, this report first presents a *General Recommendation* for systemic transformation.

Nested within that general recommendation, *Specific Recommendations* then provide for more tactical transformation to the preferred future state.

City of Calgary has the fundamental framework already in place to become a leading non-residential assessment jurisdiction. *Specific Recommendations* build on existing strengths as part of a phased transformation of the City's non-residential property assessment and complaint/appeal systems – one that will enhance public acceptance and cost effectiveness, while minimizing risk to the City's finances.

Our primary recommendation is that the City create an overall transformation plan, with phased implementation over 10 years. Our recommended first step toward transformation is for the City to establish a leadership team reporting to the City Manager (or delegate) to plan and lead execution of the phased transformation plan.

As an epilogue since we began this project in March 2018, we note that primary stakeholders helped develop and have endorsed practical solutions for the challenges ahead.

Positive results from interactive workshops and meetings with multiple stakeholders are already leading to “*Made in Calgary*” success as assessors and agents address the issues identified in this report and referenced as Phase 1 implementation. Examples include:

- Pre-hearing agreements on over 500 current year (2018) complaints
- The Assessment Business Unit’s redesign of the Advance Consultation Process. (this work was initiated *even before* the review)
- Redefining professional relationships between assessors and tax agents through Memorandums of Understanding (MOUs):

We wish to acknowledge the generous commitment of all stakeholders’ time, energy and experience, dedicated to improving the City’s non-residential property assessment and appeal systems. Without this community spirit, the remarkable progress to date would not be possible.

Introduction

Why is Calgary's non-residential assessment and complaint system being independently reviewed?

Background: Assessment and complaint system

In Alberta, the *Municipal Government Act (MGA)* requires all properties¹, whether residential or non-residential to be assessed each year by the municipal assessor responsible for the area where those properties are located². In Calgary, the assessments are done by the City of Calgary Assessment Business Unit (ABU).

Assessments must be prepared, using mass appraisal methodology, to reflect the market value of the properties as of July 1 prior to the tax year³. Assessment notices are sent to all property owners early in the tax year. Any taxpayer who feels the assessed value on their notice does not reflect the market value of their property as of the previous July 1 may file a complaint to the Assessment Review Board (ARB)⁴. In the case of non-residential assessments, complaints are heard by composite review board panels (CARBs). A CARB is presided over by a provincially appointed member and two city appointed members. All complaints must be heard by a 3-member panel and decided by the end of the tax year.

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¹ Other than designated industrial improvements and those deemed to be non-assessable pursuant to s. 298 of the *Municipal Government Act*

² Ss. 285 and 289 of the *MGA*

³ Ss. 5 and 6 of the Matters Relating to Assessment Regulation (MRAT)

⁴ Residential complaints are heard by Local Assessment Review Boards (LARBs) with 3 City appointed members.

⁵ Other than designated industrial improvements and those deemed to be non-assessable pursuant to s. 298 of the *Municipal Government Act*

⁶ Ss. 285 and 289 of the *MGA*

⁷ Ss. 5 and 6 of the Matters Relating to Assessment Regulation (MRAT)

⁸ Residential complaints are heard by Local Assessment Review Boards (LARBs) with 3 City appointed members.

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Non-residential taxpayers take issue with:

- fairness, transparency and equity of the City's non-residential assessment system, and
- non-predictability and timeliness of the non-residential assessment complaint process
- the amount of information now being provided to them, by the assessor under ss. 299 and 300 of the *MGA*, to enable them to determine how particular assessments were determined, and
- the high percentage of non-residential assessments that require re-complaints to the CARB in the year following a successful appeal, where they believe the assessor has not duly considered the previous CARB decisions about appropriate assessed values⁵

Taxpayers have been advocating to Calgary City Council for changes to the non-residential assessment and complaint system to address their concerns.

Calgary City Council Decision

Responding to these concerns - by Notice of Motion on September 11, 2017 - the Combined Meeting of City of Calgary Council approved an independent review of the City's non-residential assessment process and complaint system to attain recommendations for potential improvements and reforms to increase taxpayer satisfaction with the system while minimizing financial risk to the City.

The *chronology of events* for the project is highlighted below:



Purpose

The purpose of this project, based on the *Notice of Motion*, was to perform an independent review of:

- the non-residential assessment process to determine if changes could be implemented within the bounds of the legislation to increase fairness, transparency and equity from the standpoint of all non-residential taxpayers, while taking into consideration associated financial risks to the City, and
- the complaint process to determine if changes could be implemented within the bounds of the legislation to the way non-residential taxpayers can seek review of non-residential property assessments
- the complaint processes in the City of Edmonton and other relevant jurisdictions that might be emulated to ensure greater fairness, transparency and predictability
- non-residential assessment complaint best practices associated financial risks and applicable legislation from other jurisdictions for timely and equitable resolution of assessment complaints

In Scope

Our review focused on:

- | |
|--|
| - recommending changes within the existing legislation (i.e. the <i>Municipal Government Act</i> , the <i>Matters Relating to Assessment Regulation</i> , the <i>Matters Relating to Assessment Complaints Regulation</i> and the <i>Calgary Charter</i>) to improve the fairness, transparency, equity and predictability throughout the non-residential assessment and complaint system |
| - comparing the assessment complaint processes used in Calgary to those of Edmonton and other Canadian jurisdictions to determine best practices for the timely and equitable resolution of complaints |
| - the need to ensure continuing financial stability for the City |

Additionally, our review identified potential amendments to the existing legislation to further address concerns raised in the review process for consideration by the City and the Province.

Property Tax Policy issues that the City should address in future

A model property tax system includes both valuation (assessment) and taxation components. To maintain the transparency necessary to public confidence in the overall system, property assessment policy is distinguished from property tax policy. That is, those who prepare the property assessments are relatively independent from those who set the tax rates.

Where property assessments are based on a market value standard, the property tax burden is distributed according to the value of the assets within each property classification and their submarkets.

In a dynamic economy such as Calgary's, property values constantly change across the property classifications. Values in one area (sub-market) or for one asset class may increase while those in another may decrease or stabilize. Given the same tax rate, relative property tax burden then shifts onto those properties that have experienced the greater increase in wealth, as measured by property value, and away from those properties which have decreased in value.

Under a current market value system such as Calgary's, the market-value standard maintains a uniform but relatively independent relationship between property values and property taxes. A primary advantage of such a current market-value standard is that it is transparent – providing taxpayers the ability to understand their assessments and to question whether they are treated equitably.

Where submarket (and therefore tax burden shifts are substantial – such as with non-residential properties in Downtown Calgary) tax authorities *may* consider tax policy alternatives to help alleviate short-term tax burden distribution issues driven by different market dynamics in various sub-markets and asset classes. An example is Calgary's Non-Residential Phased Tax Program.

As the City addresses tax share issues, it might wish to consider tax share between non-residential and other property classes. The City is moving toward budgeting with a focus on services. It may help this process if property tax policy decisions regarding tax share are further informed concerning: Who Pays? Who Benefits?

While we noted such tax policy issues in the course of this project, it was not within the scope of our current assignment to identify, research, analyse or evaluate possible tax policy responses.

Approach & Methodology

In conducting our review, we focused on and involved stakeholders to understand the issues and to develop recommendations leading to '*Made in Calgary*' solutions, within the constraints of Alberta's legislative frame.

Non-residential property tax stakeholders, internal and external to the process,⁹ helped identify and prioritize concerns with assessment and complaint processes

⁹ Tax agents (and owners), Calgary Chamber of Commerce and Calgary Economic Development, Calgary ABU and ARB, other Calgary City Staff, Edmonton ABU and ARB, Ministry of Municipal Affairs, Alberta Municipal Government Board, Alberta Assessors Association, Building Owners & Managers Association, Canadian Property Taxpayers Association, Municipal Government Board

Through our networks, we spoke to senior representatives of other selected Canadian jurisdictions and analyzed the assessment and appeals legislation applicable to those jurisdictions¹⁰ to determine options and best practices. We reviewed interjurisdictional studies analyzing alternative approaches to assessment and complaint/appeal processes, focusing on efficacy of each systems with respect to transparency, simplicity of understanding and administration, procedural fairness and predictability.

With stakeholders, we established criteria and methodologies to subsequently measure the fairness, transparency and predictability of

- non-residential property assessment systems and
- non-residential property assessment complaint/appeal systems

After evaluating Canadian jurisdictions, we selected, researched and undertook comparative analysis of the non-residential assessment complaint/appeal systems of cities and provinces to determine best practices around issues of fairness, transparency and predictability in complaint/appeal systems.

We compared City of Calgary's complaint processes against those of comparable jurisdictions to identify and prioritize areas of focus for improvement - within the current legislation and in future - with the possibility of legislative change to improve the timely and equitable resolution of complaints.

Finally, as property tax revenue is the single largest source of the City's total revenue, we identified potential impacts of property assessment and dispute resolution on the City's continued financial stability.

Transformation - Toward the Preferred Future State

We synthesized stakeholders' feedback and our knowledge of leading practice to describe the 'preferred future state' for Calgary's non-residential property assessment and dispute resolution system. That tangible vision statement- in the table below - underlies the recommendations of our report.

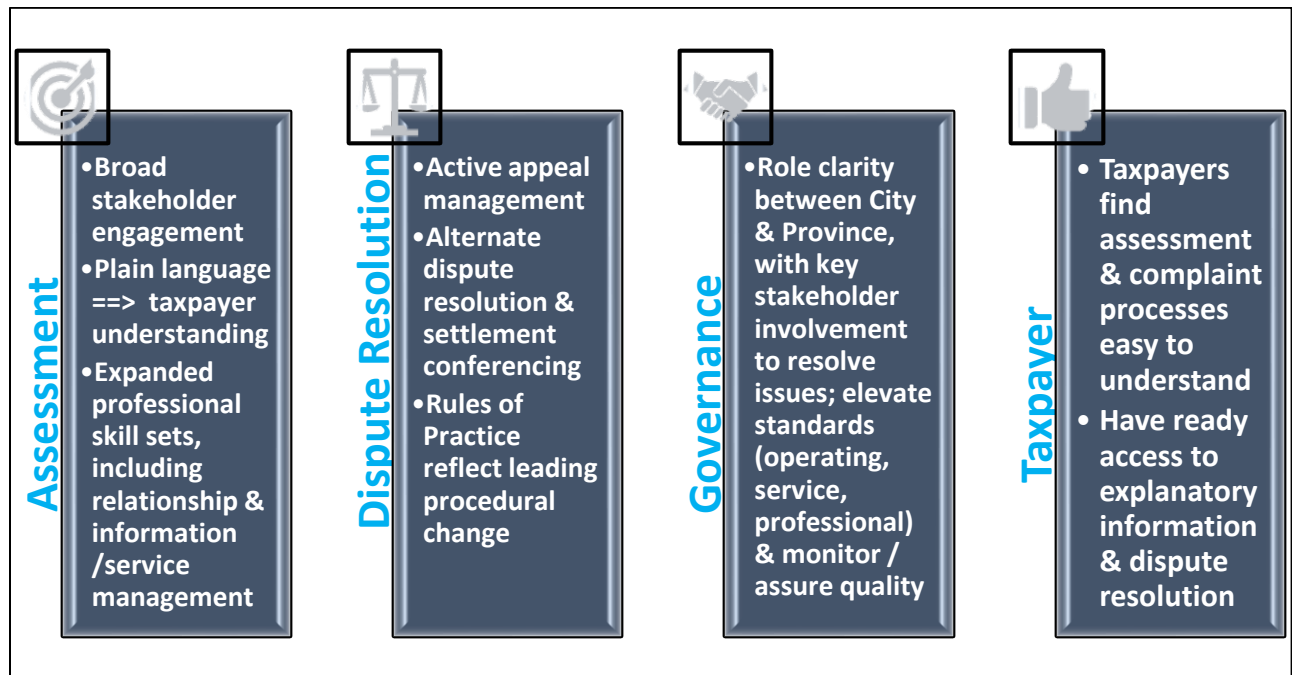
Accomplishing that preferred state necessarily involves a review of governance (provincial / municipal roles) and legislative change.

To achieve the preferred future state, we recommend that the City create a systemic transformation plan - with phased implementation over 10 years. The first step in that transformation is to create a

¹⁰ City of Winnipeg, BC and Ontario

transformation leadership team led by the City Manager (or delegate) with responsibilities outlined in our report.

Figure 2: Preferred Future State



An Independent Review of Calgary's Non-Residential Property Assessment & Complaint Systems

Assessment Fundamentals and Context for the Independent Review

ASSESSMENT FUNDAMENTALS

Assessment is the first step in a system – the tax system – that provides a local government with much of the financing it requires to supply necessary and desired services to its citizens. It is critical that affected citizens have confidence in the process, understand how it affects them and other taxpayers, have the ability to test the validity of the system and generally accept the principles on which it is based.

The assessment process must provide the government with a stable, predictable source of income while being administratively simple and efficient, subject to appropriate checks and balances, and transparent to all stakeholders.

If an assessment system is established on such principles it ensures that the system, although still subject to criticism, will be accepted as a generally fair and cost-effective system.

The assessment process for the province of Alberta, including the city of Calgary, is set out in the *Alberta Municipal Government Act* (and its regulations). This legislation provides for both the determination of

The assessment system is a creature of legislation. Participants are limited by the prescribed rules. Changes to practices and procedures can only be made within that framework (unless the legislation is amended). This is particularly important to aspects of the process such as information release and dispute resolution options. The Municipal Government Act also mandates annual rolls and resolution of complaints within the calendar year - adding stress to the system when there are significant numbers of assessment complaints to be resolved each year, in addition to the necessity for completing the assessment rolls.

assessments and for a process to review those assessments through an independent complaint (appeal) process.

In accordance with the *Act*, Calgary's Assessment Business Unit (ABU) completes the assessments for each property in its jurisdiction, early each year based on applicable market values of properties in the previous year. ABU staff include assessors (appraisers), data analysts and statisticians, administrative staff, communications staff and other specialist positions, as well as managers. Staff are selected through an open, competitive process based on applicable qualifications.

Once appointed appraisal staff, in particular, are expected and encouraged to take advantage of ongoing professional development and educational improvement opportunities. Performance standards are set by ABU managers, then measured and analyzed on a regular basis with a view to continuous improvements of all staff members.

Once assessments have been established the ABU ensures that the assessed values of all properties in the jurisdiction are readily available to the public, together with information about how those assessments were developed, including sales (and other) information that was relied upon to determine the assessments and other explanatory information about assessments to facilitate taxpayer understanding of the methodologies and principles of the system. The ABU also encourages taxpayers to contact them with any assessment issues during pre-roll consultation and ensures that taxpayers are aware of the availability of the assessment complaint process to address any unresolved issues.

In that respect, the *Municipal Government Act* provides for the rigorous, independent and timely assessment appeal process found in Calgary. Under that process, any assessment issues that cannot be resolved with the ABU may be complained about to the Calgary Assessment Review Board (ARB). Although the ARB is also a function of the City of Calgary, it is governed as a completely separate branch from the ABU. It is physically, financially and administratively separate from the

assessment and taxation functions of the City.

ARB cases are heard, and decisions are rendered by publicly appointed Board members, not City staff. The ARB is responsible for establishing the qualification expectations for its members, training requirements and expectations for those members and performance management and reporting standards for panel members. In addition, the ARB maintains its own website, uses legal counsel independent of city counsel (and other than necessary administrative oversight and support of staff from the City Clerk's office) operates independently, but cooperatively, with the ABU to facilitate the finalization of the assessments used for the property taxation system.

CONTEXT FOR THE REVIEW

The *Municipal Government Act* establishes a transparent, administratively efficient, understandable, accountable and consistent assessment process throughout Alberta. It is based on the principles found in a sound and equitable assessment system. As part of this scheme, the City of Calgary has the fundamentals of a good property assessment base and the potential to develop into an excellent system notable for its equity, stability, predictability, accountability, transparency, and administrative simplicity and efficiency.

There are challenges to reaching that potential, but both the ABU and ARB are committed to and have already begun facing those challenges. To begin, determination of assessed values is one part of the overall real property taxation process. The collection of taxes is a societal necessity but is a common source of criticism and dissatisfaction. Most people do not want to pay more taxes than is absolutely necessary. They are prepared to question the total amount being raised, the system being used to raise the taxes and how that system applies to them personally, if they are not convinced that the burden is being equitably distributed between all property owners. Equity is not an objective measure and will be differently defined by individual stakeholders. Consequently, a certain degree of tension is normal between the administrative aspects of the system (ABU and ARB) and property owners (and their tax agents/managers). The level of tension is typically elevated in situations of market volatility and tax base instability, such as the last few years of Calgary's non-residential market. Effective and timely communications from the City are critical to ensure that property owners (and their agents) understand the assessment process and its application to them, in terms of determining their assessment and ability to address any issues arising from that assessment.

The assessment system is a creature of legislation. Participants are limited by the prescribed rules. Changes to practices and procedures can only be made within that

The City of Calgary has in place the fundamentals necessary to a sound assessment and dispute resolution system, based on proven principles. Notwithstanding our report's recommendations for transformation, City leadership and professional staff are already achieving positive results through collaboration with key stakeholders - all of whom are indicating strong support for participating in making system improvements.

framework (unless the legislation is amended). This is particularly important to aspects of the process such as information release and dispute resolution options. The *Municipal Government Act* also mandates annual rolls and resolution of complaints within the calendar year - adding stress to the system when there are significant numbers of assessment complaints to be resolved each year, in addition to the necessity of completing the rolls.

Other stressors include the challenges of attracting, training and retaining qualified expertise for both the ABU and ARB amid the need to maintain fiscal responsibility. The labour market for the most qualified people is highly competitive and local governments are required to operate within the financial constraints of public service operations.

Amidst all of these challenges, the ABU and the ARB are committed to addressing the concerns that have been identified about

the Calgary non-residential property assessment system. Likewise, the tax agents (and property owners) who have expressed significant concerns with the non-residential assessment process have also expressed their desire to work cooperatively with the ABU and ARB to improve and enhance the system while building on its strengths. It will be critical for all participants in the system to maintain their energy and ongoing commitment to system improvements to ensure long term success.

The table below presents our synthesis of stakeholders' descriptions for transformation of the non-residential property assessment and complaint systems. Identifying gaps between current and preferred future states provided the basis for our report recommendations.

FUNCTION	FROM: <i>CURRENT STATE</i>	TO: <i>PREFERRED FUTURE STATE</i>
<i>Assessment</i>	Assessments are determined and defended by technical experts.	Stakeholders are proactively engaged throughout the assessment process, from data collection to final resolution. Assessments are explained in plain language and supported with information to build taxpayer acceptance, if not agreement. Assessors have expanded skill sets including relationship and information / service management
<i>Dispute Resolution</i>	Focus is on administering hearings to resolve complaints in an adversarial environment	ARB is authorized to (and does) incorporate active appeal management, alternate dispute resolution and settlement conferencing (including commitment to update and administer Rules of Practice & Procedure to reflect procedural changes)
<i>Governance</i>	Roles of the City and Province are not entirely clear, leading to inconsistent interpretations of policy and regulation; ineffective quality assurance for high value, unique property types that are seldom traded in the market. Adversarial environment may see regulations used as weapons rather than tools	Role clarity encourages proactive governance, where key stakeholders are continuously engaged to identify & resolve issues / mitigate risks; elevate operating, service and professional standards, and effectively monitor quality within a sound assessment system.
<i>Taxpayer / Client Experience</i>	Owners/taxpayers find the non-residential assessment process complex and are reluctant to become involved beyond appointing a tax agent.	Taxpayers find the assessment and complaint processes and their assessments easy to understand – even where they disagree –have ready access to explanatory information and efficient means to professionally resolve disagreements.

Criteria Summary

Our review was based on an analysis of the Calgary situation considering the requirements of the City of Calgary's Notice of Motion and established principles (bracketed) of a sound assessment and taxation system¹¹:

- FAIRNESS (Equity and neutrality)
- TRANSPARENCY (Communication and simplicity)
- PREDICTABILITY (Consistency and certainty)
- TIMELINESS (Efficiency)
- FINANCIAL ACCOUNTABILITY (Effectiveness)

Approach to Gap Analysis

In conducting our review, we

- met with non-residential property taxation stakeholders, internal and external to the process,¹² to identify and prioritize concerns with assessment and complaint processes
- studied the assessment legislation applicable to Calgary and Edmonton
- spoke to senior representatives of other selected Canadian jurisdictions and analyzed the assessment and appeals legislation applicable to those jurisdictions¹³ to determine options and best practices. Relevant interjurisdictional studies analyzing alternative approaches to assessment and complaint/appeal processes were also considered, focusing on those articles and reports that measured the efficacy of the systems with respect to transparency, simplicity of understanding and administration, procedural fairness and predictability.
- established criteria and methodologies to measure the fairness, transparency and predictability of
 - non-residential property assessment systems and
 - non-residential property assessment complaint/appeal systems
- used these criteria and methodologies to
 - evaluate the City of Calgary's overall system to determine those processes that are not meeting optimal standards of fairness, transparency and predictability
 - review the legislation governing the Calgary processes to determine which of the underperforming aspects of the non-residential assessment system could be

¹¹ See Appendix A – Principles of a Sound Property Assessment and Taxation System

¹² Tax agents (and owners), Calgary Chamber of Commerce and Calgary Economic Development, Calgary ABU and ARB, other Calgary City Staff, Edmonton ABU and ARB, Ministry of Municipal Affairs, Alberta Municipal Government Board, Alberta Assessors Association, Building Owners & Managers Association, Canadian Property Taxpayers Association, Municipal Government Board

¹³ City of Winnipeg, BC and Ontario

- addressed, within that legislation and considering the financial risks to the City, to best improve the fairness, transparency and predictability of the system
- examine, in detail, the non-residential assessment complaint/appeal systems used in the cities of Edmonton and Winnipeg and in the Provinces of BC and Ontario to determine best practices to address issues of fairness, transparency and predictability in complaint/appeal systems
 - measure the City of Calgary's complaint process compared to the processes used in the comparable jurisdictions to determine areas of focus for improvement firstly within the current legislation and in future, with the possibility of legislative change to improve the timely and equitable resolution of complaints
 - maintained focus on the need to ensure the continued financial stability of the City of Calgary

Leveraging Strengths within the Current Non-Residential Property Assessment System

While we identified several challenges in the non-residential property assessment and complaint system, we also recognized that the City's system already benefits from many important strengths:

Multiple stakeholders have been actively participating in this review and are committed to continue making system improvements to advance a sound assessment system that benefits all parties

Frequency of assessment: Alberta's requirement to produce annual assessment rolls, with assessments based on 100% of market value, provides for greater understandability and a market evidence basis for testing assessment accuracy

Complaint processes that delivers results within a year (although increasing numbers of appeals have been creating system capacity challenges)

Legislation that is workable, if not ideal

A well-established system which includes Provincial oversight, contributing to greater consistency and quality in assessments (*where adequate market evidence exists to support quality assurance and audit processes*)

Strong technical capability and expertise for development and use of mass-valuation models

Quality online tools to help inform taxpayers (e.g., Assessment Search, market reports, assessment and review board forms and explanatory materials)

An Advanced Consultation Process (now called Pre-roll Consultation)where taxpayers gain information about assessments in advance

Taxpayers have ready access to an affordable assessment appeal process

Workshop Consultations

In addition to in-person interviews / discussions, written surveys and other research, we conducted Interactive Workshops with multiple stakeholders on May 8th and May 30th. The Workshops were well attended by a good cross-section of stakeholders from within the City of Calgary and outside groups including taxpayers; tax agents; industry representatives; Chamber of Commerce; Calgary Economic Development; and Provincial Government representatives.

Among the many benefits of the '*Made in Calgary* solutions' focused workshops were:

- Facilitated opportunities for stakeholders to work together to:
 - Collectively identify and prioritize issues and common goals
 - Describe strategies to address key issues to result in mutual advantages
 - Recognize current challenges and to collectively describe the mutually desired professional environment in a preferred future state to provide a sound, equitable and efficient property assessment system

Stakeholders were asked to characterize / describe the *Current State* and the Preferred *Future State* of the Non-Residential Property Assessment system in the City of Calgary. The contrast is remarkable, but it helps in creating a vision to inform a transformation plan:

CURRENT STATE	PREFERRED FUTURE STATE
<ul style="list-style-type: none"> • Lack of trust / lack of confidence in system • Adversarial / not collaborative / mistrustful • Assessment 'Black box' • Unpredictable decisions / grandstanding clogs system • ACP is good system / ACP is a waste of time • Confrontational; fear; combative • Access to information = problem • Relationships not ideal; shaky • Frustrating • One-sided; inability to negotiate 	<ul style="list-style-type: none"> • Trust and respect; professional relationships; mutually respectful • Transparent; collaborative; win/win focus • Willingness to share information & negotiate • Increased efficiency; effectiveness; ability to negotiate • More dialogue with owners • More ACP resolutions - pre-hearing • Increased trust in process and in ARB • Working toward same goals / market value • Stability; equity; focus on market value

Prioritizing Issues

During the Workshops participants were asked to prioritize the Key Issues according to their Urgency and Importance. They ranked the Key Issues, as follows:

High Urgency and High Importance

- ABU schedule pressures
- ACP process (lack of resolution and preliminary assessment for individual properties)
- ARB oversight /performance management
- ARB inconsistency
- ARB time schedule pressures
- Communications/information sharing

High Urgency but Less Important

- ARB training
- Adversarial v. Inquisitorial approach (win/lose vs focus on reasonable assessment supported by best evidence)

High Importance but Less Urgent

- Mass appraisal use
- Appeals to Queens Bench
- ABU expertise and capacity
- Lack of trust

Less Importance and Less Urgent



- Shifting tax burden¹⁴
- Large submissions to ARB
- Conflict of interest at ARB (perceived)
- Access to cases and principles following decisions (to facilitate learning from experience)
- Costs to participants (ABU, ARB and taxpayers/agents)
- Agents going straight to ARB
- Legislative - amendments can be made up to hearing
- Alternatives to 3-member panel process at ARB (alternate dispute resolution)

Key Issues, once prioritized based on urgency and importance, were analyzed considering the primary impacted stakeholder; and the criteria identified by the City: Fairness, Transparency, Predictability, Equity, Timeliness and Financial Risk¹⁵.

¹⁴ Focus of the assignment was on property assessment, not tax policy.

¹⁵ These criteria are similar to those identified as necessary to a *Sound Assessment System* by the Stakeholders Advisory Committee during the MGA review.

The results of this analysis are indicated in the following table:

EVALUATION CRITERIA GRID				PRIMARY IMPACTED STAKEHOLDERS			CONCERNS IDENTIFIED IN NOM:					
PRIORITY RANKING	URGENCY	IMPACT (IMPORTANCE)	PRIORITY ISSUES	Taxpayer	Assessment Business Unit	Assessment Review Board	Fairness	Transparency	Predictability	Equity	Timeliness	Financial Risk
1	38	19	ABU Appeal Schedule Impacting Assessment Role Production				X		X		X	X
1	18	15	Communications/Information Sharing				X	X				X
1	11	5	ARB - Tight Time Frames - Statutory Dates				X				X	
1	11	8	Inconsistency in ARB Decisions				X	X	X	X		X
1	10	18	ARB Oversight and Performance Management				X	X	X	X		X
1	10	12	ACP Process				X	X	X	X	X	X
2	12	3	Adversarial vs. Inquisitive Approach				X	X		X	X	X
2	10	4	ARB Training				X		X	X		X
3	9	17	Reliance on Mass Appraisal Approach				X			X		X
3	4	5	Lack of Trust				X	X			X	X
3	2	5	Appeals to Queen's Bench				X		X		X	X
3	0	5	ABU Experience/Capacity						X		X	X
Lower Priority Issues												
4	2	2	Tax Burden				X					X
4	0	4	Large Submissions at ARB								X	
4	0	4	Conflict-of-Interest at ARB				X	X				
4	0	2	Easy access to Decisions/Principles				X	X	X	X	X	
4	0	2	Costs to Participants									X
4	0	1	Agents/Owners Straight to Appeal									
4	0	1	Impact of Legislative - Amend Roll				X				X	
4	0	2	Alternatives to ARB				X	X			X	X
<div>  Primary Stakeholder  Secondary Stakeholder </div>												

Discussion of Findings and Recommendations

Early interviews with primary stakeholders helped identify primary issues contributing to perceptions of lack of fairness, transparency, equity and efficiency in the non-residential property assessment system. Issues were validated, clarified, evaluated and themed, with early findings supplemented and validated through interjurisdictional research, literature review and workshops with multiple stakeholders.

A triggering concern / complaint was that appeal decisions from one assessment year were not reflected on subsequent assessment rolls.

Several issues appeared to contribute to adversarial work cultures amongst the non-residential assessment community of tax agents, assessors and the assessment review board. Initial causal issues were identified around access to information and the negative impacts of hearing schedules on subsequent year's roll production.

As a high-level early observation regarding financial risk, we noted a need to balance taxpayers' expectations regarding predictability and equity for their individual property assessments with the City's requirements for stability in the non-residential tax base (the former important to taxpayers' budgeting/performance and the latter critical to the City's finances).

Our research and interactive workshops identified issue themes: system capacity; an adversarial culture; lack of effective communications and information management; an inflexible dispute resolution process and performance management focused more on technical aspects than customer expectations.

Findings and Recommendations

While we identified several challenges in the non-residential property assessment and complaints system, we found - and our recommendations are intended to leverage - the many strengths and advantages within the City's current system. One of the most critical advantages is that - without exception - stakeholders indicated strong support for and willingness to participate in making systemic improvements. Transformational success requires that continued stakeholder participation.

In the following discussion, we present a General Recommendation for systemic transformation.

Following the general recommendation, *Specific Recommendations* for transformation to the preferred future state follow a discussion of findings and are intended to be nested within the general recommendation for transformation.

General Recommendation - Transformation to Preferred Future State

Recommendations are also intended to be part of a phased transformation of the City's non-residential property assessment and complaint/appeal systems. We recommend that the City:

- Create a general (or systemic) transformation plan
- Implement that plan in phases (including actions to address the factors enumerated below), and
- Establish a leadership team to plan and lead execution of a phased transformation plan.

Three phases are recommended for the transformation plan.



The plan should include / provide for:

1. Creation of a transformation leadership team by the City Manager (or delegate) that includes senior members of ABU and ARB. This team would have overall responsibility to:
 - a. Work with the Province to clarify governance roles
 - b. Create and communicate a *tangible (stakeholder endorsed) picture of the desired future non-*

- residential property assessment
& dispute resolution systems /
functions in 5 and 10 years
 - c. Describe the *strategic roadmap*
to achieve that preferred future
 - d. Set out the *action plan* for phased
implementation
 - e. Describe / define metrics,
performance management and
reporting requirements to
monitor progress and
communicate continuing
relevance, achievements or
regression, and to enable
continuous learning
2. Key stakeholder engagement through an
ongoing transformation advisory group
(patterned on *MGA*¹⁶ Stakeholders'
Advisory Committee).
 3. Ongoing measurement of successes and
challenges with opportunities to
celebrate or address, as appropriate.

¹⁶ *Municipal Government Act*

1 Issues related to system capacity:

- ARB decisions not timely and not carried forward to subsequent roll
- Hearing schedules and decision release dates impacting roll production
- Requirement to use Mass Appraisal amid dynamic market conditions for complex properties impacting valuations
- ABU and ARB performance and capacities impacted by type and amount of training and qualifications
- Performance management and reporting need to be more client-centric (focused on service delivery, in addition to operational effectiveness) recognizing capacity needed to operations and service delivery.

Findings related to system capacity:

We concluded that system capacity is impacted by several issues – perhaps most significantly by increasing numbers of assessment appeals and related scheduling challenges that limit resources available to data collection, research & analysis, roll preparation and communication between assessors and taxpayers/agents during the process. Transforming the assessment and complaint / appeal processes offers opportunities for both cost savings and service improvement within existing system capacity.

ARB decisions and hearing schedules:

We found that – for roll years 2016 through 2018 – over 60% of ARB-decreased assessments had been increased on the assessment roll in the following year.

While this appears unusual, we also found that appeal scheduling and an increasing number of appeals each year directly impacted property assessment system capacity, resulting in:

- Reduced Assessment Business Unit (ABU) capacity to process ARB decisions in time for the new year's roll production
- Reduced time available for quality management in roll preparation and public relations through the Advanced Consulting Process (ACP)
- Limited time available for experienced assessors to review and adjust for individual property characteristics in valuation of complex non-residential properties
- Decisions released too late in the assessment calendar for them to be reflected in subsequent year roll production

Mass appraisal requirement and dynamic market conditions for complex properties

- Tax agents perceived a tension between the requirement to use mass appraisal to set roll values and assessors' willingness to adjust property values for individual

property characteristics and specific property sales

- Inconsistent interpretations of the meaning of the legislative requirement to use Mass Appraisal
- Perception that Mass Appraisal limits valuation flexibility rather than acting as a tool to assist the appraiser
- High-value, complex properties are seldom traded, creating valuation (and auditing) challenges especially where the few sales include properties that are parts of entire portfolios of properties in multiple jurisdictions
- Need to balance rigidity and flexibility in determining assessed values in a volatile market and within the legislative scheme. For example, need to focus on more middle ground hierarchy for cap rates

Training and Qualifications:

- In 2017, ABU devoted an average of 108 hours of training per valuation staff member- ranging from technical topics to communications and

customer service. Valuation of complex non-residential properties under dynamic market conditions requires additional specialized training and/or expertise

- ARB members are provided with basic training in areas such as administrative law and decision writing and more is available through the Province. More broadly communicating the required training and qualifications may improve public perceptions.

Performance management and reporting

- ABU reports semi-annually to Council on metrics in a relatively robust *Action Plan* (2015-18). Operational performance is tracked monthly, according to metrics set out in the *Assessment Business Plan*
- ARB performance management measures and reporting are currently under development and should be made public. ARB's QB reporting/tracking needs improvement

Recommendations related to capacity:

To enhance operating and service delivery capacity, we recommend:

- a. ABU use short-term external professional training /assistance to enhance expertise in valuation of complex, high value, properties
- b. ABU provide staff with skills training in dispute resolution, negotiation and media/external communications
- c. Both ABU and ARB enhance annual performance reporting, introducing metrics that are more client-centric and capacity linked (i.e. reflecting service standards and linking elevated service delivery to organizational capacity). ARB's QB tracking and reporting needs improvement. ARB should reinstate public annual performance reporting.
- d. The parties cooperatively streamline workloads and schedules (ABU, ARB, taxpayers & agents) associated with roll preparation and dispute resolution

The City work with the Province to investigate the business case for 2 or 3-year assessment rolls - investigating potential gains in system capacity, impacts on service delivery and possible impacts on financial risk/savings

2 Issues related to culture:

- Lack of trust amongst parties in the assessment and complaint processes
- Complaint process is generally characterized as defensive / combative
- Communications are often ineffective amongst parties and information sharing / discovery process focused on minimum information to be provided
- Perception of rigidity / lack of flexibility in mass appraisal process

Findings related to culture:

Working with stakeholders, we concluded that the culture within the City's non-residential assessment system is adversarial; that professional relationships are marked by lack of trust and that, in this culture, it is more common to defend valuations than to explain assessments.

Owners and agents described assessment results as from a 'Black box'; access to relevant information is seen as problematic and the complaint system as cumbersome

and often rendering unpredictable decisions.

There is a need to balance taxpayers' expectations regarding predictability of their individual property assessments and the City's tax base stability and financial risks due to shifting tax burdens. The parties need to work together to resolve this balance.

We concluded that there are significant opportunities for improvement in operating efficiency and service effectiveness through improved professional relationship management that encourages cooperation, accountability and effective communication and which emphasizes continuous improvement amongst ABU, owners/tax agents and ARB.

The regulatory requirement for assessments to "be prepared using mass appraisal" contributes to a *perception* of mass appraisal presenting inflexible assessments, rather than providing a tool giving results that reflect judgment-based adjustments – especially for unique and seldom traded property types.

Recommendations related to culture:

Culture takes time, requires sustained leadership support and considerable effort by all parties to change. To establish more effective relationships between primary parties in determining and reviewing assessments – through the Pre-Roll and complaint periods, we recommend that ABU work with principal tax agents to set basic ground rules for working relationships through Memorandums of Understanding to:

- a. Clarify / describe roles of key players and common goals in the non-residential property assessment system
- b. Set out expectations of professional behaviours and conduct
- c. Describe Information sharing and communications expectations
- d. Establish structured processes for narrowing issues, reaching agreed statements of facts and/or agreed recommendations to ARB for the scheduling of hearings
- e. Similarly, set out structured processes for Pre-Roll and post Pre-Roll negotiations

To help address capacity and culture issues, we recommend that the ARB support cooperative practices between the parties to provide maximum flexibility for scheduling and pre-hearing dispute resolution, while respecting principles of administrative law.

3 Issues related to communication and information management:

- Perception that a minimum of information is being provided, such that assessments are seen to be determined out of a 'Black box'. There is a need for transparency in information provision balanced with the requirement to protect confidential / sensitive information to build taxpayer confidence in the assessment system
- Perception of focus on defending assessed values rather than explaining those values (e.g., ABU decision to reduce the amount of information provided to owners / agents, to be consistent with other jurisdictions)
- Perception of rigidity in applying rules or of more professional co-operation? For example, consider the compliance review application– is it effective in enhancing taxpayer acceptability of assessment results?

Findings related communication & information management:

Through interviews and workshops, we heard that communication and information sharing is critically important and needs improvement.

A perceived decline in information sharing has led to misunderstanding and reduced trust in professional relationships. There is a sense that ABU focus shifted to providing the minimum necessary information and

defending assessments, rather than providing sufficient information for owners/agents to understand and accept the assessment result (as permitted in the legislation).

Accurate, equitable assessments rely on data quality management. Taxpayers need to be prepared to provide much of the necessary data.

Data quality and quantity varies with market circumstances, property type and professional relationships. Different levels of data are required to:

- determine assessments;
- explain assessments, and to
- support assessments on appeal.

Different assessment methodologies drive varying data requirements for different property types and locations. (Edmonton circumstances may drive different data requirements from those in Calgary). Recognizing these factors, ABU's data governance should provide for optimal (not minimal) information necessary to accurate and equitable assessments

Optimal might be defined within a range of data from that which is minimally required, to that which is maximally permissible but without offending privacy or confidentiality. 'Optimal' is the level of information that is cost effective but necessary to create and maintain public confidence in the assessment system. We note that

assessment agencies are increasingly relying on self-service to provide information.

There is a need for clear communication throughout the process – examples include online policies (e.g., weight and authority of Ministry's Information Disclosure Guidelines), onsite property visits; early consideration and explanation of adjustments or denial of adjustments; more public presentations by assessors to expanded audiences (e.g. owners as well as agents).

ABU's Advanced Consultation Process (ACP) is useful but in need of the improvements. These are currently underway to make it more effective. For example:

- Pre-roll values need to be more certain and less preliminary to form a useful basis for discussion
- There is need for more meaningful dialogue on individual properties rather than just for property groups and sub-markets
- Assessors need to have authority, and willingness, to change values, where justified
- Assessors are reluctant to agree to reductions during ACP, due to perception that agents may not subsequently honor agreements, seeing them instead as a "stepping stone" to further reductions at ARB

ABU has already launched an ACP improvement initiative – to make the process more interactive, more suited to customers' needs and engaging a broader group of stakeholders.

Recommendations related to communication & information management:

We recommend that:

- a. the City work with the Province to develop a standing vehicle to clarify communication strategy - advancing consistent understanding and application of new legislative/regulatory provisions, such as:
 - i. Section 300 of the Municipal Government Act (MGA), where the assessor is to produce summary information on comparable properties
 - ii. Section 1.1 & 9 of Matters Relating to Assessment Complaints (MRAC) – new disclosure periods for evidence allowed in a hearing
 - iii. Weight and authority of Ministry's Information Disclosure Guidelines
 - iv. Use of Compliance Review applications, and their effectiveness
- b. ABU and ARB enhance communications strategy to better target timely messages to critical audiences
- c. Property assessment is data intensive. The assessor relies on many sources, including taxpayers, to provide necessary data. Data quality and quantity varies with market circumstances, property type and relationships. Different levels of data are required to determine assessments; to explain assessments and to support assessments on appeal. Assessment methodologies for different property types have varying data requirements for all the above. ABU's data governance should provide for optimal (not minimal) information necessary for accurate and equitable assessments; for taxpayers' acceptance / understanding of their assessments, while protecting its privacy. There is a range of data that may be provided: from minimum legislative requirements to maximum allowable while protecting privacy & confidentiality. The optimal level of information provided may vary over time and location. Optimal is that level necessary to create and maintain public confidence in the assessment system.
- d. ABU explore data collection and data quality enhancement opportunities through the revised Pre-Roll process, and earlier resolution of those complaints critical to establishing valuation principles required to determine the next year's assessments
- e. ABU and ARB explore use of plain language (less technical and legal) to explain assessments, simplify dispute resolution and improve public understanding
- f. ABU work with stakeholders to develop, implement and monitor processes to resolve issues/complaints with respect to high value, common-issue properties
- g. Initiate "without prejudice" settlements – ACP related process as part of MOU
- h. With increased reliance on agreements through ACP, enhance process to monitor and report changes from preliminary roll through final roll
- i. Enhance content and expand awareness of ACP (kickoff) market analysis meeting for targeted audiences
- j. Establish a single manager/leader in ABU to coordinate / manage ACP process

4 Issues related to governance and quality management:

In property assessment, it is customary to establish standards of performance and then to measure actual performance on an ongoing basis to determine a base and then to measure changes in quality over time to address issues as they arise. Standards also need ongoing review as leading practices and/or legislation change. Standards typically relate to data governance, assessment accuracy, customer service and public reporting.

In Alberta's distributed property assessment system, leadership and role clarity are critical to achieving the objectives of a sound assessment / tax system. There are opportunities for improvement through adopting proactive governance that provides role clarity, engages stakeholders to elevate standards and increase professionalism, and more effectively monitor quality through forward-looking audits and all-party participation in structured processes designed to facilitate continuous improvement.

Role clarity in governance, an evolving professional body of knowledge,

professional associations and all stakeholders' involvement in and acceptance of processes are necessary to continuous improvement in a sound assessment system. In Alberta's distributed property assessment system, leadership and role clarity are critical to achieving the objectives of a sound assessment / tax system.

Findings related to Governance & Information Management:

We found that roles of the City and Province are not clear, leading to inconsistent interpretations of policy and regulation; ineffective quality management for high-value, complex property types that are seldom traded in dynamic market conditions. There are opportunities for improvement through adopting proactive governance that provides role clarity, engages stakeholders to establish standards and increase professionalism, and more effectively monitor quality through forward-looking audits and all-party participation in structured processes designed to facilitate continuous improvement.



The Province's annual ratio studies provide useful information for property groups **where assessments can be tested against market evidence**. But for markets that are comprised of properties that are seldom traded, high value, complex to value and unique in character (e.g., high-rise office buildings; regional shopping centers), ratio studies provide little information regarding assessment quality.

Such properties are an important part of the property tax base - especially during periods when markets are volatile – and require more in-depth analysis to test for assessment accuracy and uniformity.

The last Provincial audit of commercial (retail) properties in the City of Calgary was 2012; the last Provincial audit of office properties was in 2011. In high-growth jurisdictions that experience significant market swings, infrequent audits can contribute to quality management and tax burden re-distribution challenges.

ABU reports on quality assurance to the City semi-annually, aligned with the City's high-level Action Plan. Current metrics (provincial or city) and reporting may not capture - in timely fashion - risks associated with assessment accuracy or uniformity of seldom traded, high-value complex properties.

Recommendations related to governance and quality management:

We recommend that the City work with the Province to:

- a. Clarify governance roles of the City and Province respecting policy, standards elevation and quality management
- b. Develop and report annually on metrics (beyond the current ratio studies) for property strata and assessment methodology for thinly traded, high-value complex properties.
- c. Enhance and resource more frequent comprehensive audits of high-value complex properties
- d. Engage key stakeholders (e.g., Stakeholders' Advisory Group) to ensure continuing & practical adoption of leading practice and elevation of standards related to assessment methodology, information management and service delivery
- e. Provide for proactive public reporting on performance and service delivery, drawing upon the experience of other agencies like BC Assessment.

5 Issues related to dispute resolution (complaint) processes:

- Complaint processes support an adversarial, not an inquisitorial system (i.e. focus on win/lose vs finding a fair assessment based on best evidence)
- Complaint numbers (and ongoing appeals to the Court of Queen's Bench) and hearings costs have been increasing
- Hearing schedules require significant resources to administer efficiently
- Perception of procedural inconsistency between Calgary and other Alberta ARBs
- Perception of apprehension of bias in the appointment of former assessors to ARB

- Perception of need for ARB oversight by the Province
- Perception that ARB members may not be qualified or trained in administrative law, decision writing
- Increasing number of ARB decisions being appealed to QB, particularly by the City, resulting in assessment uncertainty where principles in issue
- A recent regulatory change permitting the assessor to amend the roll up to a hearing date may create hearing delays, impacting decision releases by the required date of December 31st.

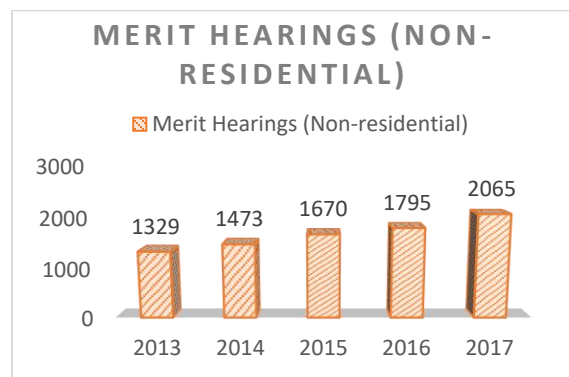
Findings related to Dispute Resolution:

We found that the focus is on administration of hearings to resolve complaints, in an adversarial environment. Although the large

number of hearings are administered very efficiently, there is significant opportunity for improvement by incorporating active appeal management, alternate dispute resolution and settlement conferencing in dispute resolution. We also found that dissatisfaction with the ARB process led to a significant number of appeals on to the Court of Queen's Bench, again resulting in delays in resolving issues and resultant ongoing uncertainty, frustration and inefficiency for roll preparation purposes.

Our initial review validated the concerns identified in the Notice of Motion. The number of merit hearings to ARB increased 55%, while the number of ARB decisions resulting in decreased assessments increased 165% over 5 years from 2013 to 2017.

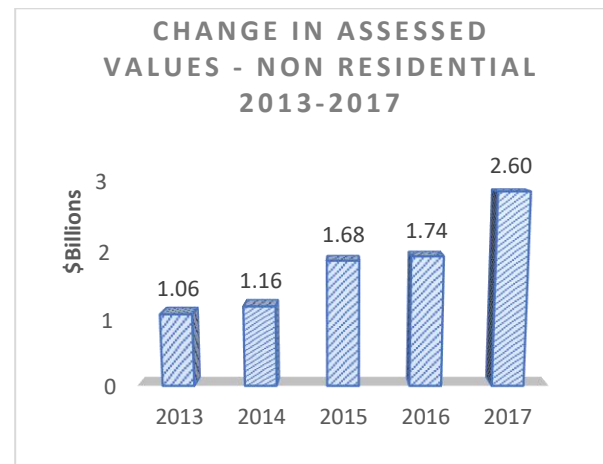
The following table illustrates the current direction of merit hearing occurrences at ARB for a five-year period.



The Accelerating Number of Appeal Cases is Eroding the Tax Base

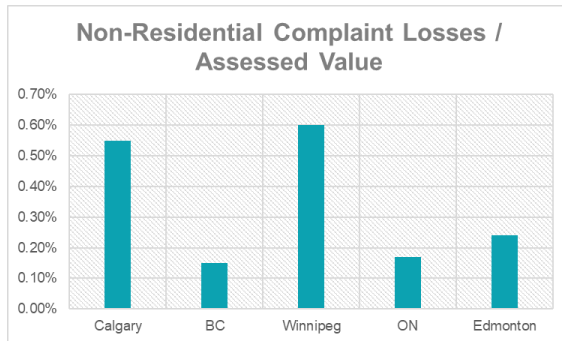
Further analysis of these merit hearings indicate that the assessed values have also been significantly reduced, and at an

accelerating pace. In 2017, the total assessed value for Non-Residential properties was reduced by approximately \$2.596 billion, through the complaint process. This is a 145 % higher amount than the \$1.058 billion reported reduction five years earlier in 2013. Without a resolution to the current issues, overall reductions in assessed values after hearings at the ARB are likely to continue. Our analysis of the trend in assessed value changes after the complaint process is illustrated in the following chart:

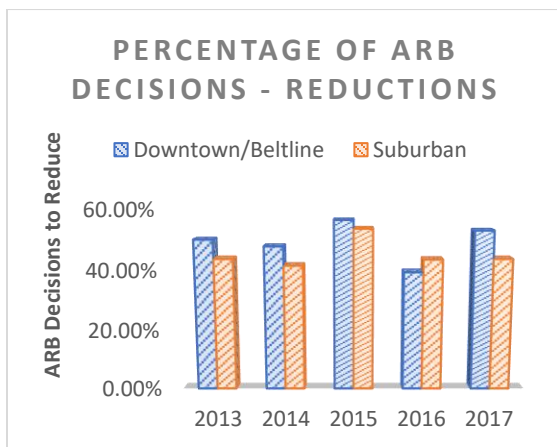


Overall Success Rates at the ARB Have Not Changed Significantly / Roll Stability

A measure of tax base stability is the non-residential complaint losses taken against non-residential roll totals. Although roll losses have averaged only about 5% (on appealed properties) over the past five years, overall roll stability is less than that for comparative jurisdictions. In the following chart, Calgary's non-residential roll stability is similar to Winnipeg's but twice that of Edmonton.



The frequency of ARB awarded reductions was also analyzed. Both Suburban and Downtown/Beltline properties were reviewed for a five-year period. Over this period property owners/agents quite consistently received reductions to their assessed values in 40-50% of the cases. These results are highlighted in the following table:

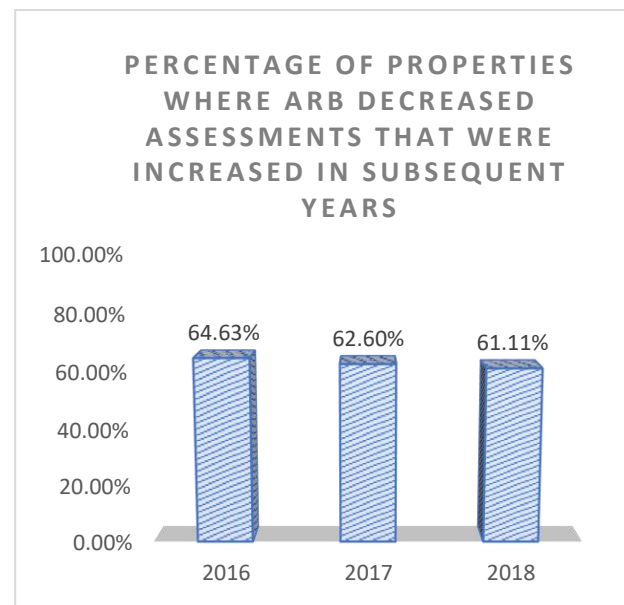


The Assessor Frequently Revises the Assessment in the Following Year

One of the key issues identified to the City was that ARB ordered reductions in assessed value were subsequently reversed by the assessor in the following assessment roll. Establishment of annual assessed values is entirely within the assessor's prerogative (as

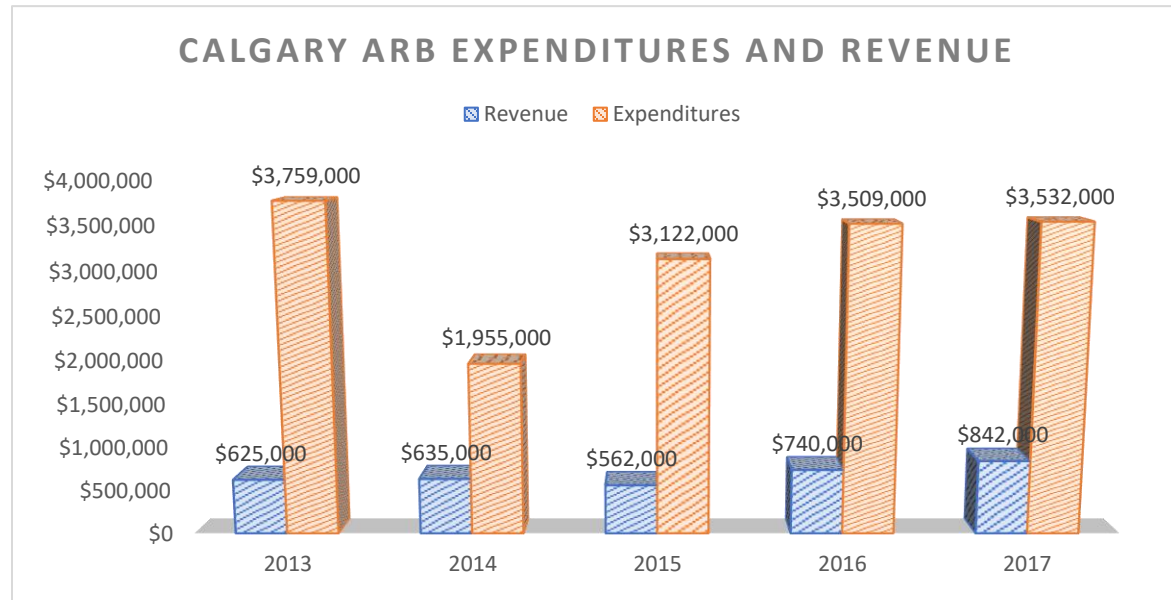
long as legislative requirements are met) as each year a new value must be determined based on current market evidence. Consequently, the decision of the previous year's ARB is not necessarily relevant to a subsequent determination of assessed value. However, this is disconcerting to taxpayers who believe that they incurred significant costs to reflect their point-of-view on the correct valuation of their property only to have it overturned in the following year and to have to repeat the cycle.

An analysis of ARB decisions over the last three years indicates that, when a property was reduced at the ARB, the assessor increased the property's value in the next assessment year over 60% of the time. This may present an opportunity for public relations, where the assessor can collaborate with experts and communicate dynamic market conditions to stakeholders. The percentage of changed assessment on appeal is illustrated in the following chart:



There is a growing trend for owners/developers to simply turn their assessments and related appeals to tax agents as they find the assessment process complex and frustrating. Tax agents, in turn, file appeals rather than seeking resolution through the Advanced Consulting Process.

QB appeals have added consequences in that they complicate application of the City's



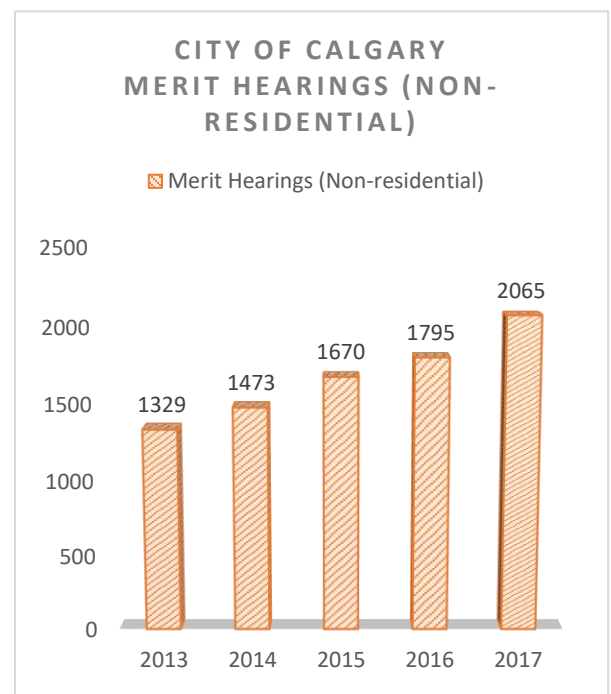
Once appeals are filed, resolution typically involves an in-person hearing before a full 3-member panel. Active appeal management and alternate dispute resolution are not presently available to resolve complaints.

The present discovery process and limited requirement to clearly define appeal issues can result in the parties presenting 1,500 – 2,000 pages of evidence.

Beyond ARB, appeals to Queens Bench (QB) are expensive and offer a slow resolution process. Many appeals might be characterized as 'protective appeals', that are adjourned *sine die*, further slowing the resolution process.

property tax rebate program.

And, unlike the Edmonton ARB where decision writing is shared amongst panel members, the Calgary ARB chair writes each decision - which may not gain best benefit from resources and available expertise.



Costs, Benefits & Savings

Cost Savings

Over the past five years, the number of non-residential merit hearings has continued to increase. From 2013 to 2017 the number of merit hearings has increased by approximately 55%. This trend is not sustainable as it results in additional expenditures from both ARB and ABU and continued erosion of public confidence in City of Calgary's assessment program.

To address this issue, we analyzed City of Calgary hearings and costs compared with experience in the City of Edmonton.

The increase in the number of hearings puts increasing financial and human resource stress on both ARB and ABU. Although the ARB budget dropped in 2014, the current challenges have caused continuing increases. Although the ARB does receive some revenues because of appeal fees, revenue represents only about 22% of cost on average over the past 5 years.

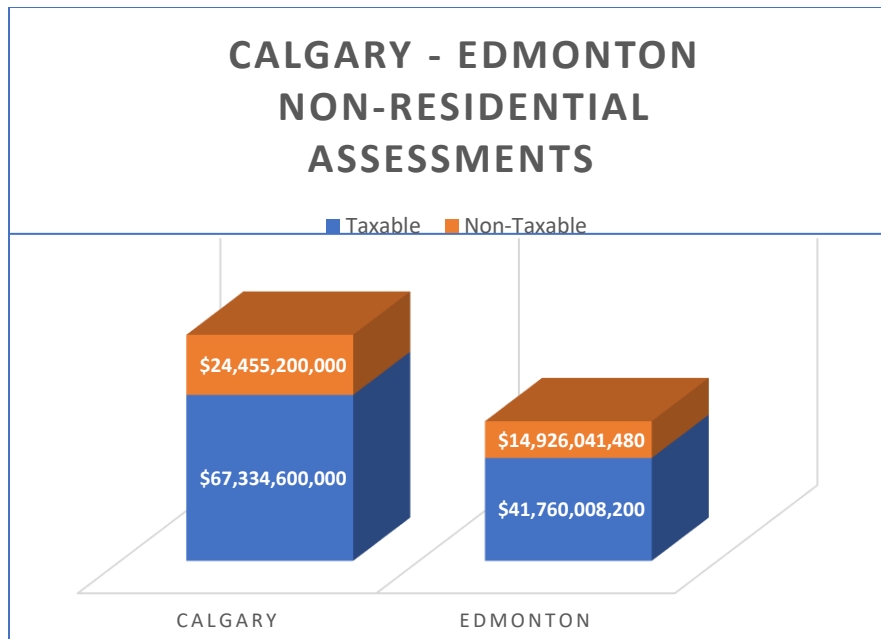
Comparative analysis with City of Edmonton shows potential for cost savings and service improvement in Calgary.

The population of Calgary and Edmonton were, respectively, 1,239,000 and 932,500, in 2016. The population of the City of Edmonton is approximately 75% of the City of Calgary.

Comparative analysis, profiling non-residential properties in each City shows notably different pictures.

As Edmonton is the provincial capital, there are a significant number of Provincial and Federal Government assets located there. The number of non-taxable properties in Edmonton (6,233 vs 9,662 for Calgary) is smaller (64% of Calgary), the assessed value for these same properties (\$14,926,041,480 vs. \$24,455,200,000) similarly proportionally (61% of Calgary).

The number of taxable non-residential properties for Calgary and Edmonton are similar, 13,815 and 13,512, respectively. But, as City of Calgary is a major corporate headquarters in Canada, the non-residential properties tend to be more substantial and higher-valued. The assessed values for Calgary and Edmonton are, \$67,334,600,000 and \$41,760,008,200 (62% of Calgary), respectively.



Based on Edmonton's smaller population, similar number of taxable non-residential properties, and lower valued assessments one would anticipate the number of appeals for Edmonton to be approximately 55-65% of the number for Calgary. However, analysis of the number of merit hearings between the two jurisdictions tells another story. Appeal levels remain largely steady in Edmonton whereas Calgary continues to escalate. We found that in Edmonton, a relatively higher percentage of complaints tend to be resolved in pre-roll consultation and in negotiations prior to hearings.

Edmonton shows a remarkably lower level of merit hearings – 338– only 16% of Calgary's 2,065 hearings for 2017.

We note that many variables make direct comparison of taxing jurisdictions difficult – even where they are subject to similar provincial legislation.

But, based on Edmonton observations, this data suggests the number of merit hearings for Calgary could be reduced to approximately 500 hearings annually in the next few years assuming the recommendations in this report are accepted and implemented.

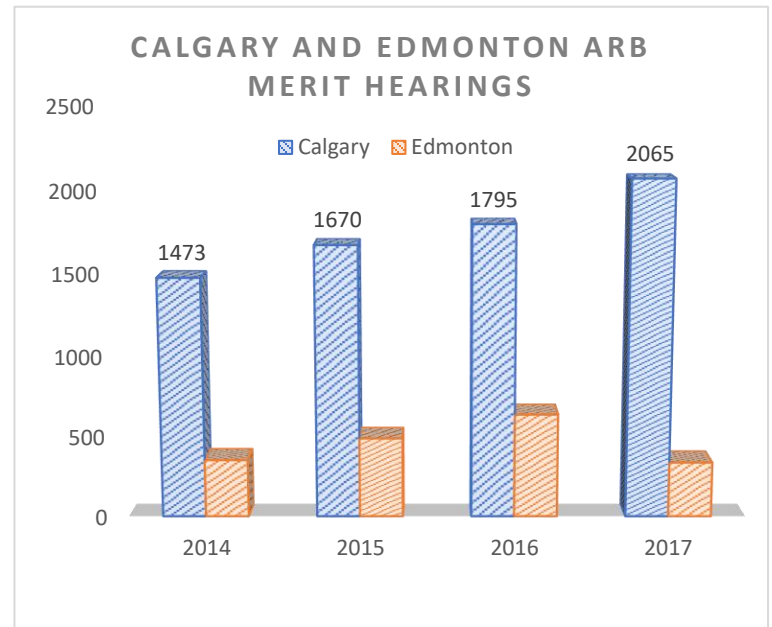
Over time, this equates to savings in direct and indirect costs in ARB budget (including imputed rent for ARB space, legal fees, etc.) of approximately \$2,000,000 per annum – in the longer term.

Note that these annual savings would not occur immediately. Transformation takes time and costs money – so it should be anticipated that costs would **increase** initially as both the current operation and transformation efforts need to be funded over the short term.

The projected annual savings should be achievable within five years.

Benefits

Reducing the number of merit hearings by approximately 1,500 cases annually would also benefit ABU - allowing them to reallocate resources from preparing cases to providing more public information, roll preparation (research & analysis and quality assurance) and pre-roll negotiation and complaints resolution. Assuming 5 to 10 days for preparation and presentation of cases suggests projected 7,500 to 15,000 person-days per year could be redeployed to assessment roll improvement.



Recommendations related to dispute resolution

We recommend that:

- a. ARB investigate for adoption Rules of Practice & Procedure to incorporate active appeal management, dispute resolution and settlement conferencing
- b. ABU and ARB include cost reporting on complaint and appeal processes in performance management
- c. The City improve the ARB system by:
 - a. Investigating the business case for board officer positions (like the Edmonton model)
 - b. Enhancing the ARB member performance review process (Edmonton model)
 - c. Developing a process for ABU and tax agents to recommend scheduling to ARB (Edmonton model)
 - d. Adopting the use of case management by Board members to narrow issues and encourage pre-hearing resolutions
 - e. Publicizing its practices regarding training and qualifications of members; requirements for 'cooling off' periods for candidate members between employment as assessors and appointment as ARB panel members
 - f. Clarify ARB on adjudication role; streamline / simplify and transfer administrative functions to City Clerk's office
- d. In 2019¹, the City review Queens Bench appeals status, statistics and strategy to determine whether changes to the appeal system are satisfying intended outcomes
- e. The City (legal department supported by other branches, e.g., ABU and ARB) improve and utilize processes for tracking, analyzing and evaluating the use of the Queen's Bench for resolution of assessment issues
- f. The City advocate for legislative change to introduce dispute resolution alternatives (e.g., structured appeal management and mediation, single member adjudication (by hearing or written submissions) drawing from and adapting experience of jurisdictions like British Columbia, Manitoba (City of Winnipeg) and Ontario.
- g. Establish standard annual performance report for ARB and publish on website (metrics and KPIs)
- h. Develop / implement communication strategy to inform stakeholders / public
- i. Provide for authority in ABU and improved process to resolve issues any time between roll completion and ARB hearing.

Responses to Recommendations

Assessment Business Unit (ABU)

Formal ABU response: *An Independent Review: Calgary's Non-Residential Property Assessments and Complaints System*

Administration supports the overarching direction and recommendations as put forth by Heuristic Consulting Associates in *An Independent Review: Calgary's Non-Residential Property Assessments and Complaints System* (The "Report"). The guidance provided in The Report aligns with Administration's desire to work with all stakeholders towards the betterment of the non-residential assessment and complaints system.

As an active participant throughout the consultation process, Administration has been afforded the opportunity to undertake substantial work in advance of today's presentation to integrate the recommendations within The Report into our current business practices. Administration has, and will continue to, take a leadership role in the proposed changes which will improve the collaborative opportunities and customer service for all customers.

The recommendations within The Report do more than simply outline an alternative framework for the assessment industry, but also the underlying culture itself. Many of the future-state goals will involve active participation and 'buy-in' from all participants of this non-residential assessment industry. We are encouraged by the collaborative efforts undertaken to this point and are hopeful that it will continue in the future.

To emphasize the importance and impact of this proposed shift in business practices Assessment is currently undertaking a formal review of our internal mandate/vision/mission statement to ensure that the fundamental principles of transparency, collaboration, continuous improvement and professionalism are given proper emphasis within our guiding principles.

Administration has already experienced some acceptance from industry representatives both to the recommendations put forth in the report, and to ongoing work undertaken in integrating the suggestions. We look forward to working collaboratively with stakeholders as we continue to reshape the assessment industry in Calgary for the benefit of all involved. Below is a list of some of the major initiatives completed or currently in development by Administration that directly address the recommendations found in The Report:

- **Change in Customer Service Structure.** Administration has created a structured committee to address customer concerns and interactions as recommended in The Report. This committee organized the Pre-Roll Symposium which was held on October 2nd, 2018, and will oversee all information exchange and customer outreach during the Pre-Roll period from October 2nd to November 2nd.
- **Pre-Roll Consultation.** The vision of Pre-Roll is to benefit customers by providing clarity in assessment values prior to the assessments being finalized, so that non-residential property owners can ensure the accuracy of the values as well as to estimate and budget for taxes. The main goal will be to reduce / eliminate the need to file complaints and provide better and more inclusive conversation regarding assessments. This is a new program meant to replace the

previous Advance Consultation Period which The Report suggested did not go far enough in addressing the former.

- The Pre-Roll Symposium in advance of the 2019 assessments was held on October 2, 2018 and the initial feedback from attendees is positive.
- **A Memorandum of Understanding.** This will be an informal agreement between tax agent groups and Administration with the express intent to stabilize relationships and set expectations for all those within the assessment and complaint system. We have been working alongside tax agents for a number of months to develop this document and anticipate completion in late 2018.
- **2018 Assessment Complaint Resolution.** Administration worked collaboratively with the owner / agent community on 2018 non-residential property complaints to achieve settlements acceptable to all parties. This has resulted in the successful resolution of nearly 600 assessment appeals outside of the formal appeal process.
- **Other owner / agent engagement.** Administration has been reaching out to non-residential owners / agents to engage in meaningful dialogue in preparation of the 2019 Annual Assessments. These conversations serve as opportunities to improve relationships and assessments through open communication and transparency.
- **External valuation expertise.** We will be engaging outside appraisal services to provide us with additional valuation perspectives on unique properties.
- **Change in Information Disclosure.** Administration has identified additional information that will be provided to property owners to help them better understand their 2019 assessments. We are also working to identify additional opportunities to communicate assessment information in more timely and transparent means.
- **Change in Valuation Methodologies.** The increased collaboration with industry experts throughout 2018 has provided opportunities to integrate their ideas and suggestions into Assessment's practices.
- **Scheduling of Hearings.** A key recommendation of The Report was to improve the current scheduling process amongst all stakeholders. Administration is committed to working closely with non-residential property owners and their representatives to develop a mutually beneficial schedule to be recommended to the Assessment Review Board.

In conclusion, not only does Administration agree with the general direction of The Report, but there has already been substantial steps taken to address some of the deficiencies identified.

Assessment Review Board (ARB)

The Assessment Review Board (ARB) and Clerk of the ARB welcome the review of Calgary's assessment and complaint systems and are supportive of the recommendation that mediation processes such as settlement conferencing and other forms of dispute resolution be incorporated into the ARB's practices and procedures.

Such measures have the potential to support early resolution of disputes and certainty around outcomes; however, legislative change is likely required in order to provide authority for this expanded role. Further, in implementing such measures, care will have to be taken to coordinate the administration of dispute resolution processes in a way which will not delay the hearing and deciding of complaints. There is also an opportunity to improve understanding about the ARB's appeal management practices by formalizing and documenting them in the Board's Procedures.

The ARB and Clerk also support the establishment of a new hearing scheduling process in which tax agents and the Assessment Business Unit recommend hearing scheduling to the Clerk, subject to consultation with the General Chair of the ARB.

Finally, the ARB and Clerk of the Board support the Report's recommendations for improving communication with the public and stakeholders, as well as enhancing public reporting and performance management systems.

Early Success - “Made in Calgary” Practical Solutions

Interactive workshops and meetings with multiple stakeholders are leading to “Made in Calgary” solutions where assessors and agents are already beginning to address the issues identified in this report and referenced as Phase 1 implementation.

Notable early progress includes:

1. Pre-hearing agreements on current year (2018) complaints:

ABU and tax agents working together have already reached agreement on over 500 current year commercial/industrial property assessment complaints, without the need for hearings. In addition, agreements have been reached on over 100 multi-residential complaints. Such agreements between professionals, achieved according to the principles of a sound assessment system, provide multiple benefits:

- They enhance tax base stability related to the City’s primary source of revenue (property tax). Direct benefits include facilitating more effective implementation of tax policy (e.g., application of the City’s property tax rebate program) while indirect benefits can include encouraging investor confidence for continued economic development, etc.
- Each appeal that does not proceed to hearing also represents substantial cost savings for the City and other parties. Early estimates suggest that preparation for and appearance at each hearing will typically cost the City somewhere between \$2,000 to \$5,000. Pre-hearing agreements on the more than 600 appeals even at this early stage already represent significant cost savings to the City. And, as taxpayers also incur significant costs in preparing for and attending hearings, they benefit from a greater understanding of their assessments and substantial cost savings.
- In a transformed assessment system, these are not one-time savings. Property assessment is an annual event so that transforming the assessment and dispute resolution processes offers a rare opportunity – annually - for not only improved service levels but also substantial cost savings to all the parties involved.

2. ABU’s redesign of the Advance Consultation Process:

The City of Calgary was an early adopter of an Advance Consultation Process whereby non-residential property owners and their agents are provided with opportunities to review and discuss their preliminary assessed values. That process is generally seen as helpful. ABU recognizes that the process needs improvement and so has already launched an ACP improvement project redefining and repurposing the process to better meet customers’ needs.

Changes include:

- New ways to encourage property owners/agents and developers to become involved and informed

- More interactive and expanded participant / audience to include other industry stakeholders (including Calgary Economic Development and Chamber of Commerce)
- Rebranding of ACP as Pre-Roll Consultation to improve communication, clarify roles and accountabilities, and signal cultural change that better responds to stakeholders' expectations

3. Redefining professional relationships between assessors and tax agents through Memorandums of Understanding (MOUs):

Changing culture takes time, requires sustained leadership/support and considerable effort by all parties. As part of the '*Made in Calgary*' solutions, this report recommends redefinition of professional working relationships between ABU and property tax agents through MOUs.

ABU and prominent tax agents have taken the initiative and have already begun meetings to explore how their professional relationships should be defined and honoured by all parties to build trust and help imbed working relationships that contribute to fairness, transparency, tax base stability and predictability in non-residential property assessments.

Conclusion

Property tax is the single most important source of the City's total revenue. Alberta's market-value standard distributes property tax burden each year according to dynamics in property markets. Recent economic turmoil in some sectors introduces financial risk with the changing dynamics across non-residential submarkets. Shifts in and redistribution of the tax burden increases potential for tax base instability.

Information transparency regarding property assessment is particularly important to maintain public confidence in the tax system. For success, taxpayers must have confidence in the process, understand how it affects them and other taxpayers, have the ability to test the validity of the system and generally accept the principles on which it is based.

In September 2017, Council approved a notice of motion to undertake an independent review of the non-residential property assessment and appeal systems. In undertaking that review for the City, we sought to find improvements to increase fairness, transparency and equity from the standpoint of all non-residential taxpayers whilst considering financial risks to the City.

In this work, we reached out to and continually worked with stakeholders to identify and find workable solutions to the most urgent and important issues, while leveraging the considerable strengths within Calgary's current property assessment and tax systems.

The recommendations presented in our report reflect practical solutions developed with and endorsed by Calgary stakeholders throughout numerous meetings and interactive workshops.

We wish to acknowledge the generous commitment of all stakeholders' time and energy dedicated to improving the non-residential property assessment and appeal systems. Without this community spirit, the remarkable progress to date would not have been possible.

The critical next step will require nurturing leadership by the City in:

- Creating a transformation plan to achieve the preferred future state
- Implementing that plan in phases, and
- That begins by establishing a leadership team to plan and lead execution of a phased transformation plan.

And, while there is considerable strength in the current system, there is also potential risk to tax base stability. As an example of financial risk, market dynamics that may result in continuing reductions in assessed values - particularly in the downtown core - could have a major influence

on the City's budget and represents a top risk for the City to manage¹⁷. Key mitigation strategies for the non-residential property assessment system will be to:

- Transform the non-residential property assessment and complaint process and
- Engage key stakeholders in the process – including improvements in professional working relationships with owners and tax agents.
- Investigate tax policy alternatives in line with the City's long-term financial plan, principles and objectives (not in scope of this report).

¹⁷ Implementation of the recommendations within this report will assist in mitigating this current risk related to property assessments and appeals. Our team noted two major office sales suggesting further potential tax base volatility. However, it was not within project scope to examine potential tax policy implications/risks and options due to continuing possible disruption in distribution of the City's non-residential tax burden.

Appendices

- Appendix A Principles of a Sound Property Assessment and Taxation System, Heuristic Consulting Associates (HCA), 2018. Spreadsheet of principles and factors, based on Stakeholders' Advisory Committee's *Principles of a Sound Property Assessment and Taxation System*. Based on IAAO policies & standards and MGA Stakeholder Advisory Committee's work. Finalized December 2016.
- Appendix B Guide for the Exchange of Assessment Information: Market Value Properties, Alberta Municipal Affairs, 2018
- Appendix C Stakeholder Discussion/Interview Guide, HCA, March 15, 2018
- Appendix D Survey of External Stakeholders, HCA, 2018
- Appendix E Stakeholder workshop presentation, HCA, May 8, 2018
- Appendix F Stakeholder workshop presentation, HCA, May 28, 2018
- Appendix G Report to Priorities and Finance Committee, Deputy City Manager's Office, June 28, 2018
- Appendix H Presentation to Priorities & Finance Committee, HCA, June 28, 2018

References

1. Table listing Alberta governing legislation for assessment and complaint process, HCA, 2018
2. Table listing interpretive documents and guidelines for Alberta assessments and complaints, HCA, 2018
3. Table of assessment and complaint appeal processes in comparable jurisdictions, HCA, 2018
4. Inter-jurisdictional assessment reference materials, HCA, 2018
5. Assessment complaint/appeal tribunals training materials, HCA, 2018
6. Legislative Authority for Information Disclosure, HCA, 2018
7. Assessment General Reference – with hyperlinks, HCA, 2018

Assessment General Reference – with hyperlinks, HCA, 2018

IAAO Standards		
Measure	Date	Link
Guide to Assessment Standards	Posted June 2016	IAAO Guide to Assessment Standards
Standard on Assessment Appeals	July 2016	IAAO assessment appeal standards
Standards on Mass Appraisal of Real Property	July 2017	IAAO Mass Appraisal Standards
Standards on Professional Development	January 2013	IAAO professional development standards
Standards on Property Tax Policy	January 2010	Standards on Property Tax Policy
Guide to Assessment Standards	July 2016	Guide to Assessment Standards, IAAO

Assessment process reviews and inter-jurisdictional comparison studies		
Author	Date	Link
ALBERTA		
Property Assessment and Taxation White Paper, Edmonton	2016	Edmonton assessment and taxation white paper
Assessment and Taxation Branch Audit, Edmonton	2007	Edmonton Assessment Branch Audit
Andy Anstett	2003	Alberta's Assessment Review and Tribunal System (hard copy only)
Assessment Review, Edmonton	2002	Edmonton City Auditor Assessment Review
Principles of a Sound Property Assessment and Taxation System	2016	Not available on line (from 2016 Strategic Advisory Committee on Alberta MGA review)
BC		
Province of BC	2016	Government review of BC Assessment Authority
Perrin, Thorau & Associates	2016	Improving BC's Property Tax Competitiveness
Harry Kitchen and Enid Slack	2012	Property tax competitiveness in BC
Professor Bob Bish	2003	Property Taxes on Business and Industrial Property in BC
ONTARIO		
Province of Ontario	2017	Ont. Auditor's report on assessment appeal boards
Province of Ontario	2013	Special Purpose Business Property Assessment Review and Recommendations
CITY OF WINNIPEG		
City of Winnipeg Audit Dept.	2001	Winnipeg assessment audit 2001
CANADA		
CPTA Cross Canada Tax Practices Manual	2017	Hard copy only

C.D. Howe Institute	2017	2017 Report Card, Business Tax Burden in Canada's Major Cities
C.D. Howe Institute	2016	2016 Report Card, Business Tax Burdens in Canada's Major Cities
Province of BC	2012	Inter-jurisdictional comparison of assessment systems
Enid Slack, Almos Tassonui & Richard Bird	2007	Reforming Ontario's Property Tax System: A Never Ending Story
INTERNATIONAL		
IPTI and COST	2014	International property tax system comparison
IPTI and COST	2014	International Property Tax System Comparison Addendum
American Institute of CPAs	2017	Guiding Principles of Good Tax Policy

PLANS		
Name	Date	Link
BC Assessment 2018-2020 Service Plan	2018	BC Assessment service plan 2018 to 2020
MPAC 2017 to 2020 Strategic Plan	2017	Link is to general description of plan only - MPAC 2017 to 2020 plan summary
MPAC 2013 to 2016 Strategic Plan	2016	Link is to a Summary of the Plan - MPAC 2013 to 2016 strategic plan summary
City of Winnipeg Economic Development Strategy	2012, updated 2015	Winnipeg Strategic Development Plan 2013-2016

ANNUAL REPORTS		
Name	Date	Link
City of Calgary Annual Report	2017	City of Calgary 2016 annual report
Calgary Quasi-judicial Boards 2011-2013 Report (includes the ARB)	2014	Calgary Quasi Judicial Boards Report 2011-2013
2014 Calgary Assessment Annual Report	2015	2014 Calgary Assessment annual report
2013 Calgary Assessment Annual Report	2014	2013 Calgary Assessment annual report
City of Edmonton Annual Reports	2017	City of Edmonton 2016 financial annual report City of Edmonton 2016 Financial Report to Citizens
BC Assessment Annual Service Plan Report	2017	BC Assessment 2016 service plan report
BC Property Assessment Appeal Board (PAAB) Annual Report 2017	2018	BC PAAB 2017 Annual Report
BC PAAB Annual Report 2016	2017	BC PAAB 2016 annual report
Ontario MPAC Annual Report 2017	2017	MPAC Annual Report 2017
Ontario MPAC Annual Report 2016	2016	MPAC Annual Report 2016

Ontario Environment and Land Tribunals Office Annual Report (responsible for ARB)	2016	Ontario ELTO annual report 2015-2016
City of Winnipeg Annual Report	2017	City of Winnipeg Annual Report 2016
Manitoba Municipal Board Annual Report 2012	2013	Latest available annual report online - MBA annual report 2012

**Community Services Report to
Priorities and Finance Committee
2018 October 30**

**ISC: UNRESTRICTED
PFC2018-1181**

One Window Phase Two Update - Deferral

EXECUTIVE SUMMARY

In 2017 June, Council directed Administration to proceed with Phase Two of the One Window initiative to create a coordinated intake process across over 60 non-market housing providers in Calgary. Phase Two is a design phase with the overall objective of advancing the project to be ready for implementation. Council directed Administration to report back through the Priorities and Finance Committee no later than Q4 2018. This report requests a deferral of the Phase Two report until Q2 2019.

Throughout Phase Two, Administration has been collaborating very closely with executive leaders and staff of over 15 non-profit housing providers and social service agencies. To ensure that there is sufficient support in the community to implement a One Window system, Administration requests additional time to circulate the Phase Two recommendations to housing providers' Boards of Directors at their scheduled meetings in Q1 2019. This will enable Administration to better understand which partners are prepared to offer organizational support and potentially participate in a future One Window system. This information constitutes a critical success factor for the project and will be included as part of the report to Council in Q2 2019.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council defer Administration's One Window Phase Two Update report to no later than Q2 2019.

**RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018
OCTOBER 30:**

That the Administration Recommendation contained in Report PFC2018-1181 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2017 June 26, Council directed Administration to proceed with the next phase of implementation for a One Window coordinated intake process and report back to Council through PFC by Q4 2018. Council also authorized an extension of any remaining funds from the previously approved commitment of \$500,000 for the One Window initiative within operating budget program 494 – Calgary Housing, to support the next phase of work (PFC2017-0221).

On 2016 February 22, Council approved a one-time increase to operating budget program 494 – Calgary Housing, by \$7.4M from the Community Economic Resiliency Fund and directed Administration to report back to Council through PFC by Q3 2017. Of this budget increase, \$6.9m funded the Housing Incentive Program, a fee rebate program for qualifying non-profit affordable housing providers, and \$500,000 was committed for scoping and planning to “coordinate housing applications across all housing providers” (PFC2016-0081).

**Community Services Report to
Priorities and Finance Committee
2018 October 30**

**ISC: UNRESTRICTED
PFC2018-1181**

One Window Phase Two Update - Deferral

BACKGROUND

From 2016 to mid-2017, The City conducted Phase One (scoping and planning) of the One Window project. As part of this first phase of work, Administration completed an in-depth current state analysis and confirmed that the current siloed non-market housing intake processes are difficult, time intensive, and traumatic for Calgarians to navigate. Administration identified and analyzed options for a future coordinated process, and recommended a long-term vision that would centralize all aspects of the housing application, from the initial client screening through to matching that person with a home.

In 2017 June, Council directed Administration to proceed with Phase Two (design). This current phase of work is funded in part by a \$450,000 grant from the Government of Alberta, supplemented by \$66,360 remaining from the Community Economic Resiliency Fund commitment from Council for Phase One, as well as \$420,000 of one-time operating funding that was previously approved by Council through the 2016 mid-cycle adjustment process for implementation of action items in the Corporate Affordable Housing Strategy. The overall objective of Phase Two is to advance the One Window project to be ready for implementation.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

At Council's direction, Administration is proceeding with activities to design a future One Window coordinated intake process. An integrated project team was formed to include City staff from Calgary Housing and Information Technology, as well as an external consultant. The project team is working collaboratively with a Steering Committee comprised of 12 non-profit housing providers and the Government of Alberta, as well as with an advisory panel of affordable housing tenants and applicants, to design the future state system. Activities completed to date include a business process review, which defined the end-to-end future processes under One Window as well as how these processes will integrate into housing providers' and agencies' existing processes. Through the business process review, the project team captured the technical, business and functional requirements for a One Window IT system. These requirements formed the basis of a Request for Information (RFI) to investigate potential technology solutions available in the marketplace. In addition to these activities, work with the Steering Committee is ongoing to develop a future operating, funding and governance model that will best satisfy the needs of clients and housing providers.

Administration has collaborated very closely with executive leaders and staff of over 15 non-profit housing providers and social service agencies throughout this phase of work. Some of the partner organizations have indicated that they would require approval from their Boards to adopt the future coordinated system. Because of this, Administration believes that input from Boards of Directors is critical at this stage to accurately gauge whether there is sufficient support from partner organizations to proceed with future implementation phases of this project.

The recommendation to return to Committee in Q2 2019 will provide the additional time required to engage Boards of Directors. This time is needed to accommodate the Board meeting schedules of various partner organizations, including Calgary Housing Company.

**Community Services Report to
Priorities and Finance Committee
2018 October 30**

**ISC: UNRESTRICTED
PFC2018-1181**

One Window Phase Two Update - Deferral

Stakeholder Engagement, Research and Communication

A meaningful centralized housing intake system will require voluntary participation by a critical mass of housing providers representing most of Calgary's non-market rental housing stock. Administration continues to engage and collaborate closely with housing providers, tenants and applicants of affordable housing, and social service agencies that assist Calgarians in finding affordable housing. The goal is to design a One Window system that will meet the needs of all stakeholders. Administration is also engaging with Government of Alberta representatives to understand how a One Window system can align with and advance the Province's objectives with respect to affordable housing delivery.

Strategic Alignment

The One Window initiative is aligned with The City's Corporate Affordable Housing Strategy under Strategic Objective 6: "Improve the Housing System." In the Implementation Plan, it is Strategic Objective 6, Initiative B, Action 1: "Investigate feasibility of a coordinated intake process to be implemented across all non-market housing providers."

The One Window initiative is also identified as a recommendation in many external strategies and plans, including *Alberta's Provincial Affordable Housing Strategy* (2017), the Community Housing Affordability Collective's *Prioritized Action Plan* (2016), *Calgary's Updated Plan to End Homelessness* (2015) and *Enough for All: the Calgary Poverty Reduction Initiative* (2013).

Social, Environmental, Economic (External)

There are no significant social, environmental or economic impacts associated with this deferral request.

Financial Capacity

Current and Future Operating Budget:

Current and future operating budgets are not impacted by the deferral request. The remaining funding required to complete Phase 2 of this project was previously approved by Council (PFC2017-0221). The Provincial grant has also been extended to 2019 March to support completion of this phase of work.

Current and Future Capital Budget:

Current and future capital budgets are not impacted by the deferral request.

Risk Assessment

There are no significant risks associated with approving the deferral request. If the recommendation is not approved, there is a risk that non-profit housing providers will be unable to engage their Boards of Directors within the existing Phase Two project timeline. A lack of information about whether Boards of Directors are prepared to support the One Window recommendation could compromise successful implementation of a coordinated housing intake process in future phases of this project.

Community Services Report to
Priorities and Finance Committee
2018 October 30

ISC: UNRESTRICTED
PFC2018-1181

One Window Phase Two Update - Deferral

REASON(S) FOR RECOMMENDATION:

The deferral request will allow time for non-profit affordable housing providers to engage their Boards of Directors. This will enable Administration to understand whether there is sufficient support in the non-market housing community to proceed with future implementation phases of the One Window initiative. This information constitutes a critical success factor for the project and will impact Administration's recommendation to Council in the report now proposed for Q2 2019.

ATTACHMENT(S)

None

Chief Financial Officer's Report to
Gas, Power and Telecommunications
2018 October 18

ISC: UNRESTRICTED
GPT2018-1069

Federal Review of Telecom, Broadcasting and Radio Act

EXECUTIVE SUMMARY

On 2018 June 5, the Government of Canada Innovation, Science and Economic Development Canada and Canadian Heritage launched its review of the *Telecommunications Act*, *Broadcasting Act* and *Radiocommunications Act*. This review was proposed in the Government of Canada's strategy called "Canada's Digital Future" which addresses the rate of adoption of new technologies with the understanding that "...[Canada's] legislation has not kept pace". The call for comments, which will form the heart of the consultation process, will allow the Broadcasting and Telecommunications Legislative Review Panel to receive written submissions from stakeholders and other interested parties. These written submissions are due on 2018 November 30. The final report and recommendations will be completed by January 2020.

Though advanced wireless networks are attractive to any modern city, a careful balance between municipal and industry interests are important considerations. By participating in the review, The City of Calgary ("The City") may help shape opportunities for new revenue sources such as pole and building attachment licenses and fibre-optic licenses while providing installation standards that preserve safety and aesthetics of the community. Early indications suggest that some proposed legislative amendments will have significant ramifications to municipalities - impacts that could last for decades. The most significant risk that municipalities face is loss of jurisdictional control over some components of municipal infrastructure and assets. This is mainly driven by the proliferation of wireless technologies like 5G/Small Cell, whereby the wireless carriers want access to municipal assets (i.e. streetlight poles, buildings) to install antennas.

The review process is still unclear and may involve multiple consultations until the final report is due in 2020. Administration has no insight into the scope or breadth of the process. Resources are in place to fulfill the first consultation which is a prerequisite to participate in the process.

ADMINISTRATION RECOMMENDATION:

That Gas, Power and Telecommunications Committee:

1. Direct Administration to proceed with preparing and submitting a response to the review questions applicable to Calgary as provided in Attachment 1.

RECOMMENDATION OF THE GAS, POWER AND TELECOMMUNICATIONS COMMITTEE, DATED 2018 OCTOBER 18:

That Council approve the Administration Recommendation contained in Report GPT2018-1069.

Excerpt from the Regular Meeting of the Gas, Power and Telecommunications Committee, held 2018 October 18:

"And further, that Report GPT2018-1069 be forwarded to the at the 2018 November 12 Public Hearing Meeting of Council."

Chief Financial Officer's Report to
Gas, Power and Telecommunications
2018 October 18

ISC: UNRESTRICTED
GPT2018-1069

Federal Review of Telecom, Broadcasting and Radio Act

PREVIOUS COUNCIL DIRECTION / POLICY

Council has previously directed Administration to participate in similar undertakings such as:

- a. Canadian Radio-television and Telecommunications Commission (CRTC) Telecom Notice of Consultation CRTC 2013-551 – Review of wholesale services and associated policies;
- b. Petition to the Governor in Council concerning Telecom Regulatory Policy CRTC 2015-326;
- c. Telecom Regulatory Policy CRTC 2017-182 – Next-generation 9-1-1 – Modernizing 9-1-1 networks to meet the public safety needs of Canadians;
- d. Telecommunications Policy Review 2005/2006 – Review of the policy objectives and regulations of *Telecommunications Act*; and
- e. Various other CRTC interventions related to municipal rights of way and municipal infrastructure.

BACKGROUND

In its 2017 Budget, the Government of Canada announced a new multi-year strategy called “Canada’s Digital Future”. The stated objective of the strategy is to position Canada’s Internet and wireless service providers, creative entrepreneurs and cultural leaders to deal with “...the disruptive changes and increased competition due to globalization”.¹ A key element of that strategy is to completely overhaul and modernize the laws governing television, telecommunications and the Internet. Early indications suggest that some proposed legislative amendments will have significant ramifications to municipalities, impacts that could last for decades.

On 2018 September 24, Innovation, Science and Economic Development Canada launched the “Review of the Canadian Communications Legislative Framework”. This review will be conducted by the Broadcasting and Telecommunications Legislative Review Panel which will “...review the suite of legislation that governs the telecommunications and broadcasting sectors, with a view to ensuring that the Canadian communication sector achieves world-class standards”.

The panel will be reviewing each act against these four themes:

- a. Reducing barriers to access to advanced telecommunications networks for all Canadians;
- b. Supporting creation, production and discoverability of Canadian content;
- c. Improving the rights of the digital consumer; and
- d. Renewing the institutional framework for the communications sector.

Of greatest relevance to The City is “reducing barriers to access by all Canadians to advanced telecommunications networks”, as this potentially impacts access onto municipal assets and lands.

¹ Government of Canada, *Budget 2017*, p. 107.

Chief Financial Officer's Report to
Gas, Power and Telecommunications
2018 October 18

ISC: UNRESTRICTED
GPT2018-1069

Federal Review of Telecom, Broadcasting and Radio Act

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The United States has recently undergone similar regulatory changes. The Federal Communications Commission, which is the American version of the CRTC, enacted a new policy on 2018 August 2 for “Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment”. This policy removed municipal authority, which resulted in a limit on the amount of fees that could be applied to the occupation of wireless equipment on poles or facilities and “shock clocks” which grant automatic approval of any application for access that exceeds 60 days.

Stakeholder Engagement, Research and Communication

An internal engagement through a facilitated session was conducted with all business units that responded to the invitation. Business unit priority and interest was assessed through a survey. Information Technology, Corporate Analytics and Innovation, Intergovernmental Affairs, Finance, Law, Transportation (Roads, Transit), Planning and Development and Calgary 9-1-1 communicated a high interest in the consultation.

Strategic Alignment

Maintaining jurisdictional authority over municipal assets and lands strategically align with all programs and objectives of The City. Legislative changes will likely impact the extent to which municipalities retain operational control over municipal assets and the ability of the municipality to manage the deployment of 5G and other micro-cell technology.

Social, Environmental, Economic (External)

The orderly deployment of 5G and other wireless technology will mitigate risks to the aesthetics of the community, right-of-way exhaust, road degradation from multiple installations, adverse public perception and potential health and safety risks.

5G deployment has tremendous economic benefits as the technology is being promoted to enable autonomous and connected vehicles, industrial Internet of Things, higher mobile broadband and machine-to-machine communications.

Financial Capacity

Current and Future Operating Budget:

There are no operating budget implications as the work will be completed by City staff already engaged.

Current and Future Capital Budget:

There are no capital budget implications as the work will be completed by City staff already engaged.

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Federal Review of Telecom, Broadcasting and Radio Act

Risk Assessment

See Attachment 1 - Questions as set out by the Review Panel. Each question is listed along with a recommendation whether The City should participate in answering the question or not.

REASON(S) FOR RECOMMENDATION(S):

The City has had success when participating in past national consultations. Continued participation in this review process will ensure that municipal interests are heard and preserved at the Federal level.

ATTACHMENT(S)

1. Attachment 1 – Questions as set out by the Review Panel

Review of the Canadian Communications Legislative Framework

September 24, 2018

Broadcasting and Telecommunications Legislative Review Panel

Introduction

...A world-class communications sector should enable Canadians to connect with each other and the world, be competitive, be innovative, contribute to economic growth, and provide reliable services at affordable rates to Canadians across the country.

...The proliferation of devices, operators and users that will emerge in the era of 5G wireless networks—and beyond—requires a legislative framework that is able to ensure the provision of adequate spectrum for advanced services, safe and efficient radio apparatus, and access to the 'passive infrastructure' (i.e. poles, ducts and rights-of-way) required to accommodate the advanced and ubiquitous networks of tomorrow.

Broadcasting and Telecommunications Legislative Review Panel,

Terms of Reference, 5 June 2018

<https://www.ic.gc.ca/eic/site/110.nsf/eng/00003.html#sa>

The following are questions within the scope of the Review and Administrative recommendations.

Telecommunications Act and Radiocommunication Act

1. Universal Access and Deployment

1.1 Are the right legislative tools in place to further the objective of affordable high quality access for all Canadians, including those in rural, remote and Indigenous communities?

Recommendation: Participate - Though this applies to more remote areas than Calgary, the digital ecosystem is not isolated and legislative continuity across the country is necessary.

1.2 Given the importance of passive infrastructure for network deployment and the expected growth of 5G wireless, are the right provisions in place for governance of these assets?

Recommendation: Participate - The most relevant topic to municipalities as the threat of new legislation could undermine local authority to manage its rights-of-way and assets (poles, facilities, etc)

2. Competition, Innovation, and Affordability

2.1 Are legislative changes warranted to better promote competition, innovation, and affordability?

Recommendation: Participate - As digital services converge both public and private networks begin to rely on the same underlying infrastructure, systems and frameworks. Legislative changes are required to facilitate the evolution of next generation government services.

3. Net Neutrality

3.1 Are current legislative provisions well-positioned to protect net neutrality principles in the future?

Recommendation: Participate - Municipalities interact with citizens over the public Internet. Net Neutrality provides assurances that citizens can obtain Council content like the streaming of Council sessions.

4. Consumer Protection, Rights and Accessibility

4.1 Are further improvements pertaining to consumer protection, rights, and accessibility required in legislation?

Recommendation: Participate - as citizens increase their online activities they increase their exposure to threats against their personal information. Governments also collect personal information and a municipal perspective is required.

5. Safety, Security and Privacy

5.1 Keeping in mind the broader legislative framework, to what extent should the concepts of safety and security be included in the *Telecommunications Act/Radiocommunication Act*?

Recommendation: Participate - Currently not adequately addressed in the Act's, security and privacy are an escalating issue for both public and private actors.

6. Effective Spectrum Regulation

6.1 Are the right legislative tools in place to balance the need for flexibility to rapidly introduce new wireless technologies with the need to ensure devices can be used safely, securely, and free of interference?

Recommendation: Participate - Spectrum is critical to the digital ecosystem which is more than just retail wireless service providers. Government agencies also require access to dedicated spectrum for private and mission critical wireless networks. E.g. First responders

7. Governance and Effective Administration

7.1 Is the current allocation of responsibilities among the CRTC and other government departments appropriate in the modern context and able to support competition in the telecommunications market?

Recommendation: Participate - Anticipating new legislation will impose on local authority with respect to ROW's and municipal assets participation in this discussion may preserve municipal interests.

7.2 Does the legislation strike the right balance between enabling government to set overall policy direction while maintaining regulatory independence in an efficient and effective way?

Recommendation: Participate - Anticipating new legislation will impose on local authority with respect to ROW's and municipal assets participation in this discussion may preserve municipal interests.

Broadcasting Act

Recommendation: Not Participate - All questions related to Broadcasting have little or no relevance to municipal assets, ROW's or services, but are presented here for review.

8. Broadcasting Definitions

8.1 How can the concept of broadcasting remain relevant in an open and shifting communications landscape?

8.2 How can legislation promote access to Canadian voices on the Internet, in both official languages, and on all platforms?

9. Broadcasting Policy Objectives

9.1 How can the objectives of the *Broadcasting Act* be adapted to ensure that they are relevant in today's more open, global, and competitive environment?

9.2 Should certain objectives be prioritized? If so, which ones? What should be added?

9.3 What might a new approach to achieving the Act's policy objectives in a modern legislative context look like?

10. Support for Canadian Content and Creative Industries

10.1 How can we ensure that Canadian and non-Canadian online players play a role in supporting the creation, production, and distribution of Canadian content?

10.2 How can the CRTC be empowered to implement and regulate according to a modernized *Broadcasting Act* in order to protect, support, and promote our culture in both official languages?

10.3 How should legislative tools ensure the availability of Canadian content on the different types of platforms and devices that Canadians use to access content?

11. Democracy, News and Citizenship

11.1 Are current legislative provisions sufficient to ensure the provision of trusted, accurate, and quality news and information?

11.2 Are there specific changes that should be made to legislation to ensure the continuing viability of local news?

12. Cultural Diversity

12.1 How can the principle of cultural diversity be addressed in a modern legislative context?

13. National Public Broadcaster

13.1 How should the mandate of the national public broadcaster be updated in light of the more open, global, and competitive communications environment?

13.2 Through what mechanisms can government enhance the independence and stability of CBC/Radio-Canada?

13.3 How can CBC/Radio-Canada play a role as a leader among cultural and news organizations and in showcasing Canadian content, including local news?

13.4 How can CBC/Radio-Canada promote Canadian culture and voices to the world, including on the Internet?

13.5 How can CBC/Radio-Canada contribute to reconciliation with Indigenous Peoples and the telling of Indigenous stories by Indigenous Peoples?

13.6 How can CBC/Radio-Canada support and protect the vitality of Canada's official languages and official language minority communities?

14. Governance and Effective Administration

14.1 Does the *Broadcasting Act* strike the right balance between enabling government to set overall policy direction while maintaining regulatory independence in an efficient and effective way?

14.2 What is the appropriate level of government oversight of CRTC broadcasting licensing and policy decisions?

14.3 How can a modernized *Broadcasting Act* improve the functioning and efficiency of the CRTC and the regulatory framework?

14.4 Are there tools that the CRTC does not have in the *Broadcasting Act* that it should?

14.5 How can accountability and transparency in the availability and discovery of digital cultural content be enabled, notably with access to local content?

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Fibre Infrastructure Strategy Annual Update

EXECUTIVE SUMMARY

This report serves as the third annual update on the implementation of The City of Calgary's Fibre Infrastructure Strategy.

The City has made progress on all areas of the strategy, including:

- Connecting more City facilities and assets, avoiding costs from third-party entities;
- Building more fibre within the downtown core, while reaching more traffic controllers;
- Implementing in greenfield developments as part of the Four-Party Shallow Utility Consortium;
- Licensing out City fibre to external agencies;
- Building relationships, educating and collaborating with many internal and external agencies; and
- Continuing to participate in Canadian Radio-Television and Telecommunications Commission's policies and reviews.

ADMINISTRATION RECOMMENDATION:

That Gas, Power & Telecommunications Committee:

1. Receive for information the Fibre Infrastructure Strategy Annual Update (Attachment 1)
2. Direct that the Fibre Infrastructure Strategy Updated Risk Assessment (Attachment 3) remain confidential pursuant to Section 24(1)(a) and (b) of the Freedom of Information and Protection of Privacy Act for a period of 15 years.

RECOMMENDATION OF THE GAS, POWER AND TELECOMMUNICATIONS COMMITTEE, DATED 2018 OCTOBER 18:

That Council:

1. Receive for information the Fibre Infrastructure Strategy Annual Update (Attachment 1); and
2. Direct that the Fibre Infrastructure Strategy Updated Risk Assessment (Attachment 3) remain confidential pursuant to Section 24 of the *Freedom of Information and Protection of Privacy Act* for a period of 15 years.

Excerpt from the Minutes of the Regular Meeting of the Gas, Power and Telecommunications Committee, held 2018 October 18:

"Moved by Councillor Davison

That Gas, Power and Telecommunications Committee **recommend that Council:**

1. Receive for information the Fibre Infrastructure Strategy Annual Update (Attachment 1) **at the 2018 November 12 Public Hearing Meeting of Council;** and

Chief Financial Officer's Report to
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Fibre Infrastructure Strategy Annual Update

2. Direct that the Fibre Infrastructure Strategy Updated Risk Assessment (Attachment 3) **and closed meeting discussions** remain confidential pursuant to Sections 17 and 24 of the *Freedom of Information and Protection of Privacy Act* for a period of 15 years.

MOTION CARRIED”

PREVIOUS COUNCIL DIRECTION / POLICY

In 2015 September, Council approved the Fibre Infrastructure Strategy (GP2015-0485) with an annual update.

BACKGROUND

For the last 18 years, The City of Calgary Information Technology (IT) business unit has been leveraging capital works projects to take advantage of economies of scale to deploy fibre optic to support City services. The Fibre Cable Duct and Wireless (FCDW) Steering Committee was established in 2002 to provide governance for The City's fibre infrastructure. Membership of the FCDW committee includes the Directors of Transit, Roads, Water Services, Transportation Infrastructure, Facility Management and IT. This has enabled over 450 kms of fibre optic to be deployed throughout Calgary.

The primary focus is to connect all City buildings, facilities and assets. The excess capacity in City fibre optic has been licensed to civic partners, universities, school boards, businesses and carriers. All revenue is transferred to the Information Technology Reserve for future fibre builds for City services and to support operating costs.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Fibre Infrastructure Strategy Annual Report

To provide an annual update on the elements of the fibre strategy with key elements including:

- Monitoring and participating in regulatory and/or policy related events with the top concern being the federal announcement of The Modernization of the Telecommunications, Broadcasting and Radiocommunications Act. Changes to this suite of legislation can impose restrictions on how municipalities govern their rights-of-way and assets, such as poles and facilities, and these sweeping changes could last for decades.
- The general progress of connecting City assets to the fibre network and the estimated cost avoidance achieved.
- The City operates as a fibre-optic provider and City IT licenses out excess fibre-optic capacity to other public-sector organizations, businesses or carriers. Revenues are transferred to the IT Reserve - Fibre Optic Program #751 to fund fibre deployments for City services and cover operating costs of the fibre plant.
- Supporting our local Internet Exchange (IX). IXs are found in the most prominent business centers in Canada such as Toronto and Vancouver. An IX supports fast, affordable internet and enables new business capabilities. The Calgary Internet Exchange (YYCIX) began in 2012 and is a non-profit organization run by volunteers. It is

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Fibre Infrastructure Strategy Annual Update

growing and gaining momentum and The City has been supporting the YYCIX by providing fibre and hosting equipment in one of The City's communication rooms.

- An updated risk assessment and mitigating strategies.

Stakeholder Engagement, Research and Communication

Governance for The City's fibre infrastructure is provided by the FCDW Steering Committee, which includes representatives from Transit, Roads, Water Services, Transportation Infrastructure, Facility Management and IT.

The City's Fibre team is continually researching the field of Information Communication Technology.

Information about The City's Fibre Strategy is available to cities and communities across Canada through press releases and regulatory interventions.

Strategic Alignment

The Fibre Infrastructure Strategy is aligned with Council Priorities, the Corporate Services 2015-2018 Action Plan, IT's 2015-2018 Business Plan and IT's future One Calgary Service Plan.

Alignment with Sustainability Direction 2020

Prosperous Economy

Objective: A city that attracts, develops and retains

Sustainable Environment

Objective: Existing developments (Existing development remediation and redevelopment support efficient land use and environmental protection in Calgary)

Smart Growth and Mobility Choice

Objective: Provide safe, reliable and affordable public infrastructure

Financial Capacity

Objective: Cost efficiency & risk management

Sustainable Corporation

Objective: Efficiency, infrastructure management, effective service delivery

Social, Environmental, Economic (External)

Social: City business units rely on connectivity to deliver services to the citizens. Fibre optic is the path that information takes to reach the desired endpoint whether that is a building, like the Emergency Operation Center (EOC), or a server for analytics. City services play an important role in the social well-being of the community.

Environmental: City fibre optic has a positive effect on the environment through a number of channels. Through smart infrastructure and highly-connected devices, The City can better manage assets and increase the performance of services like intelligent traffic systems. By licensing dark fibre, companies have an option to obtain fibre services without building their own – reducing disruptive construction activities. Many utilities and organizations require fibre connectivity to deliver enhanced services to manage efficiency like smart grids or intelligent building management systems. All these contribute to a better environment.

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Fibre Infrastructure Strategy Annual Update

Economic: The digital economy is dependent on connectivity infrastructure, like fibre optic, as the fundamental infrastructure to support it. This enablement allows the community to prosper through equal access and inclusion. The City of Calgary's fibre infrastructure strategy focuses on providing fibre for City services and leasing excess capacity to other organizations.

Financial Capacity

Current and Future Operating Budget:

Current

The 2018 annual operating expenditure budget for the City Fibre Team is \$1.9 million.

Future

Future additional operating costs are estimated to be approximately two per cent of construction costs. Revenues derived from dark fibre licenses are applied to the operating funding source and are directly related to the capital funds allocated to build fibre to customers. Due to capital budget constraints in 2019-2022, new fibre builds and revenue are expected to level off. Modest increases in revenue are expected, but self-funding is no longer anticipated as previously forecast.

Current and Future Capital Budget:

Current

Total capital budget approved for 2016-2018 was \$19.1 million.

These funds were committed for new fibre projects such as intelligent intersections, stranded facilities and next-generation City infrastructure.

Future

Due to capital budget constraints going into the 2019-2022 business cycle, capital will be sourced through the IT Technology Reserve of \$1 million annually and leveraging capital projects. See Attachment 2 – Project Cost and Funding Sources.

Risk Assessment

Through the Integrated Risk Management process, additional risks were identified along with mitigating strategies. See Attachment 3 - Fibre Infrastructure Strategy Risk Assessment.

Chief Financial Officer's Report to
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Fibre Infrastructure Strategy Annual Update

REASON(S) FOR RECOMMENDATION(S):

The telecommunications environment is constantly evolving, and the annual report serves to keep Council apprised of the progress, challenges and future strategic directions regarding the City's fibre infrastructure.

ATTACHMENT(S)

1. Attachment 1 – Fibre Infrastructure Strategy Annual Update
2. Attachment 2 – Project Cost and Funding Sources
3. Attachment 3 – Fibre Infrastructure Strategy Risk Assessment - CONFIDENTIAL

The City of Calgary Fibre Infrastructure Strategy Annual Update

2018 October 18

Chief Financial Officer's Department - Information Technology

Executive Summary

On 2015 September 28, the Fibre Infrastructure Strategy was presented and unanimously approved by Council. This report serves as the 2018 annual update.

By Q4 of 2018, over **600** facilities and assets (e.g. traffic controllers) will be fibre-connected and **avoiding** third-party communication costs estimated to be **\$7 million per year**.

2018 revenues are on track for **\$900 thousand** which represents a **58% increase** from 2015 and is well above the **\$180 thousand** originally projected in the strategy.

New opportunities for revenue exist with the evolution of mobile networks to 5G/Small Cell and possible collaboration with Enmax for automated meter reading.

The current 2019 - 2022 capital budget constraints resulted in a reduction of the capital budget from \$4 million per year to \$1 million per year, funded entirely from the Information Technology (IT) Reserve which is partially sourced from the fibre revenues.

Under these new constraints, opportunities to reach City facilities will slow and revenue will plateau. All programs, systems and initiatives that benefit from new fibre builds will be impacted. Prioritization will be key to ensuring best value for investment.

Background

On 2015 September 28, the Fibre Infrastructure Strategy was presented and unanimously approved by Council.

The Fibre Infrastructure Strategy is critical to ensure The City of Calgary continues to provide fibre optic to deliver next-generation municipal services in a cost-effective manner.

Investment in City fibre is even more important today and into the next business cycle as our dependence on technology and data increase. City fibre is fundamental to delivering City services which contributes to **resiliency**, service **growth** and innovation and is the **foundation** of all networks which City business units rely on to ensure Calgary continues to excel as a smart, safe and prosperous city now and into the future.

2015 – 2018 Accomplishments

a. Connecting Assets

By Q4 of 2018, over **600** facilities and assets (e.g. traffic controllers) will be fibre-connected, increasing business-unit capabilities with unlimited bandwidth and **avoiding** third party communication costs estimated to be **\$7 million per year**.

	Progress in 2015-2018	Total Fibre Connected Assets 2001-2018	Notes
City buildings connected	86	236	Approximately \$7M annual cost avoidance
City field assets connected	37	114	LRT Stations, Water Plants, Help Phones, Digital Signs, Parks, Underpasses, Airport Tunnel, BRT's.
Traffic intersections, signs, and sensors.	264	300	Approximately \$1.5M in annual cost avoidance

Table 1: 2018 Estimated Number of Assets Connected with City Fibre

b. Enabling Networks

City fibre enables numerous networks for City business units, Civic Partners, post-secondary institutions and external agencies. The City alone has more than 20 different networks specific to its applications; as an example, the network that operates the Light Rail Transit is much different than the network that ensures clean water, but both rely on City fibre.

The Calgary City Net (CCN) is The City's largest, most resilient network which provides high bandwidth, redundancy and security for business units. CCN's success is represented by the rate of adoption by business units. During the last budget cycle, the CCN's bandwidth demands have increased **550%** (see Figure 1) as business units deploy connected devices to enrich and modernize their services.

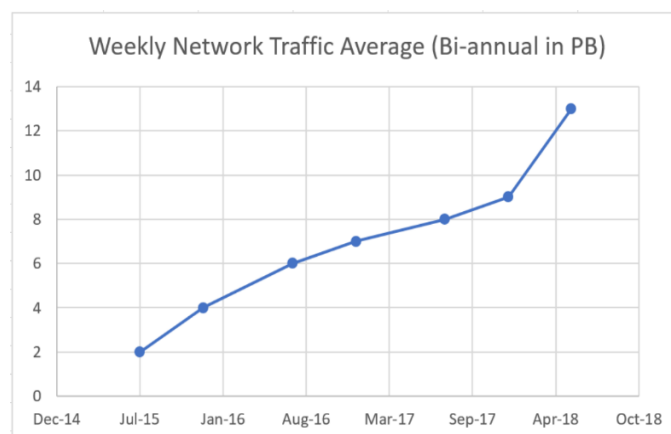


Figure 1: CCN: Bandwidth Consumption for City services [1 Petabyte (PB) = 1 million Gigabyte]

c. Increasing Resiliency

City fibre increases the resiliency of City services which, in turn, enriches citizen confidence. When a city **owns** its fibre, it can respond with greater agility during

extreme events. This was exemplified during the 2013 flood where a catastrophic loss in network resources was mitigated due to the control, agility and capacity afforded through City fibre. This could not have been achieved without full control of the fibre asset.

City fibre increases the resiliency of all services that leverage it. As an example, during the last business cycle, City fibre reached over **300** traffic controllers, resulting in an **increase** of service uptime by **22%** (see Figure 2) improving the traffic flow through the city.

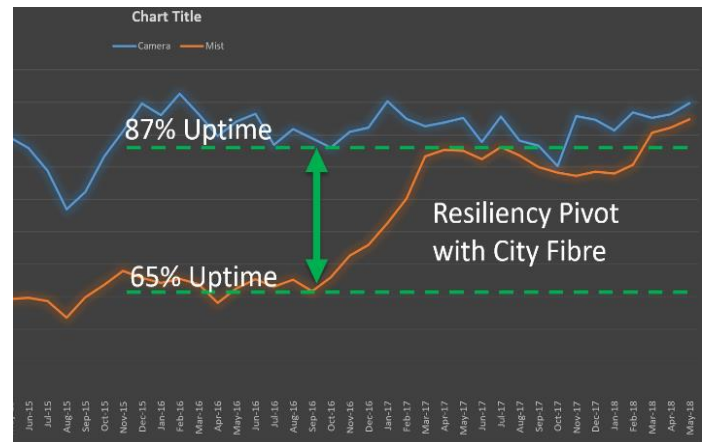


Figure 2: Traffic Network Uptime

d. Other Notable Accomplishments:

- 2018 revenues exceeded projected estimates by 58%.
- Calgary Police Service (CPS) exclusively uses City fibre to build their core network.
- The Calgary Public Library has standardized on City fibre.
- The City won the Ministers Award for Municipal Excellence for Municipal Owned Fibre Infrastructure (2016).
- University of Calgary research on Quantum Key Distribution published their findings in Nature Photonics in 2016. Access to City fibre was acknowledged in the research paper "Quantum teleportation across a metropolitan fibre network" to assist in testing their research in a real-life environment.
- The City won the Ministers Award for Municipal Excellence for Municipally Owned Internet of Things (IoT) Wireless Network (2018). This network is enabled by City fibre.
- The Calgary Internet Exchange is rapidly growing, in part, due to City fibre, making Internet faster for everyone.
- Participated in a number of Canadian Radio-television and Telecommunications Commission consultations influencing policy to include municipal interests.
- Calgary Economic Development (CED) includes City fibre as a technology enabler to attract companies to Calgary (e.g. Amazon bid).
- Participated in regional efforts to increase the importance of municipal fibre through speaking engagements, presentation to rural council and local meetings.
- Contribute and respond to provincial consultations like the Provincial Broadband Strategy.

- City fibre transports video from over 3,000 cameras used by Corporate Security, Transit, Roads and Calgary Parking Authority.
- Fibre infrastructure plays an important role in security by design.
- City fibre is a key element to delivering on business-friendly initiatives for Living Labs in conjunction with CED.

City Fibre Strategy Alignment

The City fibre strategy aligns with corporate and affiliated initiatives underway, including [Calgary Economic Strategy](#), [One Calgary](#) and [Resilient Calgary](#). Calgary Economic Development recognizes City fibre as an incentive to attracting high-tech companies to Calgary to support our community's economic diversification.

City fibre is the foundational communications infrastructure that can accelerate Calgary's journey as a "Smart City".

In addition to enabling municipal services, City fibre enables industry and entrepreneurs to innovate and accelerate ideas to commercialization contributing to the diversity of Calgary's economy.

Stranded Facilities

Connectivity demands for Field Computing, IoT, 5G and Smart City solutions are increasing every day, and this should be considered the new normal. These new demands emphasize the change in society and how cities need to adapt quickly.

Smart and resilient cities will be impacted by the rapid evolution and adoption of technology and reliance on data. What this means for The City of Calgary is that connectivity through fibre and wireless will experience **sustained and continuous** demand incentivizing a greater integrated approach in the planning process for both public and private actors. By incorporating digital infrastructure into an integrated solution, The City can mitigate new technology being "bolted on" to assets with a preferred, seamless and aesthetically attractive solution emerging.

Lesson Learned: *Stranded facilities are no longer finite as sustained and continuous demands for connectivity is the new normal.*

Greenfield

Greenfield communities offered an opportunity to advance City fibre with additional cost reduction by taking advantage of the four-party trench agreement with Atco, Enmax, Telus and Shaw. By leveraging this opportunity, The City experienced a **75% savings** in traditional construction costs. Greenfield opportunities and investment were less than projected due to the reduction of residential development and investment.

Lesson Learned: *Leveraging the four-party trench is a cost-effective method of expanding City fibre.*

Business Parks and Transit-Oriented Developments (TOD)

Business Parks & Transit-Oriented Developments were also opportunities to expand City fibre. Though only one opportunity was leveraged, there has been no indication of future undertakings. IT continues to work towards strengthening the value proposition with Real Estate and Development Services (RE&DS).

Revenues

As part of the Fibre Infrastructure Strategy, The City operates as a dark fibre optic provider and IT licenses excess fibre-optic capacity to other public-sector organizations, businesses and/or carriers. This revenue is growing and serves to finance further construction activities while reaching self-funding status. 2018 revenues are on track for **\$900 thousand** which represents a **58% increase** from 2015 revenues and is well above the **\$180 thousand** originally projected in the strategy. Through Council support of the fibre strategy, a dramatic increase in revenue growth has been achieved (see *Figure 3*). Though revenue growth has been better than anticipated, a better understanding of the market is incenting a more targeted and focused approach to revenues. Emerging markets spurred by the trend to densify networks (5G/Small Cell, IoT) will provide new revenue opportunities.

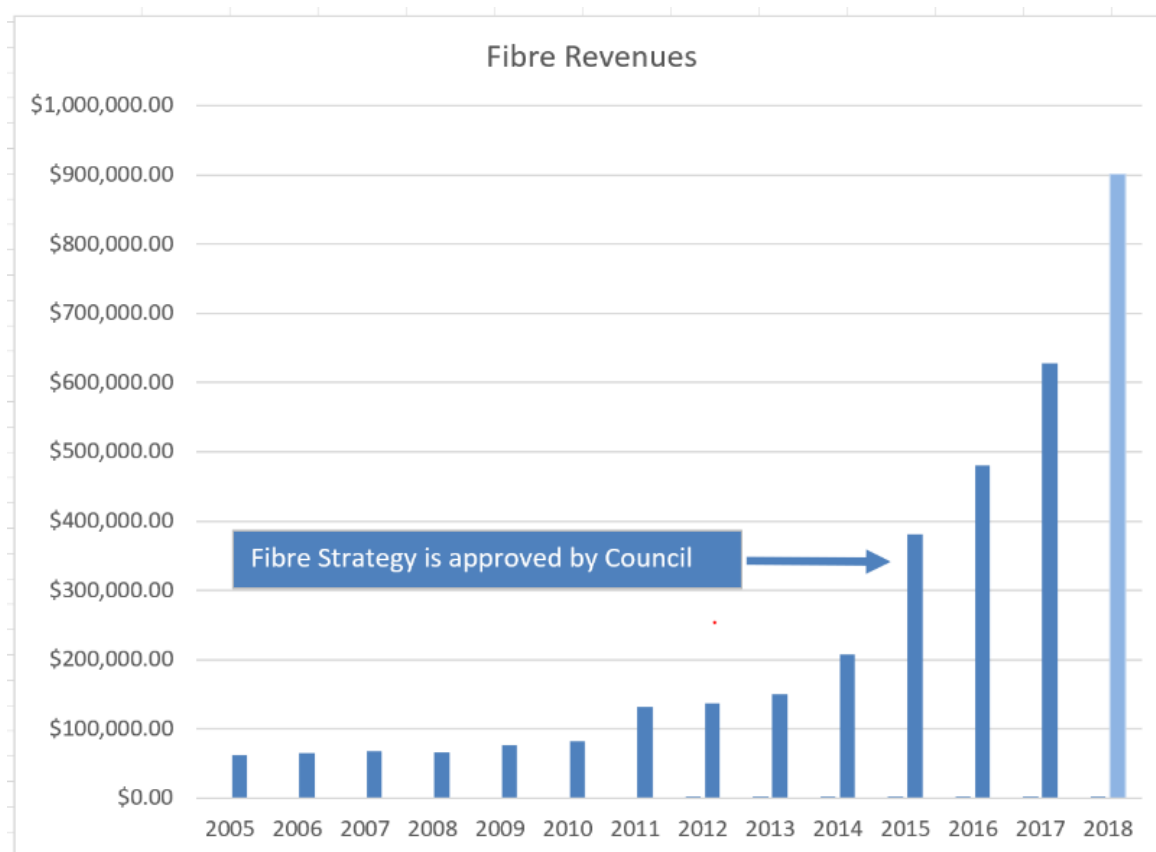


Figure 3: Current Revenues

Dark fibre is a niche market and a greater understanding of the customer profile is enabling a focused approach for the next business cycle. The customers that subscribe to The City's fibre-optic service are typically agencies that require control, redundancy, scalability, security and privacy for their networks. These customers place priority on these requirements over cost. These customers tend to be larger in size and have sophisticated IT departments, including agencies (such as Alberta Health Services), utilities (such as AltaLink or Enmax), and telecommunication carriers.

Over the last business cycle, a better understanding of the customers and the niche market that City fibre supports determined a number of constraints and opportunities:

- a. Fibre customers must be in a state of "readiness" to consider City fibre.
- b. Most customers need dark fibre built to their facilities and in today's economy, few, with exception to large organizations, are able to finance this construction.
- c. Most customers are willing to sign long-term licenses which reduces the risks associated with any investments in last-mile infrastructure by The City.

Understanding that future demand will be continuous, and to mitigate risks arising from capital funding short falls, more emphasis on becoming **self-funded** is highly recommended. Revenues of \$3 to 4 million provide a reasonable base to effectively deliver digital infrastructure. The 2018 revenues are estimated at \$900 thousand, almost a third of the way to the self-funding objective.

Recommended Strategy Update: Shifting some funding to reach targeted revenue accelerates the path to becoming self-funded. Though there is some additional risk to the funding, the risk is low and mitigated through long-term licenses.

Future Opportunities

5G/Small Cell and the Evolution of Wireless Opportunities

5G/Small Cell is the next advancement in mobile and wireless technology important to connected, resilient and smart cities. It refers to wireless infrastructure that will enable many sectors and drive the digital economy by enabling automation, connected and autonomous vehicles, smart homes and field sensors. 5G/Small Cell represents a major uplift in infrastructure. It's more than a small antenna on a pole, it also encompasses fibre optics, large cabinets, new power cables, power meters, networking equipment, etc.

The drive for advancing wireless infrastructure is both a risk and an opportunity for The City. Successful deployment of 5G will depend on access to municipal assets like streetlight poles and facilities resulting in thousands of third-party assets integrating with City assets. New standards, processes and agreements will manage both operational and financial risks while preserving aesthetics and public safety.

Integrated planning can mitigate the operational and financial risks affiliated with wireless infrastructure deployment on City assets and presents opportunities for new sources of revenues. Wireless infrastructure requires fibre optic to transport data and

some carriers lack sufficient fibre optic to achieve this. Other potential sources of revenue can be found in attachment fees for antennas or co-location fees in City buildings.

It is difficult to predict the viability of this opportunity as it is still in its infancy.

Wireless opportunities also exist with Enmax and other utilities. Automated meter reading is an example whereby The City (water), Enmax (power) and Atco (gas) all have a requirement for meter reading. Joint efforts can drive down costs for new technologies that enable both the provider and the consumer to manage consumption intelligently.

Recommended Strategy Update: Enhance collaboration initiatives with other utility providers like Enmax and Atco who share an interest in enhancing services to citizens through technologies like automated meter reading.

Smart City, Economic Diversity, Digital Economy, Innovation, Collaboration

As The City of Calgary, in collaboration with community stakeholders, builds our communities' smart city strategy, continued investment in digital infrastructure is key to success. A smart city invests in technology and data solutions to provide excellent services to citizens.

To support Council's Business-Friendly directive and as part of the Smart City focus of diversifying our economy, The City of Calgary is partnering with CED to create the "Calgary as a Living Lab" initiative. As one of the largest owners of infrastructure in Calgary, The City is formalizing the process to open our infrastructure (where suitable) for companies and researchers to test, try and demo their products in real-world environments. The goal is to accelerate the commercialization of new products, services and research findings. It is not intended as a route for City solutions as there are avenues for those requests through existing procurement channels. For example, The City opened up Shephard Landfill for companies like Loughheed-Martin and NASA to test drone technologies. The Calgary Film Centre was used by an augmented reality software company to demo their products to potential clients.

Access to City fibre is a fundamental enabler for a large number of these technology tests as connectivity is often required. Often these ventures are limited in scope and resources; thus, providing access to municipal infrastructure at rates that encourage its use is critical to success.

Recommended Strategy Update: The City of Calgary's living lab initiative will be enhanced with City fibre to establish cost-effective connectivity in a timely manner. The dark-fibre rate structure will be adjusted for temporary use of City fibre under the living lab initiative. Should permanent use of the fibre be anticipated, then regular fibre rates will apply.

Miscellaneous Opportunities

From time to time, unique opportunities arise which can contribute to the expansion of City fibre. These opportunities can contribute in reducing construction costs, providing conduit (Greenline) and possible funding.

Regulatory, Legislation and Advocacy

Consistent with the 2015 Fibre Infrastructure Strategy, The City's participation as an advocate in the regulatory and legislative domain is still a priority to ensure that municipal interests are represented.

By the time this report is published, the review of the Telecommunications, Broadcasting and Radiocommunications Act will have started and is an important legislative change. (Government of Canada, June 2018)

Early indications suggest that some proposed legislative amendments will have significant ramifications to municipalities - impacts that could last for decades. The most significant risk municipalities face is loss of jurisdictional control over some components of municipal infrastructure and assets. This is mainly driven by the proliferation of wireless technologies like 5G/Small Cell, whereby the wireless carriers want access to municipal assets (streetlight poles, buildings) to install antennas. Though advanced wireless networks are attractive to any modern city, a careful balance between municipal and industry interests are important considerations. By participating in the review, The City may help shape opportunities for new revenue sources such as pole and building attachment licenses and fibre-optic licenses while providing installation standards that preserve safety and aesthetics of the community.

Advocacy and regulatory participation remains a high priority of the Fibre Infrastructure Strategy to protect municipal interests.

2019 – 2022 Business Cycle

The 2015 – 2018 Fibre Infrastructure Strategy was based on a capital requirement of approximately **\$7 million** per year till 2023, then **\$4 million** per year onward with revenues supporting capital in its entirety by 2030 whereby self-funding status was anticipated to be achieved. Total funding requirement between 2015 – 2030 amounted to **\$49.7 million**.

Adjusting for lessons learned and implementing the above recommendations, the same objectives can be achieved from the 2015 strategy with a reduced capital requirement of **\$4 million** per year and reducing the total funding requirement between 2015-2030 from **\$49.7 million** to **\$28.1 million**.

By capitalizing on new revenue sources like wireless opportunities, self-funding status is anticipated to be achieved in **2025** – five years earlier than originally predicted (see Figure 4).

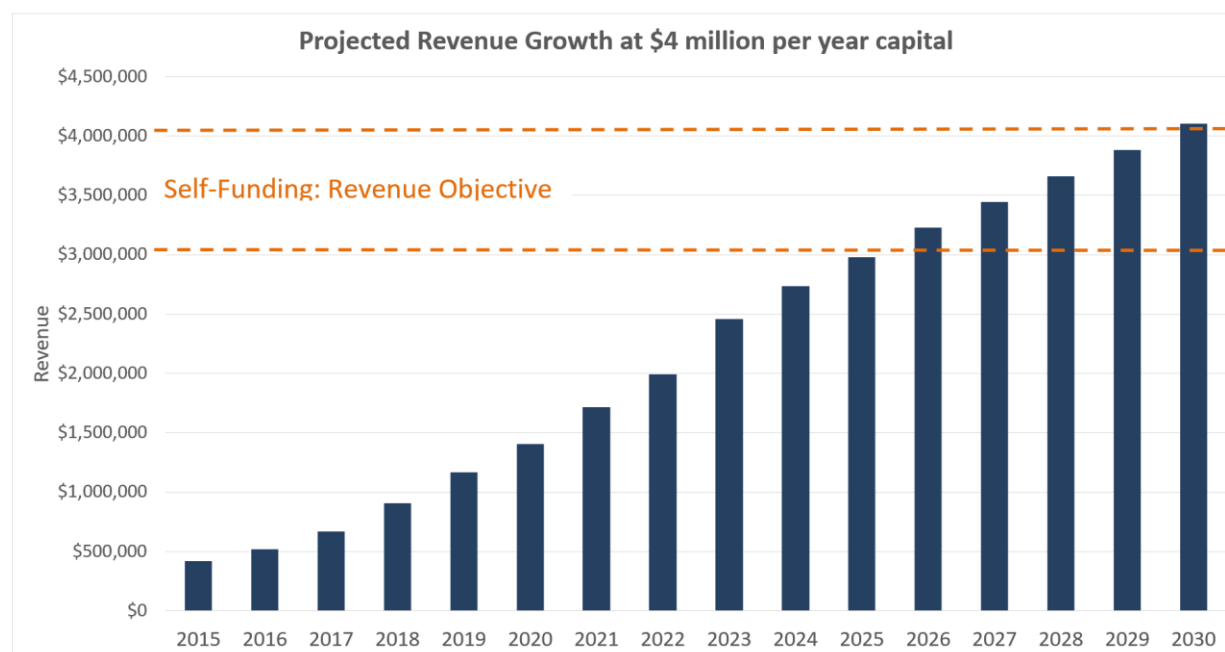


Figure 4: Projected Revenue Growth fully funded

2019- 2022 Capital Budget Constraint

The current 2019- 2022 capital budget constraints resulted in a reduction of the capital budget from \$4 million per year to \$1 million per year, funded entirely from the IT Reserve which is partially sourced from fibre revenues. In this scenario, the current Fibre Infrastructure Strategy cannot be supported to the level required to achieve all the objectives at the same rate seen in the 2015-2018 period. Revenue is expected to flatline (see Figure 5) with only modest growth as not all opportunities can be pursued. Fibre builds to civic facilities or devices (traffic controllers) will be prioritized but will not achieve the same rate of connectivity.

Under these new constraints, it is unlikely that self-funding can be achieved as forecasted in the 2015 strategy.

Essentially, the Fibre Infrastructure Team will be operating in a similar manner before the Council-approved strategy and additional funding was realized in 2015. Though this is not ideal, the momentum and accomplishments over the last business cycle have resulted in considerable gains. In the 2019-2022 business cycle, the Fibre Infrastructure Team will continue to focus on:

- a. Leveraging capital projects such as Greenline, Bus Rapid Transitway's Airport Trail, etc.

- b. Collaborating with stakeholders such as Transportation, Water, Facility Management, Integrated Civic Facilities, CPS, Calgary 911, Planning and Development, RE&DS and Enmax.
- c. Pursuing alternate funding sources such as grants or joint builds.
- d. Establish partnerships to leverage opportunities to expand the fibre plant or generate additional revenues through technology advancements like 5G, automated meter reading, Smart City applications, etc.
- e. Reduce deployment costs by leveraging Enmax poles.
- f. Promote and market through speaking engagements.

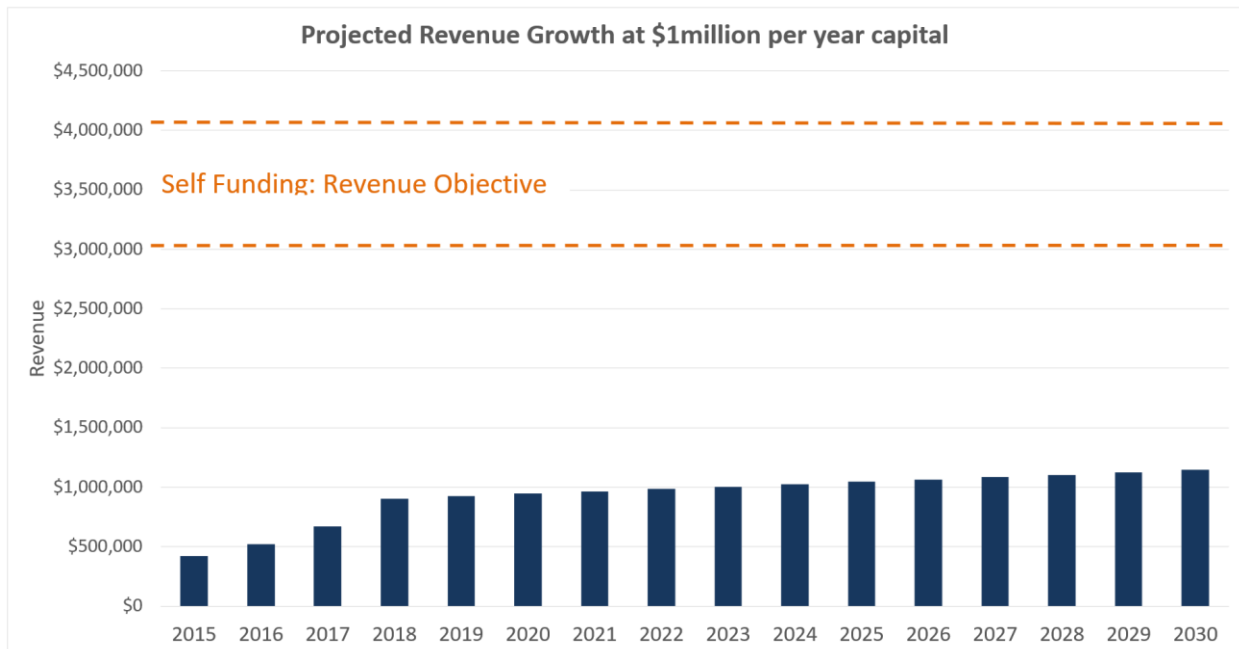


Figure 5: Projected Revenue Growth with reduced capital

Should additional funding of approximately \$3 million per year be sourced for the 2019-2022 business cycle, continuity of the 2015 strategy towards self-funding can be achieved.

Works Cited

Government of Canada Innovation, Science and Economic Development Canada and Canadian Heritage, "*Government of Canada launches review of Telecommunications and Broadcasting Acts*", <https://www.canada.ca/en/canadian-heritage/news/2018/06/government-of-canada-launches-review-of-telecommunications-and-broadcasting-acts.html>, (June 5, 2018).

Project Cost and Funding Sources

The City of Calgary Fibre Network - Base Fibre Network

For 2016 through 2022 (\$000's)

<i>Cumulative Years</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	
Year	2016	2017	2018	2019	2020	2021	2022	Total
FUNDING REQUIRED								
Construction Cost								
Total Dark Fibre Network Construction Cost	\$ (5,003)	\$ (7,781)	\$ (4,216)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (21,000)
Operation & Maintenance	\$ (100)	\$ (255)	\$ (309)	\$ (329)	\$ (349)	\$ (369)	\$ (389)	\$ (2,099)
TOTAL FUNDING REQUIRED	\$ (5,103)	\$ (8,036)	\$ (4,525)	\$ (1,329)	\$ (1,349)	\$ (1,369)	\$ (1,389)	\$ (23,099)
FUNDING SOURCES								
IT Reserve	\$ 853		\$ 1,647	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 6,500
IT Capital Program - Calgary City Net	\$ 800							\$ 800
Corporate Funding Request								
Reserve For Future Capital (1-time) - Stranded Facilities	\$ 3,350	\$ 7,725	\$ 1,069					\$ 12,144
Reserve For Future Capital (1-time) - Greenfield		\$ 56	\$ 1,500					\$ 1,556
Corp. Funding TBD - Network Construction								\$ -
Revenue - to fund Fibre construction	\$ -	\$ 255	\$ 309					\$ 563
Revenue - to increase reserve contribution		\$ 514	\$ 592					\$ 1,107
Other Potential Funding Sources								
Customer Contribution								\$ -
Operating - Expense Absorption - Budgeted Operation Capacity	\$ 100			\$ 329	\$ 349	\$ 369	\$ 389	\$ 1,536
Debt								\$ -
TOTAL FUNDING SOURCES	\$ 5,103	\$ 8,550	\$ 5,117	\$ 1,329	\$ 1,349	\$ 1,369	\$ 1,389	\$ 24,206
FUNDING EXCESS/(SHORTAGE)	\$ (0)	\$ 514	\$ 592	\$ -	\$ -	\$ -	\$ -	\$ 1,107

**Community Services Report to
SPC on Community and Protective Services
2018 November 07**

**ISC: UNRESTRICTED
CPS2018-1215**

Calgary Aboriginal Urban Affairs Committee Update

EXECUTIVE SUMMARY

This report is the third annual progress update on the implementation of the *Calgary Aboriginal Urban Affairs Committee (CAUAC) Strategic Plan 2014-2023* (the *CAUAC Strategic Plan*). The detailed update and actions can be found in Attachment 1. The word Indigenous is used interchangeably with Aboriginal throughout this report and includes First Nations, Métis, Inuit and all urban Indigenous Calgarians.

CAUAC is a key partner in the collective efforts towards positive Indigenous relations, truth and reconciliation, and was instrumental in the development of the *Indigenous Policy* (2017) and the *White Goose Flying* report (2016). These documents, as part of CAUAC's work, serve to create an important foundation for creating a path towards mutual prosperity for all Calgarians.

As noted in the report an emerging objective of CAUAC is to review the committee's Terms of Reference. This objective is in alignment with the most recent Council Direction noted below.

ADMINISTRATION RECOMMENDATION:

That the SPC on Community and Protective Services recommends that Council receive for information the progress update on the implementation of the *Calgary Aboriginal Urban Affairs Committee (CAUAC) Strategic Plan 2014-2023* (Attachment 1).

**RECOMMENDATION OF THE SPC ON COMMUNITY AND PROTECTIVE SERVICES, DATED
2018 NOVEMBER 07:**

That the Administration Recommendation contained in Report CPS2018-1215 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 October 22, Council adopted the following Motion Arising with respect to Report N2018-1036:

"That Council direct Administration to:

1. Hire an external consultant with expertise in Indigenous governance, who, after being authorized by Administration, is to undertake a comprehensive review of Calgary Aboriginal Urban Affairs Committee (CAUAC) in conjunction with the work on developing an Indigenous Relations Office, and report back to Council in Q1 of 2019 with recommendations on modernizing the Terms of Reference.
2. Ensure that the work of the CAUAC reviewed by the external consultant evolves into current best practice Indigenous governance in contrast to previous traditional colonial practices that have been a constraint in the past.
3. Ensure that the review provides a mechanism to meet the needs of Indigenous interests in Calgary."

On 2017 April 24, at the Regular Meeting of Council, Council directed Administration to work with CAUAC to further identify and develop implementation plans and resource requirements, related to the *CAUAC Strategic Plan* and the *Indigenous Policy*, for Council's consideration in the 2019 to 2022 Business Plan.

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Calgary Aboriginal Urban Affairs Committee Update

On 2015 July 27, Council adopted Notice of Motion NM2015-17 and directed Administration to report back to Council through the SPC on Community and Protective Services no later than May 2016, in conjunction with the CAUAC Annual Report, with recommendations on moving forward with Truth and Reconciliation Commission (TRC) Calls to Action that are within The City's jurisdiction, and to provide an update to Council on progress on the review of the TRC recommendations and next steps no later than November 2015.

On 2014 February 10 at the Combined Meeting of Council, Council adopted PFC2014-0083, 'Calgary Aboriginal Urban Affairs Committee Terms of Reference and Strategic Plan', and directed CAUAC to report annually to Council starting in 2015, through the SPC on Community and Protective Services, on progress towards its Strategic Plan.

BACKGROUND

The primary function of CAUAC is to provide Council with professional and strategic advice on matters that affect Indigenous Calgarians and offer ongoing guidance in relation to the implementation of strategies that advance Indigenous interests in ways that benefit all Calgarians. In recognition of the shared responsibility for creating positive relations and reconciliation, CAUAC's membership includes both Indigenous and non-Indigenous peoples. The *CAUAC Strategic Plan* (Attachment 2) is an integral component of CAUAC's commitment to action.

According to the 2016 Census data, Indigenous peoples off-reserve constitute the youngest and fastest growing segment of Canadian society. Currently, over 35,000 Indigenous people call Calgary home and 42 per cent of Indigenous Calgarians are under the age of 25, compared to 30 per cent of non-Indigenous Calgarians.

CAUAC continues to provide input and advice to Administration on programs and projects that contribute to the implementation of the *White Goose Flying* report. In addition, CAUAC has contributed to the development and delivery of the Council and Senior Management Team Indigenous awareness training sessions.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

CAUAC Accomplishments and Objectives

CAUAC continues to work collaboratively with Administration and community partners to achieve the goals as set out in the *CAUAC Strategic Plan*. Details of the accomplishments and objectives can be found in Attachment 1.

Highlights include:

Accomplishments
<ul style="list-style-type: none">▪ Increased information sharing and development of relationships across communities and initiatives, including with the Aboriginal Standing Committee on Housing and Homelessness.▪ Identification of the need to review the current Communications Strategy.▪ Input on the initial scoping of a proposed Calgary Indigenous Relations Office, related to the operational structure and resource requirements.▪ Presentation of the 2017 Chief David Crowchild Memorial Award to Elaine Cairns and the CAUAC Youth Achievement Award to Latasha Calf Robe.

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Calgary Aboriginal Urban Affairs Committee Update

Emerging Objectives

- Review CAUAC terms of reference.
- Update current Communications Strategy to reflect emerging and current trends.
- Provide additional input for a potential Calgary Indigenous Relations Office and plan dedicated sessions focused on providing advice to this important initiative.
- Increase awareness of the Chief David Crowchild Memorial Awards and the CAUAC Youth achievement awards through social media, networking opportunities and community connections.

Implementation Plans and Resource Requirements

As directed by Council, Administration has been working with CAUAC to further identify and develop implementation plans and resource requirements related to the *CAUAC Strategic Plan* and the *Indigenous Policy*, for Council's consideration in the 2019 to 2022 Business Plan. The proposed approach for the Indigenous Relations Office incorporates CAUAC's input and priorities which include: further The City's work with Indigenous partners on matters of mutual interest; advance reconciliation; understand and respect Indigenous protocol; and, build meaningful relationships. To achieve this work, additional dedicated resources are proposed in the One Calgary service plans and budget. In response to the Motion Arising with respect to Report N2018-1036, Administration, will work with CAUAC to engage an external consultant with expertise in Indigenous governance to review CAUAC's Terms of Reference in light of the potential development of a Calgary Indigenous Relations Office.

Stakeholder Engagement, Research and Communication

CAUAC strives to improve the opportunities and the quality of life of Indigenous people living in Calgary. This mission is grounded in honouring the past and the traditional territory on which Calgary is situated. Continual engagement, active research and ongoing communication is key to moving forward the vision of Calgary as a place where Indigenous people are full participants in civic life.

The development of a Calgary Indigenous Relations Office is identified in the *CAUAC Strategic Plan* as a strategy integral to relationship building. As a key stakeholder, CAUAC provided feedback throughout Administration's scoping process for a proposed Calgary Indigenous Relations Office. CAUAC convened a day-long session to provide further discussion and details around CAUAC's vision for a potential Calgary Indigenous Relations Office. If development of such an office is approved by Council, CAUAC supports broader engagement as a critical next step necessary for its successful development.

Strategic Alignment

- **2019-2022 Council Directives:** In support of A Well-Run City (W5), CAUAC's work supports the stewardship of the *Indigenous Policy* and the implementation of the Calls to Action in the *White Goose Flying* report.
- The ***Indigenous Policy***: "The City will strive to learn from and work with Indigenous communities, grounded in the spirit and intent of reconciliation. The City is devoted to a shared pathway forward, and a firm commitment to building an equitable and inclusive city."

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- Council-approved **Social Wellbeing Principles**: “Advance the active and shared process of truth and reconciliation in collaboration with the community.”
- **ImagineCalgary**: “By 2020, all public institutions and systems create and implement an Aboriginal policy.”
- **Cultural Plan for Calgary**: “Will conserve and celebrate Calgary’s built, natural and Indigenous Heritage.”

Social, Environmental, Economic (External)

Social

The *White Goose Flying* report identifies actions important to supporting Indigenous people to participate in and benefit from the full range of The City’s planning and decision-making. These actions also support the broader community to understand shared history and reconciliation. Indigenous values including integrity, humility, respect, honour for oral stories and validation for Elders, connection, spirituality, inclusion, consensus-building etc., have been identified in the *CAUAC Strategic Plan*. These values illustrate the beneficial social impact that the diverse perspectives of Indigenous community members can have on everyday decision-making.

Environmental

The interconnected nature of all people, objects and the environment is a common understanding within Indigenous worldviews. The land is considered sacred. There is an opportunity for a greater integration of Indigenous worldviews into land stewardship and protection. This recognition is a key component of the *CAUAC Strategic Plan* and is within the *White Goose Flying* report.

Economic

CAUAC’s mission is centred on making recommendations on policies and resolutions that give urban Indigenous people a more meaningful role within the Calgary community. An important aspect of this is to eliminate economic disparities experienced by Indigenous people through creating improved employment opportunities and increased inclusion of Indigenous people in the full spectrum of economic opportunities.

Financial Capacity

Current and Future Operating Budget:

There are no operating budget considerations associated with this report as this is included in the One Calgary plan for development of an Indigenous Relations Office.

Current and Future Capital Budget:

There are no capital budget considerations associated with this report.

Risk Assessment

Some stakeholders have expressed concern that the space for Indigenous Calgarians to voice concerns and influence decision-making utilizing dual paradigms (application of Western and Indigenous thinking) is not inclusive enough. As mitigation to this risk, CAUAC is undertaking the development of an updated communication strategy to facilitate stronger connections between CAUAC, The City of Calgary and Indigenous Calgarians. Further, CAUAC will continue

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Calgary Aboriginal Urban Affairs Committee Update

to provide opportunities for Indigenous Calgarians to voice concerns and influence decision-making within an Indigenous paradigm on a regular basis, including through one-on-one discussions and regularly scheduled CAUAC meetings. CAUAC will also continue to link to other community initiatives such as Enough for All and the Social Wellbeing Advisory Committee to increase dialogue and provide input. In addition, as part of the 2018 CAUAC recruitment process, additional committee skills and qualifications were identified. This was done to ensure that CAUAC is reflective of evolving Indigenous demographics and is poised to address emerging challenges and opportunities in an inclusive way.

REASON(S) FOR RECOMMENDATION(S):

CAUAC reports annually to Council through the SPC on Community and Protective Services, on progress towards its Strategic Plan as directed by PFC2014-0083.

ATTACHMENT(S)

1. Attachment 1 – Update on the Implementation of the *CAUAC Strategic Plan 2014-2023*
2. Attachment 2 – Calgary Aboriginal Urban Affairs Committee (CAUAC) Strategic Plan 2014-2023

Update on the Implementation of the *CAUAC Strategic Plan 2014-2023*

Highlighted below are current accomplishments and outcomes significant to the implementation of the *Calgary Aboriginal Urban Affairs Committee (CAUAC) Strategic Plan 2014-2023* (the *CAUAC Strategic Plan*). Emerging objectives are also included. The full *CAUAC Strategic Plan 2014-2023* can be found in Attachment 2.

CAUAC Goals & Strategies – Accomplishments and Outcomes

GOAL 1. Advise Council and City Administration so that City policies, practices and procedures demonstrate respect and due consideration for Aboriginal values and interests, and with CAUAC's strategic direction.

Strategy 1.2 - CAUAC membership will be made up of Aboriginal and non-Aboriginal representation with a revised terms of reference.

Strategy 1.3 - CAUAC will maintain ongoing communication between CAUAC, Standing Policy Committee on Community and Protective Services, The City of Calgary's business units and departments, and the Aboriginal community.

Strategy 1.4 CAUAC will provide Council with an annual update report on the status of the Strategic Plan providing outcomes of the past year, proposed objectives for the coming year, and measureable outcomes of the approved strategic plan.

ACCOMPLISHMENTS	<ul style="list-style-type: none"> ▪ Strategy 1.2 <ul style="list-style-type: none"> ○ CAUAC has brought on new members to the Committee to ensure continued strength and growth in the provision of professional and strategic advice to Council. ▪ Strategy 1.3 <ul style="list-style-type: none"> ○ CAUAC reviewed <i>Honouring the Truth, Reconciling for the Future: Summary of the Final Report of the Truth and Reconciliation Commission of Canada</i> and responded with the <i>White Goose Flying</i> report in 2016. Implementation plans for the identified Calls to Action are being developed and operationalized across the Corporation. ▪ Strategy 1.4 <ul style="list-style-type: none"> ○ CAUAC is presenting its third annual report to Council. Accomplishments span six of the goals as set out in the <i>CAUAC Strategic Plan 2014-2023</i>.
OUTCOMES	<ul style="list-style-type: none"> ▪ Committed and involved members that are focused on continued nurturing and evolution of CAUAC's strategic direction. ▪ Aboriginal interests and values are increasingly being utilized for input on projects and events including: the Trinity Group development on Paskapoo Slopes, the Green Line Transit Project, Bonnybrook Treatment plant upgrades, Watershed Planning, the Trans-Canada Highway Bowfort Road Public Art Project, the re-design of White Oak playground, a Parks bylaw pertaining to traditional herbs harvesting and the development of a Calgary Indigenous Relations Office.

GOAL 2. Relationship Building: Ways of Harmony – CAUAC supports the development of collaborative relationships and partnerships between the Aboriginal people of Calgary, the surrounding First Nation communities and The City of Calgary.

Strategy 2.1

CAUAC will develop a comprehensive communication strategy to reconnect CAUAC and City Council with local Aboriginal communities and other concerned stakeholders.

Strategy 2.2 - CAUAC will develop a proposal for establishment of a City of Calgary Indigenous Relations Office.

<p>ACCOMPLISHMENTS</p>	<ul style="list-style-type: none"> ▪ Strategy 2.1 <ul style="list-style-type: none"> ○ Focus on relationship building through increased communication and collaboration with The City and the Aboriginal community on various projects and requests for support and input. <ul style="list-style-type: none"> ▪ The Aboriginal Standing Committee on Housing and Homelessness (ASCHH) presented to CAUAC. CAUAC has a member attend ASCHH meetings to share updates and accomplishments. This type of information sharing is fostering the development of additional relationships across communities and initiatives. ▪ CAUAC representatives provided input for Indigenous Heritage Roundtable for the Commonwealth Association of Museums' Triennial General Assembly. ○ CAUAC has committed to updating the current Communications Strategy to reflect emerging and current trends. The updated Strategy will be centred on the inclusivity of all Indigenous Calgarians. ▪ Strategy 2.2 <ul style="list-style-type: none"> ○ CAUAC has held initial discussions with the Mayor's Office regarding the potential establishment of a City of Calgary Indigenous Relations Office. ○ CAUAC will further investigate the operational structure and resource requirements for a potential Indigenous Relations Office and will work with City Administration to develop recommendations essential to the foundation and functioning of a Calgary Indigenous Relations Office. <ul style="list-style-type: none"> ▪ Create space for the conversation around an Indigenous Relations Office through dedicated sessions to provide input. ▪ Work with City Administration to develop and facilitate the sessions.
<p>OUTCOMES</p>	<ul style="list-style-type: none"> ▪ The development of strengthened relationships is being fostered through CAUAC's work with Council, local Aboriginal communities and other stakeholders.

Update on the Implementation of the CAUAC Strategic Plan 2014-2023

	<ul style="list-style-type: none"> CAUAC's input is part of the recommendations related to the foundation and functioning of a Calgary Indigenous Relations Office.
GOAL 3. <i>The Story of Moh'kinsstis: The Foundation – To raise awareness with residents and visitors to the city of Calgary that the first settlement of the area surrounding the city of Calgary began with First Nation people's initial settlement of the area, the Moh'kinsstis Story acknowledges the unique historical place and contemporary experiences of Aboriginal people in the human history of this area.</i>	
Strategy 3.1 CAUAC will ensure the story of Moh'kinsstis will be honoured and embedded into the City of Calgary's history and current marketing materials.	
ACCOMPLISHMENTS	<ul style="list-style-type: none"> Strategy 3.1 <ul style="list-style-type: none"> Materials are being updated to better reflect Calgary's history. This includes a plan to revise the webpages. There is an increase in the number of speakers and events that acknowledge Calgary's history. CAUAC representatives attended the Special Exhibition of the Treaty 7 document at Fort Calgary to increase historical awareness and knowledge.
OUTCOMES	<ul style="list-style-type: none"> There is an increase in knowledge about Calgary's history and the following acknowledgement: <ul style="list-style-type: none"> Calgary is situated on the traditional territories of the people of the Treaty 7 region in Southern Alberta. This includes: the Blackfoot Confederacy, made up of the Siksika, Piikani, and Kainai First Nations; the Stoney Nakoda First Nations, comprised of the Chiniki, Bearspaw, and Wesley First Nations; and, the Tsuut'ina First Nation. Calgary is also homeland to the historic Northwest Métis and to the Métis Nation of Alberta, Region 3. Also acknowledged are all Indigenous urban Calgarians who have made Calgary their home.
GOAL 6. <i>Support The City in recognizing and celebrating the contributions of Aboriginal people within The City of Calgary.</i>	
Strategy 6.1 - CAUAC will present the Chief David Crowchild Achievement Award and Aboriginal Youth Achievement Award annually. Strategy 6.2 - CAUAC will utilize the internet, social media and public communication strategies to engage interest and participation.	
ACCOMPLISHMENTS	<ul style="list-style-type: none"> Strategy 6.1 <ul style="list-style-type: none"> The 2017 Chief David Crowchild Memorial Award was presented to Elaine Cairns. The 2017 CAUAC Youth Achievement Award was presented to Latasha Calf Robe. Strategy 6.2

Update on the Implementation of the *CAUAC Strategic Plan 2014-2023*

	<ul style="list-style-type: none"> ○ Engagement of local businesses, universities and other organizations to promote involvement in topical issues as well as ongoing events such as the Chief David Crowchild Awards. ○ Information is shared via in-person discussions, email communications, information sharing sessions, websites, poster distribution and information portals. Information also made available through social media channels such as Facebook.
OUTCOMES	<ul style="list-style-type: none"> ▪ The recognition and celebration of the ongoing contributions of Indigenous people to Calgary is instrumental in helping to break down cultural barriers. ▪ There is an increase in interest and participation due to a larger circulation of CAUAC information.
GOAL 7. Internal alignment of CAUAC to The City's policies, plans and initiatives. External alignment with stakeholders who have a vested interest to partner with The City of Calgary to advance Aboriginal interests.	
<p>Strategy 7.2 - CAUAC will call on The City to respect and protect The City of Calgary Native Archaeological Site Inventory including the Cultural Landscape Strategic Plan, and its ongoing management of city owned cultural landscapes, and specifically, Paskapoo Slopes and the Native Archaeological Sites.</p> <p>Strategy 7.4 - CAUAC will support The City of Calgary, in partnership with United Way, the Calgary Poverty Reduction Initiative's (CPRI) Aboriginal Constellation to ensure Aboriginal participation in policies and procedures developed for poverty reduction.</p>	
ACCOMPLISHMENTS	<ul style="list-style-type: none"> ▪ Strategy 7.2 <ul style="list-style-type: none"> ○ Council approved CPS2001-66 'Native Archaeology Inventory' which presented approximately 293 sites for commemoration. <ul style="list-style-type: none"> ▪ Some sites have been commemorated and CAUAC will continue to look for ways in which The City can protect, monitor or commemorate the sites. ▪ Strategy 7.4 <ul style="list-style-type: none"> ○ Calgary Poverty Reduction Initiative (CPRI) transitioned to Vibrant Communities Calgary (VCC) in 2015. CAUAC continues to be involved with the initiative and previously, the CAUAC Chairperson served as the CPRI Indigenous Advisory Committee Chairperson.
OUTCOMES	<ul style="list-style-type: none"> ▪ The growth of a network is fostered through an increased alignment of CAUAC's activities and plans to The City's policies, plans and initiatives and to stakeholders who have a vested interest in partnering to advance Aboriginal interests. ▪ Additional collaborative opportunities emerge and relationships are strengthened.

Update on the Implementation of the CAUAC Strategic Plan 2014-2023

GOAL 8. Advise The City in implementing CAUAC's White Goose Flying report and recommendations on the Truth and Reconciliation Commission's (TRC) Calls to Action.

Strategy 8.1 – CAUAC will work across The City to develop individual implementation plans to action the identified TRC Calls to Action that The City of Calgary has endorsed.

ACCOMPLISHMENTS	<ul style="list-style-type: none">▪ Strategy 8.1<ul style="list-style-type: none">○ Support for the development of implementation plans has been ongoing.○ Some business units have developed implementation plans and have started to take action on Calls to Action specific to their areas.
OUTCOMES	<ul style="list-style-type: none">▪ Business Units across The City are inspired to respond to the Calls to Action and are making progress towards the Calls to Action.

Emerging Objectives

Over the course of the coming year, the following objectives will be actioned:

- **Goal 1 – Advise Council and City Administration**
 - *Strategy 1.2 Revise terms of reference*
 - Set up a sub-committee to revise the terms of reference as appropriate.
- **Goal 2 – Relationship Building: Ways of Harmony**
 - *Strategy 2.1 Communications Strategy*
 - Update current Communications Strategy to reflect emerging and current trends. Centre the Strategy on inclusivity of all Indigenous Calgarians.
 - *Strategy 2.2 Develop a proposal for the establishment for an Indigenous Relations Office*
 - Invest time to the scoping of the Calgary Indigenous Relations Office and plan dedicated sessions to provide input.
 - Advocate for additional resources.
- **Goal 7 – Alignment with The City and Stakeholders**
 - *Strategy 7.7 Indigenous Policy Framework*
 - Provide advice and input on the development of nation-specific guides related to the implementation of the *Indigenous Policy*.
- **Goal 8 – Implementation of the White Goose Flying Report**
 - *Strategy 8.1 Develop implementation plans to action identified TRC Calls to Action that The City of Calgary has endorsed*
 - Support further development of implementation plans for the *White Goose Flying* report.

Calgary Aboriginal Urban Affairs Committee (CAUAC) Strategic Plan 2014 – 2023

CAUAC VALUES

Integrity, humility, respect, honour oral stories and validation from Elders, strength, spirituality, connection, awareness, understanding, inclusion, equality, reciprocity, relationships, consensus-building, tradition, culture,

CAUAC VISION

“In the spirit of where the waters meet, at the Elbow and Bow rivers, Calgary is a place that honors the unique history, culture and traditions of Aboriginal people. It is a place for engagement and renewal of future generations of Aboriginal

CAUAC MISSION

CAUAC, on behalf of City Council, is to investigate areas of concern to people of Aboriginal ancestry and to make recommendations on policies and resolutions that would give urban Aboriginal people a more meaningful role within the Calgary community. The

FOUNDATION PLAN:

imagineCalgary

By 2020, all public institutions and systems create and implement an urban Aboriginal policy that recognizes the detrimental colonial history experienced by First Nations, Métis and Inuit people; a plan reduces barriers to public participation and governance; and supports economic, social and political advancement. (imagineCalgary, 2006, Governance System Target 3)

Strategy 1: Develop a culturally inclusive collective vision and plan that honours and embraces the diverse First Nations, Métis and Inuit communities of Calgary.

Strategy 2: Encourage groups to understand the historical, economic, social and political challenges of Calgary’s First Nations, Métis and Inuit communities.

Strategy 3: Recommend that institutions and systems use Aboriginal awareness training to better understand and respond to social, cultural and economic service requests, and finance such training.

Strategy 4: Recommend that institutions and systems work collaboratively with all

CAUAC GOALS & STRATEGIES

GOAL 1. Advise Council and City Administration so that City policies, practices and procedures demonstrate respect and due consideration for Aboriginal values and interests and with CAUAC's strategic direction.

STRATEGIES	STAKEHOLDERS
Strategy 1.1 - CAUAC will implement a 10 year strategic direction that is consistent with Aboriginal history, values and inclusion.	Mayor and Council Priorities and Finance Committee and City Administration
Strategy 1.2 - CAUAC membership will be made up of Aboriginal and non-Aboriginal representation with a revised terms of reference.	City Administration; City Clerk's Office
Strategy 1.3 - CAUAC will maintain ongoing communication between CAUAC, Standing Policy Committee on Community and Protective Services, The City of Calgary's business units and departments, and the Aboriginal community.	Council Committees, City Administration and City departments
Strategy 1.4 - CAUAC will provide Council with an annual update report on the status of Strategic Plan providing outcomes of the past year, proposed objectives for the coming year, and measurable outcomes of the approved strategic plan.	Council

GOAL 2. Relationship Building: Ways of Harmony – CAUAC supports the development of collaborative relationships and partnerships between the Aboriginal people of Calgary, the surrounding First Nation communities and The City of Calgary.

STRATEGIES	STAKEHOLDERS
Strategy 2.1 - CAUAC will develop a comprehensive communication strategy to reconnect CAUAC and City Council with local Aboriginal communities and other concerned stakeholders.	Council and Aboriginal community
Strategy 2.2 - CAUAC will develop a proposal for establishment of a City of Calgary Indigenous Relations Office.	City Administration; Intergovernmental Affairs

GOAL 3. The Story of Moh'kinsstis – The Foundation – To raise awareness with residents and visitors to The City of Calgary that the first settlement of the area surrounding The City of Calgary began with First Nation people's initial settlement of the area, the Moh'kinsstis Story acknowledges the unique historical place and contemporary experiences of Aboriginal people in the human history of this area.

STRATEGIES	STAKEHOLDERS
Strategy 3.1 - CAUAC will ensure the Story of Moh'kinsstis will be honoured and embedded into The City of Calgary's history and current marketing materials.	City Manager; Intergovernmental Affairs Planning, Development & Assessment; Land Use Planning & Policy Transportation; Transportation, Roads and Water Services Community Services & Protective Services; Community & Neighbourhood Services (CNS), Parks, Recreation Corporate Services; Human Resources

GOAL 4. Akak'stiman - Dual Paradigms (governance structures) – Educating business units on the Aboriginal Paradigms in order to improve current policies, practices and procedures to provide alternative strategies in communications with the Aboriginal community. Note: Dual Paradigms is a model used for application of Western thinking and Aboriginal thinking.

STRATEGIES	STAKEHOLDERS
Strategy 4.1 - CAUAC will develop skills and awareness about the governance paradigms of Aboriginal people in Calgary to improve communication strategies with Aboriginal communities and organizations.	City Manager; Intergovernmental Affairs Planning, Dev & Assessment; Land Use Policy & Planning Transportation; Transportation, Roads and Water Services Community Services & Protective Services; Community & Neighbourhood Services (CNS), Parks, Recreation Corporate Services; Human Resources
Strategy 4.2 - CAUAC will provide opportunities for Aboriginal Calgarians to voice concerns and influence decision making at The City of Calgary within an Aboriginal paradigm.	Aboriginal Calgarians

GOAL 5. Develop a **Declaration of Commitment** that recognizes the long and vital role of Aboriginal people in Calgary’s history.

STRATEGIES	STAKEHOLDERS
Strategy 5.1 - CAUAC will research existing declarations in other cities (Winnipeg, Thunder Bay, and Toronto) and Aboriginal communities.	CAUAC and CNS; Aboriginal Issues Strategist
Strategy 5.2 - CAUAC will consult with the Aboriginal community to raise awareness and support for the development of a declaration.	Aboriginal community and Treaty 7
Strategy 5.3 - CAUAC will develop a ‘declaration’ document, raise awareness and support with individual Council members, and present for approval by Council.	Mayor and Council; Administration

GOAL 6. Support The City in **recognizing and celebrating** the contributions of Aboriginal people within The City of Calgary.

STRATEGIES	STAKEHOLDERS
Strategy 6.1 - CAUAC will present the David Crowchild Achievement Award and Aboriginal Youth Achievement Award annually.	Corporate Properties and the Aboriginal Community
Strategy 6.2 - CAUAC will utilize the internet, social media and public communication strategies to engage interest and participation.	CAUAC members and City Administration

GOAL 7. **Internal** alignment of CAUAC to The City’s policies, plans and initiatives. **External** alignment with stakeholders who have a vested interest to partner with The City of Calgary to advance Aboriginal interests.

STRATEGIES	STAKEHOLDERS
Strategy 7.1 - CAUAC will provide ongoing support to The City of Calgary Human Resources’ Diversity and Inclusion Framework, and support strategies that benefit and increase Aboriginal employment participation with in The City of Calgary.	Corporate Services; Human Resources

STRATEGIES	STAKEHOLDERS
<p>Strategy 7.2 - CAUAC will call on The City to respect and protect The City of Calgary Native Archaeological Site Inventory including the Cultural Landscape Strategic Plan, and its ongoing management of city owned cultural landscapes, and specifically, Paskapoo Slopes and the Native Archaeological Sites.</p> <p>Note: Native Archaeological Site Inventory was prepared by Lifeways of Canada Ltd., 2001 and approved by Council in 2001.</p>	<p>Planning, Development and Assessment; LUPP</p> <p>Transportation; Transportation Planning , Roads and Water Services</p>
<p>Strategy 7.3 - CAUAC will support The City of Calgary's Intergovernmental Affairs (IGA) on local, regional, provincial, and national governments in relation to Aboriginal affairs as they arise, and provide advice to IGA on Aboriginal matters of concern, and requests made to The City of Calgary by external stakeholders.</p>	<p>City Manager's Office; Intergovernmental Affairs</p> <p>Province of Alberta; Aboriginal Relations</p> <p>Treaty 7 Management Corporation</p> <p>Treaty 7 Chiefs</p>
<p>Strategy 7.4 - CAUAC will support The City of Calgary, in partnership with United Way, the Calgary Poverty Reduction Initiative's (CPRI) Aboriginal Constellation to ensure Aboriginal participation in policies and procedures developed for poverty reduction.</p>	<p>Calgary Poverty Reduction Initiative; Aboriginal community</p>
<p>Strategy 7.5 - CAUAC will support the Calgary Police Service (CPS); Diversity and Inclusion Goal on Aboriginal people, its future work in developing an Elders Advisory Group, and its ongoing leadership with the Aboriginal Justice Camp.</p>	<p>Calgary Police Service; Diversity and Inclusion Unit</p>
<p>Strategy 7.6 - CAUAC will support the Calgary Urban Aboriginal Initiative (CUAI) through participation and involvement in the Youth Domain.</p>	<p>Calgary Urban Aboriginal Initiative; Aboriginal Youth Domain</p>
<p>Strategy 7.7 - CAUAC will Create a City of Calgary <i>Indigenous Policy Framework</i>.*</p>	<p>The City of Calgary (Imagine Calgary)</p>

GOAL 8. *Advise The City in implementing CAUAC’s White Goose Flying report and recommendations on the Truth and Reconciliation Commission’s (TRC) Calls to Action.**

STRATEGIES	STAKEHOLDERS
Strategy 8.1 – CAUAC will work across The City to develop individual implementation plans to action the identified TRC Calls to Action that The City of Calgary has endorsed.	<i>Including but not limited to the following business units and partners: Calgary Neighbourhoods, Calgary Parks, Calgary Recreation, Calgary Transit, City Hall School, City Clerks, City Manager’s Office, Customer Service & Communications, Human Resources, Inter-governmental and Corporate Strategy, Law, Planning & Development, the Office of Sustainability, Transportation Infrastructure, Water Services, Calgary Public Library, and University of Calgary</i>

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**ISC: UNRESTRICTED
CPS2018-1216**

Preview of the Proposed Calgary Indigenous Relations Office

EXECUTIVE SUMMARY

This report provides a preview of the proposed model for a Calgary Indigenous Relations Office. As directed by Notice of Motion NM2017-20, the budget request to continue engagement and establish an Indigenous Relations Office will be included for consideration as part of the One Calgary service plan and budget. This preview includes a summary of the scoping activities completed to date, a description of core functions of the proposed Office and next steps should it be approved as part of budget deliberations.

Indigenous relations is an on-going, multi-faceted portfolio of work that involves various departments across the Corporation and numerous community partners. The proposed model for the Indigenous Relations Office represents a comprehensive and coordinated model to advance The City of Calgary's efforts towards positive Indigenous relations and reconciliation.

While the proposed model has been developed as a preview, if approved within the One Calgary process, the work will proceed with further community engagement. This engagement would include discussions with Treaty 7 First Nations, Métis Nation Region 3, Inuit and urban Indigenous Calgarians as well as other stakeholders focused on Indigenous relations, specifically within the Calgary context.

ADMINISTRATION RECOMMENDATION:

That the SPC on Community and Protective Services recommends that Council receive this report for information.

**RECOMMENDATION OF THE SPC ON COMMUNITY AND PROTECTIVE SERVICES, DATED
2018 NOVEMBER 07:**

That the Administration Recommendation contained in Report CPS2018-1216 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2017 July 24 Regular Meeting of Council, Council adopted Notice of Motion NM2017-20, brought forward by Councillor Pincott, as follows:

"NOW THEREFORE BE IT RESOLVED, That Administration consider the establishment of a distinct Office to address our Indigenous commitments and support relations with our Treaty 7 partners and Métis Region 3, as well as all Indigenous peoples living within the City of Calgary borders, to return to Council for budget consideration in November 2018."

BACKGROUND

According to the 2016 Census data, Indigenous peoples off-reserve constitute the youngest and fastest growing segment of Canadian society. Currently, over 35,000 Indigenous people call Calgary home and 42 per cent of Indigenous Calgarians are under the age of 25, compared to 30 per cent of non-Indigenous Calgarians. Given this, Indigenous relations is an important aspect of The City's efforts to provide opportunities for full participation and inclusion in civic life. The proposed model for a Calgary Indigenous Relations Office provides the necessary foundation to fulfill the Indigenous relations commitments that have already been made through the *Indigenous Policy*, the *White Goose Flying* report and the 2019-2022 Council Directive: the

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development of positive Indigenous relations and reconciliation in support of A Well-Run City (W5).

The City of Calgary Indigenous relations work is currently comprised of a wide range of activities including relationship-building, programming, funding, community work, planning activities, public art, parks archaeology, regulatory consultation and support for the Calgary Aboriginal Urban Affairs Committee (CAUAC). While there is a concentration of Indigenous relations work within Calgary Neighbourhoods, many undertakings are managed by other areas of Administration. There are limited resources dedicated to Indigenous relations and reconciliation commitments.

As a result of Notice of Motion NM2017-20, Administration, in consultation with stakeholders, has been examining potential models for a distinct office to address Indigenous commitments and support relations with Treaty 7 partners, Métis Nation Region 3, as well as all Indigenous peoples living within the city of Calgary borders. The *Indigenous Policy* and the *White Goose Flying* report guide the municipality as an active partner in truth and reconciliation. The proposed model for the Indigenous Relations Office would assist in the effective coordination of implementing the *Indigenous Policy* and the Calls to Action across the Corporation and with external partners. This report provides a preview of the recommended model that would be pursued pending further engagement.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

If approved by Council, the continued work to establish an Indigenous Relations Office would serve as an important catalyst in realizing a future that is not only more inclusive but would accelerate action-oriented implementation related to the Truth and Reconciliation Commission's Calls to Action identified in the *White Goose Flying* report.

The proposed model for a Calgary Indigenous Relations Office is a centralized coordinating body within Administration to enable Council and City staff to develop and sustain prosperous relationships with First Nations, Métis, Inuit and urban Indigenous Calgarians. The staff of the Indigenous Relations Office would be centralized, with a networked approach, meaning that select subject matter experts would still be located in the business unit aligned to their expertise (i.e. Law). The Indigenous Relations Office would be a point of contact for information enquiries for both the Corporation and the community.

The Indigenous Relations Office would be a mechanism that facilitates truth and reconciliation in core practices and decision-making, and tracks and reports on City of Calgary Indigenous relations initiatives. It would be a connection point between the community and the Corporation, with business units continuing to execute on their work in consultation with the Office.

The core functions of the Calgary Indigenous Relations Office are proposed to include:

- **Strategy:** enables relationship building through the *Indigenous Policy* and implementation guides, as well as the development of an engagement/consultation strategy that identifies the continuum of activities from voluntary engagement to regulatory consultation.
- **Reporting:** coordinates and tracks progress of *White Goose Flying* report Calls to Action.

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Preview of the Proposed Calgary Indigenous Relations Office

- **Cultural Training:** builds City staff capacity through increased awareness, knowledge and competency.
- **Cultural Advice:** develops and implements protocols and procedures to advance The City of Calgary's Indigenous relations.
- **Relationship Management:** coordinates government relations strategy with complex files.
- **Legal Advice:** provides ongoing legal advice and advocacy.
- **Leadership:** develops and supports a collaborative vision of an Indigenous Relations Office through leadership and guidance.

Each of these functions aligns with the Ways Forward outlined in Council's *Indigenous Policy*: ways of knowing, ways of engaging, ways of building relationships, and ways towards equitable environments. Each is integral to building and sustaining Indigenous relations with First Nations, Métis, Inuit and urban Indigenous Calgarians. It signals The City of Calgary's shared pathway forward and firm commitment to building an equitable and inclusive city.

Stakeholder Engagement, Research and Communication

The proposed recommendations for the Calgary Indigenous Relations Office are the result of:

- Targeted Stakeholder Engagement
 - Consultations with approximately 70 stakeholders that included key participants within the Corporation, CAUAC and external partners.
 - A day-long session led by CAUAC, with an Elder as part of the engagement, to provide further discussion and details around CAUAC's vision for an Indigenous Relations Office.
- Research
 - City business units involved in activities related to Indigenous relations were surveyed. The results provide a broad inventory of the types of Indigenous-related activities and relationships.
 - A scan of approaches to Canadian municipal Indigenous relations conducted to gather information on: different Indigenous relations models, the location of the work within organizations, advisory functions and associated resources.

If the proposed model for the Calgary Indigenous Relations Office is approved through the One Calgary process, there would be engagement to continue the community conversations more broadly with groups and individuals (including First Nations, Métis, Inuit and all urban Indigenous Calgarians). This would inform a collaborative vision of the Indigenous Relations Office, centered on the potential for impact to the community. Integral to the successful development of the Indigenous Relations Office is the creation of an advisory circle comprised of Elders and other leaders in Indigenous relations.

Strategic Alignment

- **2019-2022 Council Directives:** The development of positive Indigenous relations and reconciliation in support of A Well-Run City (W5).

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Preview of the Proposed Calgary Indigenous Relations Office

- The **Indigenous Policy**: “The City will strive to learn from and work with Indigenous communities, grounded in the spirit and intent of reconciliation. The City is devoted to a shared pathway forward, and a firm commitment to building an equitable and inclusive city.”
- The **White Goose Flying** report: Encompasses The City’s commitments to the Truth and Reconciliation Commission’s Calls to Action and achieving sustainable reconciliation.
- Council-approved **Social Wellbeing Principles**: “Advance the active and shared process of truth and reconciliation in collaboration with the community.”
- **Cultural Plan for Calgary**: “Will conserve and celebrate Calgary’s built, natural and Indigenous Heritage.”

Social, Environmental, Economic (External)

The *Indigenous Policy*, the *White Goose Flying* report and the Council Directive create a foundation to support Indigenous people to participate in and benefit from the full range of The City’s planning and decision-making while also supporting the broader community to understand shared history and reconciliation. Concurrently, The City will benefit from the knowledge and wisdom of Indigenous peoples and organizations. The proposed Indigenous Relations Office supports a strategic and cohesive approach to the social, environmental and economic benefits of Indigenous relations. Within Indigenous views, there is an interdependence of ecology including land, water, air and the universe. A more coordinated approach toward Indigenous relations creates a greater integration of Indigenous worldviews into land stewardship and protection. Through reconciliation and increased recognition of rich cultural contributions, individual and collective economic benefits can be realized through creating improved employment opportunities and the inclusion of Indigenous people in: cultural expression opportunities; public art projects; business opportunities; heritage preservation; infrastructure decisions; and sports and recreational opportunities, among many other opportunities.

Financial Capacity

Current and Future Operating Budget:

Operating budget requirements related to the proposed Calgary Indigenous Relations Office will be included for Council consideration as part of the 2019-2022 One Calgary Service Plan and Budget.

Current and Future Capital Budget:

There are no capital budget considerations associated with this report.

Risk Assessment

There may be a perception that insufficient stakeholder engagement has occurred to inform the proposed model for the Indigenous Relations Office. If development of an Indigenous Relations Office is approved by Council, wider stakeholder engagement will be conducted. The successful development of an Indigenous Relations Office is contingent upon input from the community, especially Treaty 7 partners, the Métis Nation of Alberta Region 3 and urban Indigenous Calgarians.

There is an additional risk related to the pace of the development of the proposed Indigenous Relations Office. Moving too fast or not moving fast enough could potentially jeopardize

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relationships. A mitigation for this risk to utilize a co-creation approach that relies on Treaty 7 partners, the Métis Nation of Alberta Region 3 and urban Indigenous Calgarians to determine what is necessary, what is right and the pace of development of the proposed Indigenous Relations Office.

REASON(S) FOR RECOMMENDATION(S):

A preview of the proposed model for the Calgary Indigenous Relations Office is outlined for information to support future decision-making in the One Calgary deliberations.

If approved, the continued work to establish an Indigenous Relations Office would include broad community engagement and would increase consistency in The City's application of the Indigenous Policy, external engagement practices and related procedures. It would enable Council and Administration to provide a strategic and thoughtful approach to working with Indigenous partners and contribute to advancing The City's reconciliation commitments.

ATTACHMENT(S)

None

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**ISC: UNRESTRICTED
CPS2018-1256**

Golf Course Operations Update

EXECUTIVE SUMMARY

For 100 years, municipal golf courses have been part of the recreational and cultural landscape of Calgary. The City of Calgary operates eight municipal golf courses and three driving ranges at six locations. With over 300,000 visits annually, municipal courses are part of The City's comprehensive continuum of affordable recreational opportunities, generating over \$10M annually in direct economic activity.

Prior to 2012, Golf Course Operations generated revenue, contributing \$3.6 million to the Corporation and self-funding \$14 million in capital projects from 1995 to 2012. In 2012, Council mandated that Golf Course Operations become 'tax-supported'. Since that time, these operations have received between four and nine per cent in annual tax support (\$435,000 to \$964,000).

In 2018 June, Council asked Administration to explore options that would move Golf Course Operations to a break-even position and to report these options through the One Calgary budget process. With the objective of eliminating operational tax support, Golf Course Operations has set a target of \$1M in revenue generation and cost efficiencies. This report outlines the options, details and timelines to reach \$1M in revenues, cost efficiencies, and site optimization opportunities by 2022, with the potential for further-enhanced sustainability into the future.

ADMINISTRATION RECOMMENDATION:

That the SPC on Community and Protective Services recommend that Council:

Direct Administration to report back to Council through the SPC on Community and Protective Services by Q2 2021, with an update on progress toward the options outlined in this report.

RECOMMENDATION OF THE SPC ON COMMUNITY AND PROTECTIVE SERVICES, DATED 2018 NOVEMBER 07:

That the Administration Recommendation contained in Report CPS2018-1256 be approved.

Opposition to Recommendation:

Councillor Chu and Councillor Magliocca

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 June 25, Council approved CPS2018-0349, after amendment, as follows:

1. *Direct that Administration report back to Council on results, indicators and performance measures by Q2 of the final year of each planning cycle to inform a plan for the next cycle;*
2. *Direct that Attachment 6 remain confidential pursuant to Sections 23, 24 and 25 of the Freedom of Information and Protection of Privacy Act (and that Council consider content therein in camera if requested by Council); and*

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Golf Course Operations Update

3. *Direct that Administration report back to Council through the One Calgary budget process with options that reflect the overall Golf Course Operations to break even in terms of revenue and operating expenses.*

A historical timeline is included in Attachment 1 – Previous Council Direction.

BACKGROUND

From 1995 through 2012, Golf Course Operations was self-supporting in both operating and capital. Revenues funded all direct operating costs, debt commitments, as well as an annual \$200 thousand mill-rate contribution back to The Corporation. Over the 17-year period golf contributed \$3.6 million to the Corporation and funded \$14 million in capital projects.

Demographic changes and shifts in local market conditions through 2011 made it challenging for Golf Course Operations to sustain self-supporting operations. In 2012 November (CPS2012-0702), Council directed removal of the Golf Course Operations' annual mill-rate contribution back to the Corporation and "*the change in Golf Course Operations mandate from fully "self-sufficient" to "tax supported"*", to provide basic golf services and to align with the mandate of the rest of Recreation.

Between 2013 and 2017, Golf Course Operations received between four and nine per cent of its operating budget in tax support, ranging from \$435,000 to \$964,000 based on an average \$10.4 million budget. This supports over 300,000 rounds of golf at municipal courses.

In 2014, Council endorsed Golf Course Operations' Sustainability Workplan (the Work Plan) to find efficiencies in operations and explore opportunities to increase revenue (CPS2014-0398). Initiatives undertaken to date have included:

- Implementing a demand-based fee structure;
- Completing a Golf Service Model Analysis;
- Issuing contracts for select mowing; and
- Making capital investments at McCall Lake golf course.

Financial performance has improved since implementing the Council-approved Work Plan in 2015 and Golf Course Operations continues to explore a range of revenue generating opportunities and cost saving options.

The six most promising options are described below. Other options have been previously explored, but have proven unfeasible; these include divestiture, contracting of courses, or significant increases in fees to cover shortfalls. These options were discussed with Council in 2018 June (CPS2018-0349) and are detailed in Attachment 2 - Golf Course Operations - Details of Options Previously Explored. A listing of the Golf Course Operations inventory, describing site encumbrances and carrying costs to The Corporation is presented in Attachment 3.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

As part of the Work Plan launched in 2015, Golf Course Operations is actioning six options to generate \$1M in revenue and cost efficiencies by 2022 to offset the current annual tax support. In addition, other capital investment opportunities are being investigated, and future partnership and site optimization opportunities will be explored. Attachment 4 – Golf Course Operations -

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Golf Course Operations Update

Sustainability Work Plan Initiatives Towards Net Zero provides a detailed breakdown of the options to increase revenue and cost efficiencies.

<i>Break-even options underway</i>	
Option 1	2019 re-opening of the newly renovated and revitalized McCall Lake 18-hole golf course
Option 2	2019 fee adjustments (subject to Council approval as part of the One Calgary budget deliberations)
Option 3	The golf IT solution, to be implemented in Q1 2020, will support more efficient booking processes and enable advanced pricing strategies and is expected to increase attendance and revenue
Option 4	Cost savings to be realized through finalizing debt commitments
Option 5	Increased standardization of operational practices between golf courses
Option 6	Contracting out of select services
<i>Additional options being pursued for enhanced sustainability</i>	
Option 7	Capital investment in facilities to increase revenue generating opportunities
Option 8	Explore future partnership opportunities with industry leaders to examine service offerings to maximize utilization of municipal golf assets.

Implementing options one through six is predicted to yield \$1 million in increased revenue generation and cost savings by 2022, moving Golf Course Operations towards break-even operations. Additional revenue generating opportunities will be investigated through options 7 and 8.

As per option 7, since Golf Course Operations capital investment in facilities is currently on the “unfunded for information” list through the One Calgary budget process, Administration will continue to pursue additional grant opportunities and alternative funding toward the improvement of facilities. Capital improvements are crucial to Golf Course Operations being able to generate year-round revenue and allowing further increases to potential revenues through food and beverage services and facility rentals by way of conferences and events.

Golf Course Operations, through option 8, will investigate innovative opportunities that have the potential to further increase revenue and service offerings by working and partnering with industry leaders to maximize the use of The City’s golf assets. This type of optimization is in the preliminary investigation phase to determine feasibility and potential revenue gains.

The combined implementation of Work Plan initiatives identified as Options 1-6 is anticipated to realize the \$1 million target by 2022. In addition, opportunities for new business potential

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through site optimization in Options 7-8 will further increase sustainability over the course of the 2019-2022 budget cycle.

Stakeholder Engagement, Research and Communication

In alignment with the Council-directed Golf Course Guiding Principles (CPS2013-0410), Golf Course Operations conducts annual customer surveys to evaluate services and obtain user feedback. In 2018, customers indicated a 97% overall customer satisfaction rating with golf services provided by The City. Administration will continue to engage and network with other golf leaders to further increase revenues and service offerings, including industry partnerships.

Strategic Alignment

The Golf Course Sustainability Work Plan directly aligns with Citizen Priorities: A City of Safe and Inspiring Neighbourhoods; A Healthy and Green City; and A Well-run City.

The *Recreation Master Plan* describes a comprehensive recreation service delivery continuum, including golf, as the most effective way to provide Calgarians affordable, accessible and relevant recreation opportunities. Opportunities developed through Recreation's Zero-Based Review will be leveraged as they apply to Golf Course Operations.

The *Sport for Life Policy* defines The City's commitment to Calgarians to support and develop sport, including golf, through the implementation of four key pillars: Delivering Sport Programs and Initiatives; Building Infrastructure; Allocating Infrastructure; and Prioritizing Investment.

The *Municipal Development Plan* acknowledges that recreation, including Golf Course Operations, plays an important role in: building complete, strong and great communities; adding to the cultural vitality of The City; contributing to economic development and prosperity; fostering active and vibrant neighbourhoods; and sustaining healthy communities by promoting active living.

Social, Environmental, Economic (External)

Golf Course Operations is driven by the Council-approved Guiding Principles: Quality, Sustainability, Accessibility, Affordability, Community Benefit, and Accountability, guiding the municipality's role in providing basic golf services.

Social

Golf is a source of physical activity and is the top outdoor recreational activity for Calgarians aged 65 and over. Inclusive, accessible and affordable municipal golf opportunities to Calgarians are key to the spectrum of recreational services offered by The City and contribute to overall quality of life and citizen satisfaction.

Golf assets offer opportunities for year-round community use with free, public access to cross-country skiing, and low-cost cross-county programming offered by partner organizations.

Environmental

Golf Course Operations stewards 750 acres of land within Calgary providing green space and contributing to Calgary's urban forest. The facilities make good use of public land to provide a recreational service while accommodating significant corporate infrastructure such as storm

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water drainage, utility/roads rights of way, water reservoirs, flight pathways, and preserving natural areas and wildlife corridors.

Economic

Municipal golf facilities provide green space and affordable recreational opportunities to make Calgary an attractive place for residents, visitors and businesses alike. The acquisition of materials and services also supports local employment and business opportunities generating over \$10M in direct economic activity annually.

Financial Capacity

Current and Future Operating Budget:

This report has no impact on the current operating budget. Adjustments to Golf Course Operations' operating budget, in response to the options described here and on-going implementation of Work Plan initiatives, would be brought forward as part of mid-cycle budget adjustment processes.

Current and Future Capital Budget:

There are no direct capital impacts as a result of this report. However, Golf Course Operations currently has four capital requests on the "unfunded for information" list through One Calgary 2019-2022, including improvements to Shaganappi Point clubhouse and maintenance facility, Confederation Park clubhouse and ongoing lifecycle of fairways and greens maintenance.

Risk Assessment

Golf Course Operations' ability to fully realise business opportunities is impacted by a lack of capital funding. There are four capital business cases currently on the "unfunded for information only" list through One Calgary 2019-2022.

The ability to achieve the \$1 million target by 2022 is affected by the overall Calgary economy. Diligent observation and adjustments to business practices are required in response to a changing economy.

REASON(S) FOR RECOMMENDATION(S):

Some success has already begun to be realized through the Golf Course Sustainability Work Plan initiatives since its implementation in 2015.

Golf Course Operations will implement the six options identified in this report from 2019-2022, moving towards break even by 2022. Administration will also investigate two additional options that could lead to revenue generating opportunities through continued exploration of capital investment and partnering with industry to maximize the use of golf assets.

ATTACHMENT(S)

1. Previous Council Direction/Policy
2. Golf Course Operations - Details of Options Previously Explored
3. Golf Inventory Overview - Outline of site encumbrances and carrying costs to The Corporation

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Golf Course Operations Update

4. Golf Course Operations - Sustainability Work Plan Initiatives Towards Net Zero

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 June 25, Council adopted CSP2018-0349 Golf Course Sustainability Work Plan Update:

1. Direct that Administration report back to Council on results, indicators and performance measures by Q2 of the final year of each planning cycle to inform a plan for the next cycle;
2. Direct that Attachment 6 remain confidential pursuant to Sections 23(1)(b), 24(1), and 25(1) of the Freedom of Information and Protection of Privacy Act (and that Council consider content therein in camera if requested by Council).
3. Direct that Administration report back to Council through the One Calgary budget process with options that reflect the overall Golf Course Operations to break even in terms of revenue and operating expenses.

On 2015 December 14, Council adopted CPS2015-0947 Golf Course Operations Sustainability Work Plan Update:

1. Direct Administration to continue providing municipal golf services with a City operated service model, inclusive of contracting out select services where efficiencies can be realized; and
2. Direct that Attachment 2 remain confidential pursuant to Sections 23(1)(b), 24(1)(c), 24(1)(g) and 25(1)(c) of the *Freedom of Information and Protection of Privacy Act*, until Administration fully implements Council's decision(s) with regard to Attachment 2 content.

On 2015 June 29, Council adopted CPS 2015-0492 Golf Course Capital Update:

That Council receive this update report for information.

On 2014 July 21, Council adopted recommendations contained in Report CPS2014-0398 McCall Lake Redevelopment Feasibility Study:

1. Direct Administration to discontinue McCall Lake redevelopment planning and Outline Plan preparation;
2. Direct Administration to implement the Updated Golf Course Operations Sustainability Work Plan as outlined in Attachment 2, after amendment to the Targeted Completion Date for the Item "Service Model Analysis", contained on Page 1 of 2, by deleting the date "Q1 2016", and by substituting with the date "Q4 2015"; and
3. Direct that Attachments 6 and 7 remain confidential pursuant to Sections 23(1)(b), 24(1)(c), 24(1)(g), 25(1)(a), 25(1)(b), and 25(1)(c) of the *Freedom of Information and Protection of Privacy Act*.

On 2013 May 27, Council adopted CPS2013-0410 Golf Course Operations Guiding Principles:

1. Approve the guiding principles as a framework for Golf Course Operations revised fee structure decision making; and

2. Direct Administration to bring a revised fee structure to Council during the 2014 budget adjustment process (2013 November) for consideration.

On 2012 October 15, Council adopted CPS2012-0702 Golf Course Operations Operational Business Review & Update:

1. Approve, in principle, the elimination of the \$200,000 annual contribution to general revenues from the Business Unit Recreation – Golf, Operating Budget Program 426 and refer this recommendation to the 2013 budget adjustment process in 2012 November for consideration;
2. Approve, in principle, the change of Golf Course Operations mandate from “fully self-sufficient” to “tax supported” to align with the mandate of the rest of the Recreation Business Unit and refer this recommendation to the 2013 budget adjustment process in 2012 November for consideration;
3. Approve the recommendations outlined in Attachment 2, Appendix 4 to develop a revised golf course fee structure and report back through SPC on Community and Protective Services by 2013 May with recommendations on golf fee structure.
4. Approve Administration Recommendation 4 and that Recommendation 4 remain confidential under Sections 23(1)(b), 24(1)(a), 24(1)(g), 25(1)(b) and 25(1)(c)(ii) of the *Freedom of Information and Protection of Privacy Act*; and
5. Direct Administration Recommendation 4, as amended, and the Report and Attachments, remain confidential pursuant to Sections 23(1)(b), 24(1)(a), 24(1)(g), 25(1)(b) and 25(1)(c)(ii) of the *Freedom of Information and Protection of Privacy Act*



Golf Course Operations - Details of Options Previously Explored

On 2018 June 25, Council directed that “Administration report back to Council through the One Calgary budget process with options that reflect the overall Golf Course Operations to break even in terms of revenue and expenses” (CPS2018-0349). This table provides information about options to increase Golf Course Operations sustainability that have been deemed unfeasible, or unable to be pursued as realistic options to get to net zero operations.

	Option	Description	Implications and Considerations
1	Divestiture of Golf Courses	Permanent closure of golf facilities or the sale of land for redevelopment.	<p><u>Closure of Golf Facilities:</u></p> <ul style="list-style-type: none"> • Closure of facilities, while technically a feasible option, is not necessarily a profitable endeavour as the asset remains a City responsibility. On-going maintenance and carrying costs reside with the steward of the land • (e.g. Recreation, Parks and Water Services) • Other site restrictions and encumbrances may also impede the ability for alternate use and closure may also have Labour Relation Code implications. • Carrying costs to The City would result in continued annual tax support ranging from \$200,000 - \$2,000,000 (subject to facility land size and physical assets considered for closure). <p><u>Sale of Land for Redevelopment</u> Example of site limitations and constraints: McCall Lake Redevelopment Feasibility Study and Update (CPS2014-0398)</p> <ul style="list-style-type: none"> • Feasibility Study undertaken in 2013/2014 determined the redevelopment of McCall Lake was not feasible due to site limitations, constraints and risks which include: available land area suitable for redevelopment, combined implications of airport restrictions, storm water management, off-site transportation, utilities, and impact to four social recreation lease holders. • Council directed Administration to discontinue McCall Lake redevelopment planning and Outline Plan preparation and to implement the Golf Course Operations Sustainability Work Plan (the Work Plan). • The Work Plan identified investigation into alternative service delivery models in response to NM2014-33 Conversion of City-Owned Golf Courses to Private Contract, such that golf courses would remain open to the public and remain the property of the City of Calgary. <p><i>It is not viable for golf course lands to be sold and remain a golf course due to implications under Alberta Labour Code. Site restrictions and constraints vary by golf course which limit both the sale and land use options. See Attachment 3 – Golf Inventory Overview, for an outline of site encumbrances and carrying costs to The Corporation.</i></p>
2	Contracting of existing City Courses	Contracting out golf courses, or golf services, in whole or in part, to third party operator(s).	<p><u>Contracting in Whole or in Part</u> Various contracting options have been addressed with Council on two occasions previously:</p> <ul style="list-style-type: none"> • CPS2015-0947 2015 December 14: Council directed Administration to “continue providing municipal golf services with a City-operated service model inclusive of contracting out of select services where efficiencies can be realized.”

	Option	Description	Implications and Considerations
			<ul style="list-style-type: none"> Scenarios investigated included a wide variety of options regarding the contracting, in-part or in-whole, of municipal golf faculties and assets, where only one scenario Golf Course Operations was deemed viable; Contracting of select services has been actioned and is detailed in Attachment 4. CPS2018-0349 2018 June 26: Outcomes from 2015 were re-examined and revalidated. Administration was directed “to report back to Council on results, indicators and performance measures by Q2 of the final year of each planning cycle to inform a plan for the next cycle”. <p><i>Golf Course Operations is unable to action the contracting scenarios as reviewed in 2018 June (CPS2018-0349). Any contracting options must consider implications under Alberta Labour Code, manage risk to The City and its assets while also creating potential for realistic operational efficiencies.</i></p>
3	Fee Increases Only	Increase golf course fees to fully fund operating shortfall.	<p><u>Fee Increases Only:</u></p> <ul style="list-style-type: none"> A revised golf course fee structure was approved by Council as part of Action Plan and implemented in 2015. Considerations: Council-directed Golf Course Operations Guiding Principles (Quality, Sustainability, Accessibility, Affordability, Community Benefit, Accountability), utilization trends, public engagement findings, local market rate analysis and leading golf industry consultant recommendations. The fee structure, implemented in 2015, has realized an additional \$445,000 in annual revenues embedded in the current Golf Course Operations budget. A leading golf industry consultant evaluation in 2014 of market rates stated fees at municipal golf courses are appropriate given the level of services offered. Further rate increases were not recommended unless a corresponding shift occurs in local market rates. Targeted increases are possible where gaps emerge. Annual analyses of local market and area rates have seen marginal to no shifts since 2015. Consumer price sensitivity has heightened primarily due to effects of the economic downturn. Other service providers are increasing the use of special offers and discounts to attract customers. Golf Course Operations intends to pursue similar opportunities as noted in Attachment 4 under “Golf IT Solution” Current municipal golf rates are within 10% of reasonably comparable facilities. <ul style="list-style-type: none"> 2018 Average 18-hole market rate (Weekday): \$47.50 2018 Shaganappi 18-hole rate (Weekday): \$44.50 To break even solely through fee increases would require a more than \$15 per round increase to adult 18-hole green fee rates. Such significant increases would price municipal courses out of the local market and result in lower attendance. Administration evaluates market rates on an on-going basis with fee adjustments made annually where feasible. <p><i>A reliance on fee increases alone contradicts Golf Course Guiding Principles (CPS2013-0410) and would price municipal courses out of the local market.</i></p>



Golf Inventory Overview – Outline of site encumbrances and carrying costs to The Corporation

Golf Course Operations maintains 750 acres of land at 6 locations, dispersed across the city. They typically accommodate more than one corporate need. The golf facilities make good use of public land by providing greenspace relief in the urban environment and significant corporate infrastructure such as: major storm water drainage, utility and road rights of way, water reservoirs and flight paths.

Golf Course	Size - Acres	Overview of infrastructure	Estimated Annual Carrying Costs *
Confederation Park – 9 holes and driving range	104 (42.1 Ha)	<ul style="list-style-type: none"> Location contains Crown-claimed land through the middle of the site in proximity to Confederation Creek. Serves as significant storm water catchment for adjacent communities. 	\$870,000
McCall Lake - 27 holes and driving range	256 (103.6 Ha)	<ul style="list-style-type: none"> North half of the site has severe restrictions due to NavCanada requirements for the airport runway approach. Moderate NavCanada restrictions extend across the remainder of the site. Contains a large storm water pond for NE Calgary managed by Water Resources as part of the storm water management system. The storm pond is Crown-claimed and subject to provincial restrictions. Significant Parks Birthplace Forest on site. Approximately 10,000 trees, valued over \$2 million by Urban Forestry. These occupy three separate areas within the course. Extensive underground Sanitary and Storm right of way and infrastructure throughout site. 	\$2,060,000
Shaganappi Point – 27 holes and driving range	139 (56.25 Ha)	<ul style="list-style-type: none"> A portion of this site North of 8th Ave was deeded to The City with a Habendum on title restricting activity to Park and Recreation use. South of 8th Ave there are two large storm ponds managed by Water Resources. Two ATCO rights of way divide the site along with other utility corridors. An Emergency Measures Operations transmission tower is located on site. 	\$1,186,000
Richmond Green – 9 holes	20 (8.10 Ha)	<ul style="list-style-type: none"> This location contains significant Water Resources infrastructure below grade including two potable water reservoirs and a large pump station building. These structures underlie and occupy approximately 70% of the site. 	\$143,000
Lakeview – 9 holes	40 (16.19 Ha)	<ul style="list-style-type: none"> Extensive above- and below-ground utility infrastructure. Site is encumbered by setbacks from the edge of the Glenmore reservoir that exist due to geotechnical stability requirements. 	\$358,000
Maple Ridge – 18 holes	173 (70.01 Ha)	<ul style="list-style-type: none"> The City is contractually obligated to provide and maintain a water transfer line for Willow Park Golf Course (west of Maple Ridge). 	\$1,422,000

		<ul style="list-style-type: none"> Storm water pond in the west half of the site managed by Water Resources as part of the storm water management system. This is interconnected with the storm water system from Willow Park Golf Course. Northeast third of the site has geotechnical stability issues. East portion of the site is within the Deerfoot Trail expansion right of way. 	
		Total	\$6,039,000

(*)

- The total includes the estimated carrying cost for building maintenance, utility costs, security and vehicles & equipment, and landscape maintenance
- Estimate is based on City of Calgary Parks Maintenance Cost per Hectare – \$17,500 per Hectare
- The landscape maintenance cost could be higher or lower depending on the type of maintenance required

Golf Course Operations – Sustainability Work Plan Initiatives Towards Net Zero

On 2018 June 25, Council directed that “Administration report back to Council through the One Calgary budget process with options that reflect the overall Golf Course Operations to Break even in terms of revenue and expenses” (CPS2018-0349). Table 1 provides a description of the options that will move Golf Course Operations towards net zero operations by 2022, with a target of \$1 million in revenue generating opportunities and cost saving and efficiencies. Table 2 provides a description of additional opportunities that will be investigated to further increase Golf Course Operations future sustainability.

Table 1: Break Even Options Underway				
		Anticipated Total Yield by 2022	Implementation Date	Progress
1	McCall re-opening	\$280,000	2019	<ul style="list-style-type: none"> Construction currently underway; course re-opening late May 2019 \$6.7M capital investment
2	Annual Fee Adjustments	\$100,000	2019	<ul style="list-style-type: none"> Pending Council approval as part of the One Calgary budget process
3	Golf IT Solution	\$185,000	2021	<ul style="list-style-type: none"> Underway with anticipated implementation Q1 2020 Will support more efficient booking processes and enable advanced pricing strategies and is expected to increase attendance and revenue
4	Debt Fulfillment	\$142,000	2019	<ul style="list-style-type: none"> Debt payments completed in Dec 2018 Utilized for capital improvements at Maple Ridge
5	Increased standardization of operation practices between assets	\$273,000	2021	<ul style="list-style-type: none"> Started in 2018 with expected completion 2020 Ensuring that operations and maintenance is undertaken with increased standardization
6	Contracting of Select Services	\$20,000	2019	<ul style="list-style-type: none"> Contracting of select maintenance services currently underway
	Potential Yield	\$1,000,000		

Table 2: Options being pursued for enhanced sustainability				
		Anticipated Total Yield	State of Funding	Description
7	Capital Improvement Alternatives	TBD	<p>Three projects are currently unfunded or on the “Unfunded for Information” capital list:</p> <ul style="list-style-type: none"> Shaganappi Clubhouse and Renewal (\$8.8M) Shaganappi Maintenance Facility Replacement (\$2.1M) Confederation Park Golf Course Clubhouse Upgrade (\$1.9M) <p>One project that’s part of the Essential Services Delivery Bundle, but currently unfunded:</p> <ul style="list-style-type: none"> Fairways and Greens Service Cycle in Essential Services Delivery Bundle (\$8.3M) 	<p>With capital investment, new business opportunities are possible. For example, improved Clubhouse facilities at Shaganappi Point would provide a source of year-round revenue through:</p> <ul style="list-style-type: none"> Expanded food & beverage service Conference, banquet and event rental possibilities.
8	Partnering with Industry	TBD	2021	As the golf industry continues to evolve, opportunities exist to partner

				with industry leaders, to enhance golf assets and service offerings.
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ISC: UNRESTRICTED
EM2018-1277

2018 Disaster Risk Assessment and Business Impact Analysis

EXECUTIVE SUMMARY

The 2018 Disaster Risk Assessment, which quantifies and qualifies disaster risk in Calgary, identifies risks of special concern in the city and will be used to inform disaster risk management projects in the 2019-2022 business cycle. This assessment will be released to the Corporation and agency members by the end of 2018, and a modified version will be released to the public via a website.

The associated 2018 Business Impact Analysis is a biennial review of the Corporation's business continuity readiness, conducted by analyzing the business requirements of all services to determine areas of resilience and vulnerability. The results will inform corporate business continuity planning activities in the 2019-2022 business cycle.

ADMINISTRATION RECOMMENDATION:

The Emergency Management Committee recommends that Council receive this report for information.

RECOMMENDATION OF THE EMERGENCY MANAGEMENT COMMITTEE, DATED 2018 NOVEMBER 07:

That the Administration Recommendation contained in Report EM2018-1277 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

This is a new report being submitted as an update on the risk landscape in Calgary. The City of Calgary Emergency Management Bylaw 25M2002, Section 6 (2) states: "The Director shall, co-ordinate all emergency services and other resources used in an emergency." This report informs the mitigation and preparation efforts in order to respond to such emergencies.

BACKGROUND

Effective emergency management requires not only the capability to address the consequences of disasters, but also a strong focus on managing disaster risk to reduce the probability and impact of potential events. To that end, the Calgary Emergency Management Agency (CEMA) coordinates periodic city-wide disaster risk assessments in order to understand Calgary's disaster risk environment, share disaster risk information with Calgarians, and prioritize activities towards reducing disaster risk.

CEMA has previously conducted a Hazard Identification and Risk Assessment as a means to describe disaster risk in Calgary, typically by conducting a thorough review of literature and soliciting input from the Agency as a whole. While this approach iteratively improved from 2012 to 2016, the 2018 version has been redesigned to be more comprehensive and is now entitled the Disaster Risk Assessment. The rationale behind this new format was to align the process to ISO31000 risk management processes and emerging industry standards, resulting in an increase to the rigor of the assessment so it could better inform disaster risk management

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projects within the Corporation and Agency. The final product represents the most comprehensive project to quantify and qualify disaster risk in Calgary, and will result in numerous publications to the stakeholders who play a role in managing disaster risk in Calgary, including the Corporation, Agency, and public. The public version of the report will take the form of a website, the Disaster Risk Explorer, which will allow citizens and businesses to explore disaster risk in Calgary and better understand their role in managing it.

While the Disaster Risk Assessment is a foundational document for establishing disaster risks in Calgary, CEMA's associated corporate business continuity program is one means by which disaster risk is managed within the Corporation, by supporting the continued provision of City services during business interruptions. Administration Policy GN-039 'Business Continuity Planning' establishes a requirement for CEMA to assess and report on the status of business continuity planning in the Corporation, and the biennial corporate Business Impact Analysis represents the best method for assessing this status, as it analyzes the resilience and vulnerability of business requirements for all City services. A high level overview of this analysis is provided in the presentation accompanying this report, and detailed results are being provided to business units through the Business Continuity Coordinator network.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The 2018 Disaster Risk Assessment is a sizeable change in the way The City assesses disaster risk, a change that is necessary to further progress disaster risk management in the Corporation and throughout the city. Given the high levels of stakeholder and expert engagement in the new process, the results can be used within the Corporation, across the Agency, by private enterprises, and by individual citizens.

The 2018 Business Impact Analysis is an update on a recurring biennial process. It is important to maintain this process given the key performance indicators it produces for corporate business continuity planning, and the data it contributes for business continuity activities.

Stakeholder Engagement, Research and Communication

The Disaster Risk Assessment was a highly collaborative project, with 65 total hazards being assessed by over 25 hazard-specific subject matter experts including: Environment and Climate Change Canada, Critical Infrastructure owners and operators, internal business units, and the Calgary Police Service. Additionally, the Disaster Risk Assessment was informed by consultation with risk experts including disaster researchers, academics, risk managers, and emergency management professionals.

The 2018 Business Impact Analysis was also highly collaborative, as it involved every business unit in the Corporation assessing the resilience of their business requirements and submitting the results to CEMA for analysis.

Strategic Alignment

Council Priority

CEMA's work on Disaster Risk Management supports Council's Priority to provide *A city of inspiring neighbourhoods*.

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2018 Disaster Risk Assessment and Business Impact Analysis

Corporate Priority

The Emergency Management & Business Continuity service line for One Calgary contributes to The City's resilience by understanding, informing, and reducing disaster risk, while empowering citizens to engage in emergency preparedness activities at home, work, and their community.

This work supports the Corporation's Sustainability Direction 2020 objective *Calgary, its communities and neighbourhoods are safe, resilient and supportive*.

Comprehensive Emergency Management Model

The comprehensive emergency management model is the model used by the Corporation to manage disaster risk and disaster consequence. Both the Disaster Risk Assessment and Business Impact Analysis are integral parts of this model, and contribute to a whole continuum of emergency management.

Sendai Framework for Disaster Risk Reduction

The Sendai Framework for Disaster Risk Reduction is a United Nations strategy and international best practice for reducing disaster risk. The Canadian federal government is a signatory on this framework, and both the Disaster Risk Assessment and Business Impact Analysis align to the outcomes and action items prescribed within.

100 Resilient Cities

The Disaster Risk Assessment and Business Impact Analysis both align to the outcomes of Calgary's membership with the 100 Resilient Cities initiative. The Disaster Risk Assessment informs what shocks are of acute concern within Calgary, and the Business Impact Analysis is a tool for increasing resilience of City services.

Corporate Risk Register

The corporate risk register continues to identify business interruptions as a high risk to the Corporation. The Disaster Risk Assessment will serve to inform City services of disasters of concern, and the Business Impact Analysis analyzes the Corporation's largest vulnerabilities and provides a foundation for business continuity strategies.

Social, Environmental, Economic (External)

The Disaster Risk Assessment is the foundational document used to manage disaster risk in Calgary, and should be utilized by stakeholders to reduce the consequence of disasters on the social, economic, and environmental well-being of the city.

The Business Impact Analysis is ultimately used to reduce the vulnerability of City services to disruptions and interruptions, ensuring essential City functions can be maintained during emergencies and disasters. The continued provision of these services supports the social, economic, and environmental recovery of impacted systems by ensuring City services are available to support disaster response and recovery.

Financial Capacity

The Disaster Risk Assessment and Business Impact Analysis are conducted within operating budgets of CEMA and the business units and Agency members who collaborated on the

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projects. Both items provide data and intelligence as to where mitigation and preparedness resources should be focused in the future, as a means to increase Calgary's resilience to disasters and emergencies.

Current and Future Operating Budget:

The risks and vulnerabilities in these reports should be utilized by business units to enhance their business continuity planning. While this activity is typically already resourced by business units, a risk or vulnerability of significant implication could require intensified mitigation efforts, and associated operating budget, to ensure appropriate preparedness. This would be conducted within the budget planning of the affected business unit.

Current and Future Capital Budget:

The process established by Infrastructure Calgary to inform the investment recommendations for 2019-2022 One Calgary service plan included a Critical Infrastructure criteria that had been established through guidance from the Disaster Risk Assessment, Business Impact Analysis, and Resilience Strategy.

Risk Assessment

Disaster risk is based on consequence, risk trend, and likelihood. The Disaster Risk Assessment identified 13 high priority disaster-types in Calgary. High priority disasters occur when Calgary is overly exposed and vulnerable against the probability and impact of a particular disaster type.

The Business Impact Analysis identifies the common and unique vulnerabilities within the Corporation that require business continuity attention to ensure the continued provision of services during interruptions wrought by emergencies and disasters. This analysis is conducted by assessing business requirements of all services, the current status of their backup plans, and the relative importance of each requirement.

REASON(S) FOR RECOMMENDATION(S):

The Disaster Risk Assessment and Business Impact Analysis are two principal documents for allowing stakeholders to manage disaster risk in both the community and Corporation.

ATTACHMENT(S)

None

Chief Financial Officer's Report to
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2018 November 06

ISC: UNRESTRICTED
PFC2018-1125

2018 Triennial Reserve Review Report

EXECUTIVE SUMMARY

This report summarizes the results of the Triennial Reserve Review and the process performed by an Administrative Reserve Review Committee.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council:

1. Approve the changes to reserves as outlined in Attachment 1 and Attachment 2; and
2. Approve the list of reserves to be reviewed in 2019 as outlined in Attachment 3.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018 NOVEMBER 06:

That the Administration Recommendations contained in Report PFC2018-1125 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

The City Auditor's Office completed an audit of The City's Financial Reserves in 2009. The FCS2010-01 (AC2009-74) report dated 2010 January 18 detailed the recommendations of the audit and Administration's response and work plan to address the recommendations. One of Administration's responses was to create a Triennial Reserve Review process in which every reserve will be reviewed at least once every three years. The list of 18 reserves reviewed in 2018 was approved by Council (C2017-1123 Attachment 11.3) on 2017 December 18. Two other reserves were identified for follow-up in 2018 at the same time, and have been investigated as a part of this review.

On 2016 June 16, Council directed administration, through report TT2016-0204, to create a process to enable the CPA to access funds from the Parking Land Acquisition Reserve to support lifecycle requirements for existing cash-in-lieu parking facilities.

BACKGROUND

Reserves are part of good management that allows for funds to be either spent judiciously over time or to ensure service levels are maintained and not immediately impacted by downturns in the economy, adverse weather events, and other factors outside of The City's control. Reserves provide The City with the financial flexibility to react in a timely manner to the financial impacts of budget shortfalls and significant unexpected issues. A properly balanced approach to the planning and use of reserves is considered good financial management and is a key component of The City of Calgary's strong credit rating. For the majority of reserves, expenditures from and contributions to reserve funds are included in the Budget and Budget Adjustments approved by Council.

The City's open reserves consist of the following:

Reserve Type	# of Reserves	Reserve Balance as of 2017 Dec 31
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2018 Triennial Reserve Review Report

Operating	16	\$695 million
Capital	17	\$884 million
Sustainment	12	\$624 million
Total per Reserve Report	45	\$2,203 million

There are 16 operating reserves totalling \$695 million, of which \$574 million is held in the Fiscal Stability Reserve as an operating contingency fund and to provide for one-time funding. The majority of the 17 capital reserves totalling \$884 million are either fully committed or have substantial commitments against them to finance existing approved projects. A total of \$624 million is held in 12 separate sustainment reserves.

In 2010, Council approved Policy CFO013, Financial Reserves. The primary objective of the policy is to authorize or clarify processes required for:

- The creation of new reserves, including the purpose, funding, conditions, restrictions and appropriate minimum/maximum funding ranges;
- Administration of reserves, including annual contributions and withdrawals, investment income bearing status, the treatment of one-time or unanticipated revenue sources and courses of action if a reserve is over or under funded;
- Periodic reviews of all reserves; and
- Amendment or closure of a reserve.

Administration also developed and approved Administrative Policy FA-050, Financial Reserves, in support of the Council Policy. The Policy and associated procedures reflect best practices and provide additional guidance, procedures and responsibilities in the administration and reporting of reserves.

Council Policy CFO013 outlines a triennial review process requiring that every active reserve be reviewed at least once every three years.

The purpose of the Triennial Review process is to ensure that:

- i. Reserve activity meets all authorizing documents requirements;
- ii. Reserve activity is in accordance with City reserve policies and procedures;
- iii. The reserve's purpose, conditions and/or restrictions are still relevant; and
- iv. The reserve is still required in its current form.

The review for each active reserve will cover a period including the current year and the previous full year of operations for that reserve and shall be completed by an Administrative Reserve Review Committee comprised of:

- The Chief Financial Officer;
- Finance Manager, Corporate Budget Office;
- Finance Manager, Corporate Financial Reporting;
- A General Manager; and
- A Business Unit Director.

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2018 Triennial Reserve Review Report

By the end of the year, the Administrative Reserve Review Committee prepares a report for the Priorities and Finance Committee. The report includes the criteria used to evaluate the reserves, a summary of all findings, any applicable recommendations based upon the findings, follow up of the previous year's review recommendations if required, and a list of reserves to be reviewed during the following year. The report's recommendations, and next year's review workplan, are subject to Council approval.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

In 2017, Council approved the 2018 review, consisting of 18 reserves. These represented a balance of \$965 million as of 2017 December 31, or approximately 44 percent of The City's total reserves balance.

1.0 Initial Review

A review team completed a detailed review of reserve transactions and documentation of each reserve. The review team collected all relevant reserve documents and reviewed selected 2016 and 2017 transactions in order to evaluate:

- Contributions from operations to reserves;
- Contributions from reserves to operations or capital;
- Transfers between reserves;
- Compliance of reserve activities with the reserve's mandate and all other City policies and procedures; and
- Completeness and accuracy of the disclosure of financial information in the Annual Reserve Report.

The review team provided findings to the Administrative Reserve Review Committee. The committee met several times throughout the year to consider the initial review results, evaluate recommendations made by the review team, determine whether the reserves are still relevant today, and whether they continue to align with current Council objectives.

2.0 Review Guiding Principles

Over the years, reserves have been created for a number of reasons and with various purposes. In order to consistently evaluate various types of reserves and determine whether changes should be recommended, the Administrative Reserve Review Committee previously agreed on a number of guiding principles.

2.1 Ensure clear separation between Reserves

The Administrative Reserve Review Committee recommends the consolidation or closure of reserves where multiple reserves serve similar purposes and to eliminate redundant reserves.

2.2 Business Categories

Currently, reserves are categorized according to the programs they support: operating, capital, or both operating and capital (sustainment). However, the Administrative Reserve Review Committee also categorized reserves by business purpose such that reserves can be evaluated consistently based on the business reason for the reserve.

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For example, some reserves have been created to manage the timing of cash flows. Such reserves should have a reserve plan and transactions should be budgeted wherever possible, but they do not necessarily lend themselves to a target balance.

Alternatively, reserves created for contingency purposes should have a target balance. Not all transactions for these reserves can be budgeted since Administration can not anticipate a contingent event, but establishing a target balance based on an estimate of risk is appropriate.

2.3 Ongoing relevance of Reserves

The Administrative Reserve Review Committee also looked to ensure that the business reason for the reserve was still relevant and where applicable, that Administration has a plan on the strategic use of the reserve going forward and that reserve activity be budgeted where applicable.

3.0 Results of the Reviews

For the past several years, Administration has been following a number of control measures, such as annual checklists and documentation protocols, which have improved reserve processes and oversight.

3.1 Reserve activity meets all authorizing documents requirements

All reserves reviewed are being administered as intended. There were a few instances where authorizing document requirements are no longer relevant and have been replaced with alternate processes. Refer to Attachment 1 for further information.

3.2 Reserve activity is in accordance with City reserve policies and procedures

Almost all reserve activity reviewed was recorded in a timely fashion and in accordance with Council and Administrative reserve policies and Administrative reserve procedures. A one-time contribution of \$919,000 was made to the Snow and Ice Control (SNIC) Reserve from another internal budget that is not a typical funding source, and a minor restatement is required to the totals in the Corporate Housing Reserve and Downtown Improvement Fund. Aside from these, there were no issues identified with recorded reserve activity. Refer to Attachment 1 for further information and recommendations to address these issues, and to Attachment 2 to view the proposed restatements.

3.3 The reserve's purpose, conditions and/or restrictions are still relevant

The reserves' purposes, conditions and/or restrictions are still relevant. There are instances where a reserve's purpose, conditions and/or restrictions are recommended for update. Refer to Attachment 1 for further information and recommendations, and to Attachment 2 to view the proposed changes.

3.4 The reserve is still required

As part of the review, the Administrative Reserve Review Committee questions whether every reserve being reviewed is needed, or can be closed. The Parking Land Acquisition Reserve is recommended for immediate closure and replacement with a new reserve solely for the use of the Calgary Parking Authority, as per Council's direction in TT2016-0204. The LED Street Light Re-Lamping Reserve is recommended to cease funding after 2018 and closed once its balance has been depleted, expected by the end of 2019.

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Refer to Attachment 1 for a complete list of general comments and reserve recommendations.

Attachment 2 includes reserve summaries from the 2017 Annual Reserve Report for the reserves reviewed. Suggested changes to the text are highlighted in red. Strikethrough text is to be removed.

Attachment 3 includes the list of reserves to be reviewed in 2019.

All three Attachments require Council approval.

Stakeholder Engagement, Research and Communication

All relevant reserve leads and the Administrative Leadership Team were informed and consulted as part of the review.

Strategic Alignment

The Triennial Reserve Review process helps The City become a more effective organization by ensuring its reserves are being managed properly and effectively.

Social, Environmental, Economic (External)

A number of reserves reviewed support social and environmental programs which assist The City in providing such services. Proper management of the reserves helps The City maintain its commitment to these social and environmental initiatives.

Financial Capacity

Current and Future Operating Budget:

In certain instances, some reserve transactions are a result of unplanned activities (for example, use of contingency funds) and therefore cannot be budgeted. However, where reserve activities can be planned, those transactions are included in the operating budget. There is no impact on the current operating budget resulting from this report.

Current and Future Capital Budget:

Where reserve activities can be planned, those transactions are included in the capital budget. There is no impact on the current capital budget resulting from this report.

Risk Assessment

The Triennial Reserve Review process helps to mitigate risk by ensuring reserve balances are neither too high, where cash is held unnecessarily, or too low, where funds are insufficient to meet future needs. Maintaining adequate liquidity in the reserve system enables The City to respond quickly and effectively to shortfalls and unanticipated or uncontrollable events, improving corporate resiliency and reducing the risk that service levels might be adversely affected by economic trends and unforeseen circumstances. Strong reserves preserve Council and Administration's flexibility, and the vital role they play in preserving The City's fiscal stability is recognized by our credit rating agencies.

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2018 Triennial Reserve Review Report

REASON(S) FOR RECOMMENDATION(S):

The recommendations help to streamline administration of reserves and, where required, update reserve purposes, conditions and restrictions to Council and the general public.

ATTACHMENT(S)

1. Attachment 1 – Reserve review comments and recommendations
2. Attachment 2 – Relevant excerpts from the 2017 Annual Reserve Report
3. Attachment 3 – Reserves to be reviewed in 2019

Reserve Comments and Recommendations

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2017 (in thousands)	General Comments (\$ in thousands)	Recommendation(s) (\$ in thousands)
Calgary Heritage Authority Reserve	1	Operating	\$1,772	<p>This reserve was created as an endowment fund in 2012 through the merging of two earlier funds related to the preservation of Calgary's heritage. The reserve is administered by The City, but its funds are to be spent by the Calgary Heritage Authority at its sole discretion to provide resources to support its mandated activities.</p> <p>The review found that the reserve is appropriately managed and is used in compliance with its purpose, conditions and restrictions. The review also identified that the reserve may be affected by decisions made in the One Calgary budgeting process.</p>	<p>Revise the reserve template, as shown in Attachment 2, to add clarity around the origin of the reserve's minimum balance and to readily identify both the accumulated net interest, which is available for use, and the protected principal amount, which is not.</p> <p>Re-examine this reserve on a limited scope as part of the 2019 Triennial Reserves Review to determine whether any changes to its funding have been necessitated by the results of the One Calgary budgeting process.</p>
Children's Reserve Fund	2	Operating	\$4,723	<p>This endowment-type reserve earns investment income, which can be used for programs to support low income families and their children. During the review period, this funding was used to support Recreation's Fee Assistance Program. The review found that the reserve is appropriately managed and used in compliance with its purpose, conditions and restrictions.</p> <p>The amount of interest earned by the reserve fluctuates between approximately \$100 and \$150 per year.</p>	<p>Revise the reserve template, as shown in Attachment 2, to clearly identify that reserve funds must be used in accordance with the reserve's terms and conditions, and to separate the principle and investment income to readily identify both the accumulated net interest, which is available for use, and the protected principal amount, which is not.</p>

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2017 (in thousands)	General Comments (\$ in thousands)	Recommendation(s) (\$ in thousands)
ENMAX Dividend Stabilization Reserve	3	Operating	\$20,000	<p>This reserve is used as a contingency to stabilize any shortfall in the ENMAX dividend. There were no transactions over the review period.</p> <p>There are inconsistencies between the reserve's authorizing documents and its template. According to the reserve's authorizing documents, it is to be used whenever the dividend is below \$47,000; according to the reserve's template, it is to be used whenever there is an unfavourable variance between the dividend and its budget, which may vary year-to-year and need not necessarily be \$47,000.</p> <p>The authorizing documents also state that contributions to the reserve are based on the excess over budget, while withdrawals are set against the benchmark of \$47,000. If the budget is below \$47,000, this can lead to a situation where the reserve terms call for both a withdrawal from the reserve and a contribution to the reserve.</p> <p>Similar inconsistency exists in the definition of funding sources for the Legacy Parks Reserve, which specifies excesses over \$47,000.</p>	<p>As the 2018 ENMAX dividend budget is set at \$47,000, the discrepancies in the template and authorizing document have no effect at present.</p> <p>Confirm that this reserve is intended to operate as a contingency to fund any shortfalls in the ENMAX dividend compared to its annual approved budget.</p> <p>Track this change as a carry-forward item to be addressed as part of the Legacy Parks Reserve review as a regular part of the scheduled 2019 Triennial Reserves Review.</p>
Family & Community Support Services (FCSS) Stabilization Fund	4	Operating	\$4,361	<p>This reserve supports the broader FCSS program and provides funding for preventive social services initiatives, including capacity building, and emerging issues.</p> <p>The Council Policy on FCSS defines the procedures relevant to the FCSS program. The FCSS program, which is subject to provincial reporting and external financial audit requirements, determines the draw from this reserve through its annual budget.</p> <p>The special reporting requirement stated on the reserve template should have been removed when the reserve conditions were revised in 2015. The authorizing documents section includes reference to a policy that has been replaced and is no longer relevant.</p>	<p>Revise the reserve template, as shown in Attachment 2, to correct the authorizing documents section, clarify the reserve conditions, remove the out-of-date special reporting requirement, and remove an out-of-date reference from the Current Activity table.</p>

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2017 (in thousands)	General Comments (\$ in thousands)	Recommendation(s) (\$ in thousands)
Fiscal Stability Reserve	6	Operating	\$573,721	<p>The FSR is primarily a contingency reserve, with the ability to fund one-time operating budget expenditures through its investment income. The reserve's target and minimum balances are set based on a proportion of tax-supported operating expenditures net of recovery; these are set at 15% and 5%, respectively, and were examined as part of the review.</p> <p>Council's Fiscal Stability Reserve policy, CFO002, last updated in 2008, defines the terms and conditions for the FSR.</p> <p>Council's Franchise Fee policy, CFO003, last updated in 2004, defines the treatment for the favourable and unfavourable budget variance for franchise fee revenues.</p> <p>According to the policy, unfavourable budget variances relating to the franchise fees should be funded by reducing budgeted contributions to the Reserve for Future Capital. There were unfavourable variances in the franchise fees budget in 2015, 2016 and 2017. At present, all budgeted contributions to the RFC are assigned to a specific business unit and use; there are no unassigned contributions that could be used to fund an unfavourable variance. As such, the policy could not be followed and so the unfavourable variance flowed through to the Fiscal Stability Reserve.</p> <p>An internal loan from the FSR, to provide funding for the relocation of the McHugh House, was approved by Council (C2014-0188) and paid from the reserve in 2015.</p> <p>The review found reserve activity to be appropriately authorized.</p>	<p>Recommend minor edits to the purpose section of the reserve as outlined in Attachment 2.</p> <p>Recommend disclosure notes for the internal loan from the FSR within the financial activity table as outlined in Attachment 2.</p> <p>Recommend that CFO002 FSR policy and CFO003 Franchise Fee policy be reviewed in the 2019-22 business cycle as part of a broader review of CFOD budgeting and reserve policies. Approved updates to these Council policies resulting from the review will inform the future management and operation of this reserve.</p>
Group Life Reserve	8	Operating	\$1,725	<p>The Group Life Reserve was established to meet a contractual obligation between The City and its benefits provider. The City is required to maintain a reserve balance based on its Refund Billed Premium.</p> <p>Over the review period, the reserve's transactions were solely to set the balance at its contractually required level. All transactions were appropriate and properly authorized. All special reporting requirements were met.</p>	No recommendations.

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2017 (in thousands)	General Comments (\$ in thousands)	Recommendation(s) (\$ in thousands)
Health, Safety and Wellness Reserve	9	Operating	\$18,813	<p>This reserve is jointly administered by Human Resources and Environmental and Safety Management. The reserve is used to fund preventive and proactive health, wellness and safety programs. There are jointly defined principles and criteria for the use of the funds, which the review has determined were followed.</p> <p>The reserve is funded through a contribution from the Employee Benefits Program budget, WCB rebates and WCB dividends.</p> <p>The reserve has special reporting requirements. The review has determined that these are being met.</p> <p>At present, the reserve is considered temporarily overfunded as a result of several years of large WCB return on investment payments. These dividends are not anticipated to continue, and balances are expected to normalize over the coming years.</p>	Revise the reserve template, as shown in Attachment 2, to more clearly identify special reporting requirements under that section, explicitly state the proportions used in distributing the funding sources, and separate the Current Activity table into the reserve's two components to enable users to identify activities and balances related to safety, health and wellness.
Heritage Incentive Reserve	11	Operating	\$1,205	<p>This reserve was created in 2003 to fund the implementation of The City's Heritage Incentive Program, which provides grants to non-City-owned municipal heritage resources.</p> <p>The reserve operates using a defined grant process, which sets forth maximum expenditures, eligibility requirements, and establishes a strict first-come, first-serve policy. The review has determined that the reserve has been operated in accordance with the grant process.</p> <p>The reserve is generally funded through mill rate contributions, though a one-time contribution was made in 2017 with Council approval. The review has found the reserve's funding to be compliant with its terms.</p> <p>At present, the reserve is capable of financing approximately three to four projects through to completion each year. By contrast, inventoried historical sites that are potentially eligible for a formal heritage designation and grant funding increase by thirty to fifty per year; Calgary's heritage resources also continue to age. This creates significant funding pressure, and the reserve is fully subscribed each year.</p> <p>As part of One Calgary, a request has been made to increase the funding for this reserve.</p>	<p>Re-examine this reserve on a limited scope as part of the 2019 Triennial Reserves Review to determine whether any changes to its purpose, conditions, restrictions or funding sources have been necessitated by the results of the One Calgary budgeting process.</p> <p>Approve that this reserve earns interest income, effective January 1, 2018, in keeping with Council's original approval in report FB2002-27.</p>

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2017 (in thousands)	General Comments (\$ in thousands)	Recommendation(s) (\$ in thousands)
Mall Programming Fund	13	Operating	\$813	<p>The reserve is used to maintain and supplement activities and programs on Stephen Avenue Mall in the 300 west block between Bankers Hall and Toronto Dominion Square.</p> <p>There were no transactions during the period covered by this review.</p> <p>This reserve was initially funded through a contribution related to a public art project, which formed the initial principal balance for this endowment-type reserve. Expenditures involving the principal of the Fund may be made only by Council approval.</p> <p>Accumulated interest is managed by the Mall Programming Fund Management Committee (MPFMC), which includes a City representative as its chairperson of this committee.</p> <p>The MPFMC has not met since 2013 and currently lacks Terms of Reference. Through 2019, the development of a Stephen Avenue Masterplan and new terms of reference for the MPFMC is underway. This will inform the future use of this reserve, its operation and governance.</p>	<p>Revise the reserve template, as shown in Attachment 2, to readily identify both the accumulated net interest and the protected principal amount.</p> <p>Recommend that any changes to the reserve resulting from the Stephen Avenue Masterplan and the terms of reference for the MPFMC be examined as part of the 2019 Triennial Reserve Review.</p>
Self-Insurance Reserve	14	Operating	\$7,000	<p>This contingency reserve is required by law to allow The City to partially self-insure. The Superintendent of Insurance annually assesses the adequacy of funds held by The City for self-insurance purposes.</p> <p>Self-insurance at The City is managed both through this reserve and through an annual liability provision. Only losses in excess of \$500 are funded from this reserve. It has not been used to pay claims since 2005.</p> <p>The reserve has reached its maximum balance of \$7,000.</p>	No recommendations.

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2017 (in thousands)	General Comments (\$ in thousands)	Recommendation(s) (\$ in thousands)
Snow and Ice Control (SNIC) Reserve	16	Operating	\$12,482	<p>This reserve is used to stabilize The City's Snow and Ice Control (SNIC) budget by accumulating SNIC budget surpluses generated in years with lower-than-average weather severity, and using them to fund budget shortfalls where required.</p> <p>In 2017, \$919 of unspent funds were transferred into the reserve from Calgary Transit's budget for accessibility improvements, which primarily relates to SNIC. This was a one-time contribution that does not fall within the reserve's normal funding source.</p> <p>In 2018, Calgary Transit and Roads signed a Memorandum of Understanding that would enable certain Transit accessibility-related SNIC budgets to be accumulated in this reserve and used later along similar principles to the reserve's present structure.</p> <p>All other reserve activities over the review period were determined to be in accordance with the reserve's purpose, conditions, restrictions and approved funding sources.</p>	<p>Approve the Transit \$919 contribution to this reserve from 2017.</p> <p>Approve the changes shown in the template, as shown in Attachment 2, to improve reserve administration and enable other business units with SNIC responsibilities to draw on this reserve to fund SNIC activities where necessary.</p> <p>Approve the addition of Calgary Transit funding and use of this reserve, as detailed in Attachment 2, as well as the revision to the reserve Current Activity table to segregate future Roads and Transit contributions, as they will be managed under slightly different terms.</p> <p>Revisit this reserve's target balance as part of the 2019 Triennial Reserves Review in light of potential changes to SNIC service levels as part of the One Calgary budgeting process.</p>
Asphalt and Crusher Plant Lifecycle Capital Reserve	18	Capital	\$6,443	<p>This reserve is used to finance future capital expenditures relating to The City's Asphalt Plant and Crusher Plant. The reserve has a target maximum balance of \$7,500, and intended to be funded until it reaches the maximum balance or is sufficient to fund the next four years of Plant Operations capital expenditures through budget surpluses, proceeds of sale from surplus assets, depreciation on plant assets, and interest income.</p> <p>Roads has a detailed 10-year capital plan for Plant Operations; this reserve is sufficiently funded to support it over the next four years.</p> <p>Transactions were found to be properly approved, in accordance with reserve's terms and conditions, based on a sample approach.</p> <p>Plants is largely a self-funded, self-supporting activity. A change to the reserve's funding source to reflect the excess of revenues and recoveries over expenditures after other fund transfers, rather than budget variances, would be more aligned with this status.</p>	<p>Approve the change to the reserve's approved funding source as shown in Attachment 2.</p> <p>Make changes to the Reserves Template, as outlined in Attachment 2, to increase the clarity of the document and improve its usability.</p>

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2017 (in thousands)	General Comments (\$ in thousands)	Recommendation(s) (\$ in thousands)
Corporate Housing Reserve	20	Capital	\$30,383	<p>This reserve is used to support the development of affordable rental, social and special needs housing infrastructure and to manage operating costs associated with affordable housing initiatives.</p> <p>It is funded through certain real-estate related financing sources, a municipal subsidy, investment income, lease revenues, and third party donations, grants and contributions.</p> <p>A review of reserve activities has found them to be appropriate and compliant with the reserve's requirements.</p> <p>A portion of RFC PAYG funding from 2017 was double-counted in this reserve's current activity table, and should be removed; this was an in-and-out transaction and had no effect on the ending balance.</p>	<p>Approve the restatement of balances, shown in Attachment 2, to remove an incorrectly included PAYG transfer.</p> <p>Approve clerical revisions to the reserve's authorizing documents and conditions, as shown in Attachment 2, to improve usability and clarity.</p> <p>Re-examine this reserve in 2019 in light of potential changes relating to the Housing Incentive Program that may be approved as part of the One Calgary budget process.</p>
Downtown Improvement Fund	23	Capital	\$3,050	<p>The Downtown Improvement Fund assists in the implementation of public improvement projects in the Centre City. Reserve funds may be used to help fund operating maintenance costs of specialty assets in the Centre City.</p> <p>The reserve is funded by license fees charged to commercial users of public rights-of-way, primarily pushcart and License of Occupation (LoO) revenues for street-level and Plus 15 areas; these revenues are then reinvested into the downtown area.</p> <p>The terms restrict funding contributions to \$300 per year, with the ability to accrue unspent amounts to future years. As the reserve is budgeted on a program basis, any spending under \$300 is typically accrued.</p> <p>A \$500 transaction recorded as a contribution to capital recorded in 2017 was actually a transfer to the RFC based on budget re-allocations made in 2013 and 2014.</p> <p>Other transactions and activities were found to be appropriate.</p>	<p>Approve a change to the reserve's conditions, effective 2017, to establish a four-year limitation on carry-forwards, and to the reserve's Current Activity table to clearly show how much accrued carry-forward is available to the reserve's owners.</p> <p>Approve a change to the Current Activity table, as shown in Attachment 2, to correctly identify \$500 in spending in 2017 as a transfer to another reserve.</p>

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2017 (in thousands)	General Comments (\$ in thousands)	Recommendation(s) (\$ in thousands)
LED Street Light Re-Lamping Reserve	25	Capital	\$9,123	<p>This reserve is financed using savings arising from energy efficiency benefits of LED re-lamping. These savings are then reinvested into further re-lamping.</p> <p>The City recently completed a large LED Street Light Re-lamping project, which was accelerated due to the downturn and concluded in 2.5 years instead of four. Electrical savings (in kWh) of approximately 40% resulted from this change, leading to significant contributions to this reserve.</p> <p>In practice, this reserve was funded using budget surpluses. As budgets were revised down over time to take into account cost savings, contributions were slightly less than anticipated. This did not affect the successful completion of the re-lamping project. Otherwise, spending and funding were in accordance with reserve terms.</p> <p>With the Re-lamping project complete, this reserve has served its primary purpose. Roads has established a capital spending plan to draw down the remainder of the funds in this reserve.</p>	<p>Formally redefine the reserve's funding to budget surpluses rather than electricity savings, as shown in Attachment 2.</p> <p>Cease funding to this reserve effective after this year and authorize its closure once it has been depleted, expected by the end of 2019.</p>
Parking Land Acquisition Reserve	26	Capital	\$41,719	<p>The purpose of the reserve was initially to fund land purchases to be used for parking facilities in suitable locations in the Downtown.</p> <p>Two additional special projects, relating to innovative TOD and living street programs, were also approved by Council.</p> <p>As the cash-in-lieu program has been concluded and new Downtown Parking Strategy has been approved, Council stipulated that this reserve should be closed once the two approved special purpose projects were finished.</p> <p>The two special purpose projects are now completed and the reserve has met its purpose. This reserve is therefore recommended for closure in accordance with prior Council direction.</p>	<p>Authorize closure of this reserve and the transfer of the remainder of its balance to the newly created Cash-in-Lieu Lifecycle Sustainment Reserve.</p>
Cash-in-Lieu Lifecycle Sustainment Reserve (PROPOSED)	28	Sustainment	\$0	<p>Council directed Administration to create a process, in conjunction with the Calgary Parking Authority (CPA) and The City's Reserve policies, to enable CPA to access funds from the Parking Land Acquisition Reserve to support lifecycle requirements for existing cash-in-lieu parking facilities.</p> <p>This Cash-in-Lieu Lifecycle Sustainment Reserve, funded by the closing balance of the Parking Land Acquisition Reserve, will serve that purpose.</p>	<p>Authorize the creation of this reserve, with purpose, conditions, restrictions, and funding sources as detailed in Attachment 2.</p> <p>Approve the addition of this reserve to the 2020 Triennial Reserves Review schedule, to be reviewed at the same time as the Parking Revenue Reinvestment Reserve.</p>

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2017 (in thousands)	General Comments (\$ in thousands)	Recommendation(s) (\$ in thousands)
Budget Savings Account	29	Sustainment	\$157,334	<p>This reserve was created to encourage and provide incentives for business units to seek savings, innovations, and efficiencies, and to set aside funding for a Community Economic Resiliency Fund ("CERF") to be used to freeze fees, fund non-profits and business units, and provide direct economic stimulus.</p> <p>A review of a sample of reserve transactions determined that they were consistent with the reserve's terms and conditions.</p> <p>The BSA reserve accepts all departmental favourable operating variances, with Council and corporate program variances placed into the FSR.</p> <p>Most economic recovery expenditures were funded through BSA-CERF. Some were also funded through the main BSA and the FSR. In all cases, this was as approved by Council.</p> <p>In practice, the provision for 100% corporate use of contributions is used to mitigating the effects of an economic downturn. These effects are not necessarily limited to the duration of the downturn itself, and can continue after the economy has begun to recover.</p>	<p>Approve changes to the reserve template, as outlined in Attachment 2, to clarify the relationship between Corporate use of reserve funds and impact-mitigation for economic downturns.</p> <p>Approve the review of the relationship between this reserve and the Fiscal Stability Reserve as part of the 2019-2022 business cycle review of CFOD reserve and budget policies.</p>

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2017 (in thousands)	General Comments (\$ in thousands)	Recommendation(s) (\$ in thousands)
Real Estate Services Reserve	31	Sustainment	\$70,796	<p>This reserve is used to finance the acquisition and development of land by the Real Estate & Development Services business unit. Using this reserve's funds, REDS improves and develops lands to meet Municipal purposes and for resale. The reserve is self-sustaining, as the proceeds arising from the sale of improved lands are re-invested.</p> <p>The review determined that the reserve was used in accordance with its purpose, conditions and restrictions, and funded in accordance with its approved funding sources.</p> <p>It was determined that a portion of funding in this reserve, relating to the Bridges Project, is tracked separately as a General Hospital Legacy Endowment Fund and was authorized to receive investment income. As these funds are presently being used to manage RE&DS development activities in the Bow Valley Centre (General Hospital) land area, they are appropriately contained within the Real Estate Reserve until the conclusion of the Bridges Project.</p>	<p>Approve changes to the Reserves Template as shown in Attachment 1 to provide improved transparency, disclosure and tracking of funds relating to the General Hospital Legacy Endowment Fund.</p> <p>Authorize the allocation of interest income to the portions of the reserve that relate to the Bridges Project/General Hospital Legacy Endowment Fund.</p>

2017 Follow-Up Reserve Comments and Recommendations

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2017 (in thousands)	General Comments (numerical values in thousands)	Recommendation(s) (numerical values in thousands)
Golf Course Reserve	33	Sustainment	\$2,777	<p>As part of the 2017 Triennial Reserves Review, Administration identified a Notice of Motion arising from report CPS2017-0159 that directed Administration to return to Council with certain information and alternatives related to The City's Golf Courses.</p> <p>Accordingly, Administration committed to follow up on this as part of the 2018 Triennial Reserve Review and determine whether any changes are required to this reserve.</p> <p>As there were no significant changes to the golf course's operating model, no further actions are required.</p>	No recommendations.

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2017 (in thousands)	General Comments (\$ in thousands)	Recommendation(s) (\$ in thousands)
Fleet Services Reserve	34	Capital	\$10,933	<p>As part of the 2017 Triennial Reserves Review, Administration identified that the Fleet Services business unit was in the process of developing expenditure plans using this reserve.</p> <p>Accordingly, Administration committed to follow up on this as part of the 2018 Triennial Reserve Review.</p> <p>Fleet Services has developed a capital plan for the use of this reserve, and anticipates withdrawing \$10,000 over the course of 2018 and 2019 to use for the acquisition of fleet vehicles in preference to debt.</p> <p>As a capital plan has been created, no further actions are required.</p>	No recommendations.

Calgary Heritage Authority Reserve

Operating Reserve (\$000s)

\$ 1,772
(2017)

Authorization: PFC2012-0159 and PFC2015-0917.

Purpose: Provide financial operating resources for the overall activities and responsibilities of the Calgary Heritage Authority ("CHA").

Conditions: Reserve will maintain a minimum, protected balance of \$1,338. **This is the value of the initial funding and establishing endowment principal amount for this reserve's predecessor, the Calgary Heritage Authority Legacy Endowment Fund; refer to Funding Sources for additional information.**

Restrictions: Funds are to be used at the sole discretion of the Calgary Heritage Authority to support their activities as mandated by the Calgary Heritage Authority Act.

Related Budget Program: Operating Program: #610 Calgary Growth Strategies (formerly #610 City Wide Policy & Integration) on behalf of the CHA.

Funding Sources: The opening balance of this reserve is funded through the transfers from the CHA Legacy Endowment Fund (original funding from sale of unused density from fire hall #1 site) and transfers from the Heritage Preservation Fund. Investment income earned on the balances in this reserve will provide future funding.

Investment income: X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	1,765	1,770	1,736	1,698	1,664
Investment Income	55	40	43	38	34
Contribution to operations	(48)	(45)	(9)	-	-
Closing balance	<u>1,772</u>	<u>1,765</u>	<u>1,770</u>	<u>1,736</u>	<u>1,698</u>

Closing balance consists of:

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Principal	1,338	1,338	1,338	1,338	1,338
Accumulated net interest	434	427	432	398	360
Closing balance	<u>1,772</u>	<u>1,765</u>	<u>1,770</u>	<u>1,736</u>	<u>1,698</u>

Source Contacts: **Business Unit –** Calgary Growth Strategies
Financial Lead – S. Mackenzie, Finance Lead
Operational Lead – J. Mueller, Manager, City Planning and Policy Services

Review Schedule: Last Review: 2015 Next Review: 2018

Children's Reserve Fund

Operating Reserve (\$000s)

\$ 4,723
(2017)

Authorization: C2000-07, FCS2004-22, CPS2008-87, FCS2010-19, FCS2011-34, PFC2012-0606 and PFC2015-0917.

Purpose: To support access for low-income families and their children (up to 18 years of age) or directly for low income children, to programs which will enhance their social well-being (including arts, recreation and sports programs).

Conditions: Administration may use up to 100% of the annual interest earned to help fund operating programs for children and youth. Interest earned not used in a year can be carried forward into future years.

Restrictions: ~~None.~~ As per purpose and conditions.

Related Budget Program: Operating Program: #421 Calgary Neighbourhoods

Funding Sources: As per Report FCS2004-22 in 2004 all funds from the Emerging Social Issues Reserve have been transferred to a new Children's Reserve Fund. Other sources are at the discretion of Council.

Investment income: X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	4,693	4,605	4,605	4,595	4,502
Investment Income	150	105	115	101	93
Contribution to Recreation/Calgary Neighbourhoods	(120)	(17)	(115)	(91)	-
Closing balance	<u>4,723</u>	<u>4,693</u>	<u>4,605</u>	<u>4,605</u>	<u>4,595</u>

Closing balance consists of:

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Principal Amount	4,502	4,502	4,502	4,502	4,502
Accumulated Net Investment Income	221	191	103	103	93
Closing balance	<u>4,723</u>	<u>4,693</u>	<u>4,605</u>	<u>4,605</u>	<u>4,595</u>

Source Contacts: **Business Unit – Calgary Neighbourhoods**
 Financial Lead – J. Salazar, Finance Lead
 Operational Lead – ~~K. Black~~ M. Hulsker, Director

Review Schedule: Last Review: 2015 Next Review: 2018

ENMAX Dividend Stabilization Reserve\$ 20,000
(2017)

Operating Reserve (\$000s)

Authorization: NM 2012-05**Purpose:** To provide an operating reserve to stabilize the ENMAX dividend for any budget shortfall, as ENMAX dividend varies from year to year.**Conditions:** Fund balance cannot exceed \$20,000 in total.**Restrictions:** Reserve is a contingency to fund shortfalls in the ENMAX dividend compared to budget.**Related Budget Program:** Operating Program: #860 General Revenue**Funding Sources:** 50% of the ENMAX dividend received in excess of the annual budget, to be transferred to this reserve, to a maximum of \$20,000.Investment income: ____ Yes X No**Special Reporting Requirements:** None.**Current Activity (\$000s):**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	20,000	20,000	16,450	10,100	-
Contributions from operations	-	-	3,550	6,350	10,100
Closing balance	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>16,450</u>	<u>10,100</u>

Source Contacts:

Business Unit –	Corporate Revenue & Costs
Financial Lead –	C. Fung, Corporate Finance Lead
Operational Lead –	T. Nguyen J. Kwong, Finance Manager

Review Schedule: Last Review: 2015 Next Review: 2018

Family & Community Support Service (“FCSS”) Stabilization Fund \$ 4,361
Operating Reserve (\$000s) (2017)

Authorization: CS95-21, ~~CS008~~, CPS98-12, CPS2003-26, FCS2004-22, CPS2009-09, CPS2011-19 and PFC 2015-0917.

Purpose: The reserve is used to:

- Cover any shortfalls in case the Provincial FCSS allocation of funds is less than expected at any given year;
- Respond to emerging social issues; and
- Support clearly defined capacity-building initiatives as per Council’s Policy of FCSS.

Conditions: Agencies wishing to access funds, must meet the requirements stated above under Purpose. In addition, they are required to complete an application. Administration will review the application and ~~may~~ consult with community partners to determine the project’s impact and viability.

Restrictions: As per purpose.

Related Budget Program: Operating Program: #421 Calgary Neighbourhoods

Funding Sources:

1. Unexpended or surplus funds from previously allocated ongoing and one-time contributions.
2. Any increase to the provincial or municipal portion of the FCSS budget announced after Council’s approval of allocation for the year.

Investment income: X Yes No

Special Reporting Requirements: ~~None~~
~~Annual review by Community & Neighbourhood Services, as described under conditions.~~

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	5,504	5,704	3,710	3,688	3,348
Contributions from operations	513	2,605	2,630	1,474	1,894
Contributions to operations(1)	(1,805)	(2,897)	(636)	(1,452)	(1,554)
Investment income	149	92	-	-	-
Closing balance	4,361	5,504	5,704	3,710	3,688

- (1) ~~As per CPS2011-19, Council approved an annual transfer of \$1,000 from the FCSS Stabilization Fund. Administration is to use the funds on a one-time basis as per the purpose above.~~ In 2015, Council approved the annual transfer amount of \$500 as per CPS2015-0150. An additional transfer of \$2,100 was approved by Council in 2016, as per CPS2016-0036, to be allocated to 72 funded agencies. As per CPS2016-0827 Council approved \$1,000 to be accessed from the FCSS Stabilization Fund in 2017 for the purpose of funding organizations for one-time capacity building projects and emerging issues. An additional \$500 was withdrawn as per CPS2016-0397 for the purposes of maintaining contribution to the FCSS program budget. \$305 in 2016 approved funds were extended and paid in 2017.

Source Contacts: **Business Unit –** **Calgary Neighbourhoods**
 Financial Lead – J. Salazar, Finance Lead
 Operational Lead – ~~P. Yung M. Hulsker~~, Manager

Review Schedule: Last Review: 2015 Next Review: 2018

Fiscal Stability Reserve

Operating Reserve (\$000s)

\$ 573,721
(2017)

Authorization: Mill Rate bylaw 20M79, C2005-04 and FCS2007-45.

Purpose: Prior to January 2005, the reserve was used to stabilize tax increases from year to year in order to balance operating budgets without large tax increases; planned contributions from the reserve ~~are~~ **were** made as required and operating surpluses ~~are~~ **were** returned to the reserve. After January 2005, the reserve has been mandated to serve the following purposes:

- A contingency fund for operational emergencies, urgent or contingency capital expenditures, and to compensate for unplanned revenue reductions with significant financial impacts; and
- Investment income from the reserve would be used to fund one-time operating budget expenditures.

Conditions: As per report FCS2007-45, the reserve must maintain a minimum balance of 5% of The City's tax-supported gross expenditures (net of recoveries) and the Fiscal Stability Reserve ("FSR") target balance is set at 15% of The City's tax supported gross expenditures (net of recoveries).

Restrictions: As per purpose.

Related Budget Programs: Operating Program: #856 Taxation
#860 General Revenue

Funding Sources: Council approved annual tax supported operating surpluses transferred to the reserve, and investment income earned on reserve funds. As per report FCS2007-45, Council approved previously committed one-time contingent funds that are no longer required for their original purpose, such as recoveries from provisions for tax losses, legal claims or environmental provisions.

Investment income: X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u> (Restated)	<u>2014</u>	<u>2013</u>
Opening Balance	556,561	547,811	443,371	365,460	294,985
Surplus (Previous year)	-	-	-	-	31,258
Surplus (Current year) ⁽¹⁾	80,955	37,731	59,026	27,490	8,159
Investment income	16,651	12,319	11,465	8,504	6,855
Net contribution (to) operations	(78,449)	(21,728)	(14,359)	(27,106)	(17,370)
Net contribution (to) from capital ⁽²⁾	(7,824)	(1,382)	4,892	(16,310)	-
Funding contribution from operations ⁽³⁾	16,793	10,945	55,809	84,713	45,073
Transfers (to)/from other reserves ⁽⁴⁾	(10,966)	(29,135)	(12,393)	620	(3,500)
Closing balance ⁽⁵⁾	573,721	556,561	547,811	443,371	365,460

- (1) Due to a change in policy commencing 2013, the current year surplus is included to more appropriately reflect the funds in the FSR. In years prior, the current year surplus used to be shown as a separate item called Unappropriated Surplus in the Reserves Report.
- (2) 2017: Contribution to capital consists of \$5,342 for City's resiliency projects and \$2,482 for Utilities flood expenditures.
2016: Consists mostly of contribution to capital for Utilities flood expenditures.
2015: Excess insurance receipt of \$4,892 transferred back to FSR.
2014: Net contribution to capital relates to expenditures for flood resiliency projects and other flood related projects incurred as a result of the 2013 flood.
- (3) ~~Funding contribution from operations is from the transfer of various unspent contingency funds, for example, the Property and Business Tax contingent fund unrequired Property Tax and Business Tax contingencies.~~
- (4) Transfer (to)/from other reserve:
2017: As per C2017-0370, transfer funds to Economic Development Investment Fund ("EDIF") of (\$10,000); transfer funds to various business units' through "FSR flow through reserves" (\$1,374); transfer of \$350 from Economic Development and Policy Co-ordination ("EDPC") year-end surplus to fund future Council Innovation Fund; transfer of \$58 from Budget Savings Account ("BSA") Reserve for 2016 over-contribution to BSA.
2016: As per report C2014-0863, transfer funds from FSR to Roads Snow and Ice Control ("SNIC") of (\$5,000); funding to capital budget program 639 of (\$900), for the Decidedly Jazz Dance Centre Project; transfer of funds from FSR to various business units' flow through FSR (\$23,235).
2015: As per report C2014-0863, transfer funds from FSR to Roads SNIC of (\$5,000), transfer funds from FSR to various business units' flow through FSR (\$7,393). **Transfer (to) other reserves include a \$300 internal loan to facilitate the relocation of the McHugh House (C2014-0188).**
2014: As per report C2014-0863, \$620 of unallocated funds transferred from the Council Innovation Fund.
2013: As per report PFC2012-0045, transfer of funds from FSR to Roads SNIC of (\$3,500).
- (5) Committed amounts in the closing balance total \$135,090 consisting of: \$26,960 one-time approved council items, \$107,630 of balance remaining for Flood Commitment, and \$500 of balance remaining for land-related matters (VR2017-0029). Closing balance ratio to tax supported gross expenditures (net of recoveries) after committed amounts is 11.2% before current year surplus and 13.8% including current year surplus. **The minimum level to be maintained in the reserve is \$159,475.**

Source Contacts:

Business Unit –
Financial Lead –
Operational Lead –

Finance

T. Nguyen, Finance Manager, Corporate Budget Office
C. Male, City Treasurer

Review Schedule:

Last Review:

2015

Next Review:

2018

Group Life Reserve

Externally Restricted Operating Reserve (\$000s)

\$ 1,725
(2017)

Authorization: FB95-92, Group Policy No. 127 and PFC2012-0606.

Purpose: To satisfy contractual obligations under the Group Life benefit contract between The City and Great West Life ("GWL").

Conditions: As per purpose.

Restrictions: Under the terms of the contract, The City must maintain a reserve balance comprised of two activities: 1) Incurred but Not Reported ("IBNR") for claims incurred by employees in the current year but not reimbursed by the plan until the following year. The IBNR portion of the reserve is equal to 12% of the annualized Refund Billed Premium based on the last month of the policy year; and 2) a Claims Fluctuation reserve ("CFR") balance equal to 25% of the Refund Billed Premium for the last complete policy year.

Related Budget Program: Operating Program: #787 Employee Benefits

Funding Sources: Operating Budget Program: #787 Employee Benefits

Investment income: X Yes No

Special Reporting Requirements: Quarterly financial reports and annual Core Plan financial statements for the City management and MEBAC executive. The financial statements are subject to an external audit every four years effective 2014.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	1,685	1,580	1,494	1,338	1,253
Investment income	53	36	37	29	25
Contributions from/(to) Operations	(13)	69	49	127	60
Closing balance	<u>1,725</u>	<u>1,685</u>	<u>1,580</u>	<u>1,494</u>	<u>1,338</u>

Source Contacts:

Business Unit –	Finance
Financial Lead –	D. Christensen, Finance Leader, Benefits Finance
Operational Lead –	G. Wiebe, Finance Manager, Corporate Financial Reporting

Review Schedule: Last Review: 2015 Next Review: 2018

Health, Safety and Wellness Reserve

Operating Reserve (\$000s)

\$ 18,813
(2017)

Authorization: FB94-126, FB98-64, FCS2006-32 and FCS2010-10.

Purpose: To fund preventive and proactive health, safety and wellness programs as part of The City's ongoing commitment to the safety, health and wellness of employees.

Conditions: ~~Environment & Safety to report annually to the S.P.C. on Utilities and Environment on safety compliance and performance. Human Resources provides an annual report to the Human Resources Client Council ("HRCC") on health and wellness expenditures and outcomes.~~

Future Workers Compensation Board ("WCB") rebates and dividends will be allocated 75% to the Health, Safety and Wellness (HSW) Reserve and 25% to ~~Employee Benefits program general revenue~~. The Human Resources and Environment & Safety Management business units share responsibility for the HSW Reserve. Each business unit manages and reports independently on its portion which is derived from half of the 2008 opening balances plus half of the annual contributions to the reserve.

Restrictions: As per purpose.

Related Budget Program: Operating Program: #787 Employee Benefits

Funding Sources: A portion of the \$1,600 received in 1994 from the Workers Compensation Board ("WCB") as a result of increased diligence in the management of WCB claims. Effective 1998, funding will be received (\$600 per year) through an increase to the employee benefit rate. ~~A portion~~ 75% of WCB rebates and dividends to The City are also transferred to the reserve.

Investment income: ____ Yes X No

Special Reporting Requirements: ~~None.~~
Environment & Safety to report semi-annually to the S.P.C. on Utilities and Corporate Services on safety compliance and performance. Human Resources provides an annual report to the Human Resources Client Council (HRCC) on health and wellness expenditures and outcomes.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	-15,984	-13,271	-10,975	-7,566	-7,166
Contributions from operations:					
Employee benefits rate	—600	—600	—600	—600	—600
WCB	-4,890	-5,119	-4,870	-4,928	-1,183
Contributions to operations	<u>-(2,661)</u>	<u>-(3,006)</u>	<u>-(3,174)</u>	<u>-(2,119)</u>	<u>-(1,383)</u>
Closing balance	<u>-18,813</u>	<u>-15,984</u>	<u>-13,271</u>	<u>-10,975</u>	<u>-7,566</u>

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	15,984	13,271	10,975	7,566	7,166
Contributions from operations:					
Employee benefits rate	600	600	600	600	600
WCB Rebate	636	600	573	548	600
WCB Return on Investment	4,255	4,519	4,296	4,381	583
Contributions to operations					
Safety (ESM)	(1,779)	(1,977)	(1,776)	(940)	(638)
Health & Wellness (HR)	<u>(882)</u>	<u>(1,030)</u>	<u>(1,397)</u>	<u>(1,179)</u>	<u>(746)</u>
Closing balance	<u>18,813</u>	<u>15,984</u>	<u>13,271</u>	<u>10,975</u>	<u>7,566</u>

Closing balance attributable to:

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Safety (ESM)	8,744	7,778	6,895	5,936	4,112
Health & Wellness (HR)	<u>10,069</u>	<u>8,206</u>	<u>6,376</u>	<u>5,039</u>	<u>3,454</u>
Closing balance	<u>18,813</u>	<u>15,984</u>	<u>13,271</u>	<u>10,975</u>	<u>7,566</u>

Source Contacts:

Business Unit –
Financial Lead –

Operational Lead

Human Resources

~~T. Nguyen, Acting Finance Manager~~ E. Galindo, Finance Lead
~~M. Lavalee L. Shikaze, Director~~

Business Unit –
Financial Lead –
Operational Lead –

Environment & Safety Management

F. Tse, Finance Lead
C. Collier, Director

Review Schedule:

Last Review:

2015

Next Review:

2018

Heritage Incentive Reserve

Operating Reserve (\$000s)

\$ 1,205
(2017)

Authorization:	FB2002-27, FCS2004-15, FCS2004-20, PFC2012-0159 and PFC2015-0917.
Purpose:	<p>To fund the implementation of the Heritage Incentive Program which began in 2003.</p> <p>Grants are provided to non-city owned municipal historic resources to:</p> <ul style="list-style-type: none">• Promote the rehabilitation and economic re-use of buildings designated as Municipal Historic Resources under the Historical Resources Act of Alberta ("HRA").• Address inequities that property owners assume when rehabilitating buildings designated under the HRA.• Revitalize and rehabilitate derelict or underutilized heritage buildings.• Revitalize older communities and commercial districts.
Conditions:	Specific Conditions relating to use of the reserve with respect to the grant application process, payment process, and sign requirements are detailed in report PFC2012-0159.
Restrictions:	<p>There shall be a maximum expenditure of 50% of the approved project costs or 15% of the current assessed value of the property; whichever is the lesser, except for special circumstances approved by Council. All grants may be paid out in a single payment or over the course of a 5-year period.</p> <p>Applications may be accepted every five years but the total grant amount cannot exceed 50% of the approved project costs or 15% of the current assessed value of the property; whichever is the lesser, every 15 years except for special circumstances approved by Council.</p>
Related Budget Program:	Operating Program: #610 Calgary Growth Strategies (formerly #610 City Wide Policy & Integration)
Funding Sources:	<p>To be funded annually from operating budget #610 Calgary Growth Strategies (formerly #610 City Wide Policy & Integration). Prior to 2014, it was funded by operating budget #616 Land Use Planning & Policy (formerly #611 Planning & Transportation Policy).</p> <p>Investment income: <u> X </u> Yes <u> X </u> No</p>
Special Reporting Requirements:	None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	965	1,087	1,369	1,283	1,185
Contributions from operations	525	225	225	225	225
Contributions to operations	(285)	(347)	(507)	(139)	(127)
Closing balance	<u>1,205</u>	<u>965</u>	<u>1,087</u>	<u>1,369</u>	<u>1,283</u>

Source Contacts: **Business Unit –** **Calgary Growth Strategies**
 Financial Lead – S. Mackenzie, Finance Lead
 Operational Lead – J. Mueller, Manager, City Planning & Policy Services

Review Schedule: Last Review: 2015 Next Review: 2018

Mall Programming Fund

Operating Reserve (\$000s)

\$ 813
(2017)**Authorization:** OE2001-03 and PFC2012-0606.**Purpose:** To maintain and supplement activities and programs on Stephen Avenue Mall, specifically in the 300 west block between Bankers Hall and Toronto Dominion Square.**Conditions:** Funds are to be managed by the Mall Programming Fund Management Committee ("MPFMC") comprising of a representative from Gentra/Brookfield, Oxford Properties, the Calgary Downtown Association, and The City, with The City representative as chairman.**Restrictions:** The MPFMC is authorized to approve expenditures that utilize the investment income earned by the Fund while any expenditure involving the principal of the Fund is subject to Council approval.**Related Budget Program:** Operating Program: #651 Urban Strategy (formerly #612 Local Area Planning & Implementation)**Funding Sources:** The developer of Bankers Hall was required to pay \$850 to establish the Fund. The interest earned on the initial contribution will be used for programming activities on the 300-west block on Stephen Avenue. Interest income can be carried forward if not spent in the year which it was earned.Investment income: X Yes No**Special Reporting Requirements:** None.**Current Activity (\$000s):**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	788	770	754	744	1,017
Investment income	25	18	18	16	18
Contributions to capital financing	-	-	(5)	(6)	(291)
Contributions to operations	-	-	3	-	-
Closing balance	<u>813</u>	<u>788</u>	<u>770</u>	<u>754</u>	<u>744</u>

Closing balance consists of:

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Principal Amount	688	688	688	688	688
Accumulated Net Investment Income	125	100	82	66	56
Closing balance	<u>813</u>	<u>788</u>	<u>770</u>	<u>754</u>	<u>744</u>

Source Contacts: **Business Unit –** **Urban Strategy**
 Financial Lead – M. Fung, Finance Lead
 Operational Lead – J. Tang, Program Manager

Review Schedule: Last Review: 2015 Next Review: 2018

Self-Insurance Reserve

Operating Reserve (\$000s)

\$ 7,000
(2017)

Authorization: FB86-130, FB94-26, FCS2010-19, PFC2012-0606 and PFC2015-0917.

Purpose: All activities undertaken by The City are covered under the Civic Insurance Program using common insurance industry principles. This program is comprised of purchased insurance coverage as well as a self-funded component for any losses not covered by the purchased policy. This reserve is utilized to offset any large claim against The City either in excess of a purchased policy limit or a loss that is not covered by any insurance policy.

The City is self-insured pursuant to section 825 of the Insurance Act of Alberta for auto.

Outside insurance coverage exists for claims exceeding established self-insurance retention levels for:

- a) Auto and general liabilities
- b) Property – insured on statement of value approximately \$10,058,708

Conditions: To be compliant with regulatory requirements a minimum of \$2,000 with the Self-Insurance Reserve must be allocated specifically to address auto liabilities.

In order to self-insure auto liability, The Alberta Insurance Act requires The City to maintain a separate fund.

Interest is only earned up to the amount required to maintain a reserve balance of \$7,000.

Restrictions: The reserve only funds losses in excess of \$500.

Related Budget Programs: Operating Program: #858 Investment Income
#810 Law Program

Funding Sources: Contributions from operations, subject to Council's budget approval.

Investment income: X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	7,000	7,000	7,000	7,000	7,000
Contributions to operations	-	-	-	-	-
Investment income	-	-	-	-	-
Closing balance	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>

In addition to the closing balance above, a liability has been accrued to help cover the cost of various claims and lawsuits brought against The City in the ordinary course of business.

Administration provides an annual report to the Audit Committee on the Risk Management and Claims Division's information on the number of claims per year and claims paid per year. This confidential report is presented to the Audit Committee every year.

The reserve is only used when necessary and has not been used for the periods reported above.

Source Contacts:	Business Unit –	Law
	Financial Lead –	T. Topping, Finance Lead
	Operational Lead –	P. Corbeil, Manager, Risk Management & Claims
Review Schedule:	Last Review:	2015
		Next Review: 2018

Snow and Ice Control (“SNIC”) Reserve

\$ 12,482
(2017)

Operating Reserve (\$000s)

Authorization: PFC2012-0045 and C2014-0863.

Purpose: Council directed Administration to establish a SNIC reserve during the 2012-2014 Business Plan and Budget debates. The reserve shall be used ~~exclusively~~ by ~~the Roads Business Units~~ business units to supplement ~~its~~ **their** annual SNIC budgets in order to maintain Council’s approved SNIC policy during years with above average severity (the number of snow events and a combination of snow, temperature and wind). The eligible expenditures are those activities as defined in the Council Policy on Snow and Ice Control (LPT2011-57).

Calgary Transit’s contribution to this reserve may be used by Transit or Roads for eligible expenditures, in accordance with the Memorandum of Understanding between Calgary Transit and Roads dated 2018 October 1 and as defined in the Council Policy on Snow and Ice Control (LPT2011-57), to ensure the safety and mobility of Calgary Transit customers, pedestrians, cyclists and vehicles.

Conditions: If the reserve fund is depleted to zero in a future year, Administration will advise Council.

Fund balance cannot exceed \$15,000 per C2014-0863.

Restrictions: ~~As stated above.~~ Withdrawals from the Roads-funded portion of this reserve by business units other than Roads require approval by the Reserve Operational Lead.

Related Budget Program: Operating Program: #132 Roads
#110 Calgary Transit

Funding Sources: The reserve will be replenished from any surplus in Roads’ SNIC budget in winters with below average severity. Contributions of \$5,000 per year for 2015 and 2016 to the reserve from the Fiscal Stability Reserve (“FSR”) was approved in Action Plan 2015-2018.

The reserve may be replenished from any surplus from Calgary Transit’s snow removal priority accessibility budget.

In situations where a full contribution from both the Roads and Calgary Transit budget surpluses would cause the reserve to exceed its maximum balance, Roads’ surplus shall be contributed to the reserve first.

Roads will work with Finance at the end of ~~March~~ April and December of each year to determine the required draw or replenishment of funds to the SNIC Reserve. Roads’ SNIC budget will not be adjusted in order to maintain the established baseline budgets.

Investment income: ____ Yes X No

Special Reporting Requirements: The terms of reference will be reviewed prior to the beginning of each business planning and budget cycle.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	15,000	8,940	-	4,141	3,220
Contributions from (to) operations	(3,437)	1,060	2,050	(4,141)	(2,579)
Contribution from Calgary Transit	919	-	1,890	-	-
Contribution from FSR	-	5,000	5,000	-	3,500
Closing balance	<u>12,482</u>	<u>15,000</u>	<u>8,940</u>	<u>-</u>	<u>4,141</u>

Closing balance attributable to:

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Roads	12,482	15,000	8,940	-	4,141
Calgary Transit	-	-	-	-	-
Closing balance	<u>12,482</u>	<u>15,000</u>	<u>8,940</u>	<u>-</u>	<u>4,141</u>

Source Contacts: **Business Unit – Roads**
 Financial Lead – L. Wong, Finance Lead
 Operational Lead – B. Biensch, Maintenance Manager

Review Schedule: Last Review: 2015 Next Review: 2018

Asphalt and Crusher Plant Lifecycle Capital Reserve

Capital Reserve (000's)

\$ 6,443
(2017)**Authorization:** FCS2010-10 and PFC2012-0606.**Purpose:** To finance ~~future~~ capital expenditures relating to Roads – Plants Operations as budgeted through The City's annual capital budget process or a specific Council approval. ~~under Council's specific or blanket approvals.~~**Conditions:** Funds must be used to finance capital expenditures relating to Roads - Plant Operations only.

As per report FCS2004-22, in 2004 this reserve will reflect only the funds available for capital improvement and not the inventory.

Maximum balance: \$7,500

~~Once this maximum balance is reached or if the balance is deemed sufficient to fund upgrade work within the four year business cycle, a portion or all of annual budget surplus plant generates could go to fund additional paving projects at the discretion of the Director of Roads.~~**Restrictions:** Funds are to be used as per the purpose outlined above.**Related Budget Program:** Operating Program: #132 Roads
Capital Program: #128-136 Plants Capital**Funding Sources:** ~~All or a portion of any Roads – plants & paving operating budget surplus, Proceeds from sale of surplus Roads – Plants assets, depreciation on plant assets and interest income , and any excess of Roads – Plants revenues or recoveries over expenditures after other fund transfers. Where the reserve has reached its maximum balance, or if the balance of the reserve is deemed sufficient by the Director of Roads to fund Plants upgrade work within the four-year business cycle, Roads may elect to withhold all or a portion of the contributions to this reserve.~~Investment income: X Yes No**Special Reporting Requirements:** None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	7,500	6,367	5,363	7,500	6,459
Investment Income	156	107	60	119	76
Contributions to capital financing	(1,213)	(910)	(1,056)	(2,256)	(2,272)
Contributions from operations	-	1,936	2,000	-	3,237
Closing balance	6,443	7,500	6,367	5,363	7,500

Source Contacts: **Business Unit – Roads**
 Financial Lead – L. Wong, Finance Lead
 Operational Lead – ~~L. Spoljarich~~ R. Trastanetz, Senior Plants Leader

Review Schedule: Last Review: 2015 Next Review: 2018

Corporate Housing Reserve

Capital Reserve (\$000s)

\$ 30,383
(2017)

Authorization: FB99-62, CPS2002-57, LAS2000-206, CPS2004-55, FCS2004-58, ~~LPT2007-64~~, FCS2010-10, PFC2012-0606 and LAS2013-06. Grant Funding Agreement 2007, 2008-2009 and 2009-2010, One Window Project Agreement 2017-2019.

Purpose: To support the development of affordable rental, social and special needs housing infrastructure and operating costs associated with affordable housing initiatives.

Conditions: In accordance with the terms of reference established for the reserve, the reserve will be used to support development initiatives that enhance or increase the supply of affordable rental and social/special needs housing. Municipal, non-profit, public and private organizations may be considered for funding, individually or as part of partnership/joint venture.

Funds contributed by a grant will be managed and used in accordance with the terms of the applicable grant agreement.

Restrictions: External - \$ 13,451 Internal - \$ 6,300

2% of reserve (up to \$50 maximum) is designated as an emergency fund for unanticipated costs related to The City's Homeless Strategy.

Unless approved by Council, funding cannot be used to support operating and social support services associated with affordable housing.

Related Budget Program: Operating Program: #495 Calgary Housing (previously #488 Land Servicing & Housing)
Capital Program: #489 Affordable Housing (previously #489 Public Housing)

Funding Sources:

- 1) The sale proceeds from selected City-owned properties that are surplus to the City's needs; sales proceeds from other City-owned properties not being used for affordable housing purposes and that are surplus to the City's needs shall be subject to Council approval through the Utilities and Corporate Services Committee (previously Land and Asset Strategy Committee – "LASC"); 5% of gross industrial land sales proceeds.
- 2) Lease revenues generated from the City-owned properties being utilized for current and future affordable housing initiatives.
- 3) Contribution of City funding (mill rate) for an amount equal to the amount previously paid in municipal subsidy agreements for provincially-owned public housing units.
- 4) Third party donations, grants and contributions from individuals, public and private organizations or agencies.
- 5) As approved in LA~~S~~2000-206, 20% of net eligible revenues generated from Real Estate & Development Services (previously Corporate Properties) Residential Portfolio be transferred annually to Corporate Housing Capital Reserve to fund municipally operated housing initiatives, and
- 6) Investment income.

Investment income: X Yes No

Special Reporting Requirements:

None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
			(Restated)		
Opening balance	29,885	38,531	36,073	34,105	46,749
Investment income	754	645	762	597	784
Contributions from operations ⁽⁴⁾	1,595	2,235	3,155	4,895	3,496
Contributions to operations ⁽³⁾	(1,026)	(8,242)	(403)	(647)	(1,554)
Contributions to debt repayment	(244)	(245)	(245)	(997)	(1,750)
Contributions to capital ⁽²⁾	(2,539)	(3,335)	(2,690)	(1)	(13,620)
Transfer (to)/from Reserve ⁽¹⁾	1,957	296	1,879	(1,879)	-
Closing balance	30,383	29,885	38,531	36,073	34,105

- (1) 5% of the Industrial Land sale revenue was contributed from operations which amount to \$1,957 in 2017, \$297 in 2016, \$3,215 in 2014, and \$1,313 in 2013. Also, in 2015 a correction was made to reclassify the AHCC mortgage payment of \$1,879 from contributions from operations to transfer between reserves. This correction is for the 2014 mortgage payment.
- (2) Contributions to capital: **2017:** ~~Rosedale (\$174)~~, Kingsland (\$699), Bridgeland (\$1,693), AH Pre-development (\$147); **2016:** Demolition at Louise Station (\$1,000), Kingsland (\$1,204), Bridgeland (\$1,080), AH Pre-development (\$51); **2015:** Construction with redesign of building and configuration for Kingsland (\$1,044) and demolition at Louise Station (\$1,646); **2014:** Completion of North Manchester (\$1); and **2013:** Construction of North Manchester (\$1,834), purchase of Bridges Site 155 units (\$11,558) and two housing projects (\$228).
- (3) Contributions to operation: **2017:** Includes funds used to fund the increased service around Implementation of The City of Calgary Corporate Affordable Housing Strategy (\$861); and **2016:** Includes funds transferred to Calgary Housing Company - purchase of East Village (\$8,000).

Source Contacts:

Business Unit –	Calgary Housing
Financial Lead –	M. Alarakyia, Finance Coordinator and S. MacFayden, Finance Manager
Operational Lead –	T. Goldstein, Manager

Review Schedule: Last Review: 2015 Next Review: 2018

Downtown Improvement Fund
Excluding Stephen Avenue Heritage Area Society Fund
Capital Reserve (\$000s)

\$ 3,050
(2017)

Authorization: OD85-120, OD87-113, FB94-93, M2007-009, LPT2008-74, PUD2012-03, PFC2012-0606 and PFC2015-0917.

Purpose: The Downtown Improvement Fund assists in the implementation of public improvement projects in the Centre City. Reserve funds may be used to help fund operating maintenance costs of specialty assets in the Centre City.

Conditions: Funds are to be used for high priority downtown improvement projects through the capital budget process. The annual maximum the reserve may fund is \$300 ~~plus any accrued carry-forward capital spending from previous years.~~ Unused capacity from a year may be accrued and carried forward for up to four years, including the year in which it was accrued.

Restrictions: Centre City is defined in the May 2007 Centre City Plan (page 33) and includes the Beltline.

Related Budget Program: Operating Program: #651 Urban Strategy (previously #612 Local Area Planning & Implementation)
Capital Programs: #152 Downtown Improvement
#126 – 176 Industrial Sidewalk Retrofit

Funding Sources: License fees charged to commercial users of public rights-of-way (OD84-45).

Funds included in approved capital projects set aside for extraordinary maintenance of specialty assets.

Investment income: X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	3,684	3,629	3,372	3,207	3,033
Investment income	107	83	87	73	65
Contribution from operations (P 651)	121	255	178	142	211
Contribution to capital	(362)	(283)	(8)	(50)	(102)
Transfer between reserves (1)	(500)				
Closing balance	3,050	3,684	3,629	3,372	3,207

Note 1: Transfer to the Reserve for Future Capital (RFC)

Carry-forwards available:	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening carry-forward	633	616	324	74	(124)
Annual spending limit	300	300	300	300	300
Annual expenditures	(862)	(283)	(8)	(50)	(102)
Prior year carry-forward used	362	283	8	37	139
Carry-forward accrued for this year	(200)	300	300	287	337
Carry-forwards lapsed from prior years	-	-	-	-	-
Accrued year-end carry-forward	71	633	616	324	74

Source Contacts: **Business Unit –** **Urban Strategy**
 Financial Lead – M. Fung, Finance Lead
 Operational Lead – J. Tang, Program Manager

Review Schedule: Last Review: 2015 Next Review: 2018

LED Street Light Re-Lamping Reserve

(formerly LED Traffic Signal Display Re-Lamping Reserve)
Capital Reserve (\$000s)

\$ 9,123
(2017)

Authorization: TTP 2002-44, PFC 2012-0606 and PFC2015-0917.

Purpose: To help finance initial capital expenditures for streetlight Light Emitting Diode ("LED") units and future lifecycle replacement of streetlights.

Conditions: Funds are to be used as per the purpose outlined above.

Restrictions: Funds are to be used as per the purpose outlined above.

Related Budget Programs: Operating Program: #132 Roads
Capital Programs: ~~#128-131 Traffic Signals-LED Relamp~~
#128-100 LED Streetlights

Funding Sources: Annual operating ~~contribution~~ budget surpluses from Roads – Street Lighting budget based on energy savings as a result of the streetlight LED replacement program.

Investment income: ____ Yes X No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	5,688	5,528	5,816	5,622	5,666
Contribution from operations	4,500	1,750	1,466	697	703
Contribution to capital	(1,065)	(1,590)	(1,754)	(503)	(747)
Closing balance	<u>9,123</u>	<u>5,688</u>	<u>5,528</u>	<u>5,816</u>	<u>5,622</u>

Source Contacts: **Business Unit – Roads**
Financial Lead – L. Wong, Finance Lead
Operational Lead – R. Seera, Traffic Operations Manager

Review Schedule: Last Review: 2015 Next Review: 2018

Parking Land Acquisition Reserve

Capital Reserve (\$000s)

\$ 41,719
(2017)

Authorization: LPT2006-13, C2008-61, LAS2009-45, FCS2007-26, PFC2012-0606, C2013-0509, TT2013-0124, TT2016-0204 and TT2017-0044.

Purpose: Enable Calgary Parking Authority to access the funds to support lifecycle requirements for existing cash-in-lieu parking facilities.

Council approved the following special purposes:

1. Allocate \$500 in 2013 and \$4,000 in 2014 from this reserve to Roads Program #127 to be used for Hillhurst/Sunnyside Transit Oriented Development project in Investing in Mobility.
2. Allocate \$100 in 2013 from this reserve to Roads Program #127 to be used as seed money for the Catherine Avenue Woonerf project to facilitate further design and cost estimates, conduct engagement and address land issues.

Conditions: As per purpose.

Restrictions: Funds are to be used as per the purpose outlined above.

Related Budget Programs: Capital Programs: #851 Future Downtown Infrastructure Land
#127-140 Various Street Improvements

Funding Sources: Prior to 2017, an annual allocation from monies received by The City from the Calgary Parking Authority to a cash-in-lieu of parking land acquisition fund. This allocation was \$500 per annum commencing in 2007 as well as any Calgary Parking Authority revenues received by the City in excess of budgeted levels plus any associated investment income earned on fund balances. Beginning in 2017, the reserve will no longer receive funding and the reserve will be used for the purpose identified above until the funds are exhausted.

Investment income: X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	40,772	38,215	32,657	24,688	19,991
Contributions from Calgary Parking Authority	-	3,876	5,928	7,639	4,276
Contribution to Parking Revenue Reinvestment Reserve	(1,688)	-	-	-	-
Contribution from Revolving Fund for General Land Purchases ⁽¹⁾	-	2,441	-	-	-
Contributions from/(to) capital financing	1,327	(4,636)	(1,180)	(248)	-
Investment income allocation	1,308	876	810	578	421
Closing balance	<u>41,719</u>	<u>40,772</u>	<u>38,215</u>	<u>32,657</u>	<u>24,688</u>

(1) Per C2008-61, this transfer was to purchase the portion of land not utilized by the District Energy Plant.

Source Contacts: **Business Unit –** **Calgary Transit & Transportation Infrastructure**
 Financial Lead – T. Johnson, Finance Lead

Business Unit – **Transportation Planning**
 Operational Lead – A. Sebjanic, Manager, Transportation Strategy

Review Schedule: Last Review: 2015 Next Review: 2018

Cash-in-Lieu Lifecycle Sustainment Reserve (PROPOSED)

Sustainment Reserve (\$000s)

\$ **41,719**
(2018)**Authorization:** TT2016-0204, TT2017-0044 and PFC2018-1125**Purpose:** The purpose of this reserve is to fund the lifecycle operating and capital needs for existing cash-in-lieu parking facilities managed by the Calgary Parking Authority.**Conditions:** As per purpose.**Restrictions:** Funds are to be used at the sole discretion of the Calgary Parking Authority to support their lifecycle activities for the cash-in-lieu parking facilities. Expenditures are approved by the Calgary Parking Authority through the approval of the budget by the Calgary Parking Committee.

For parking facilities that have both cash-in-lieu and other financing, this reserve may fund a percentage of work equal to the proportion of cash-in-lieu stalls to the total stalls within the facility.

Related Budget Programs: Operating Program: #104 Calgary Parking Authority

Capital Programs: #106 Calgary Parking Authority

Funding Sources: The balance in the Parking Land Acquisition Reserve of \$41,719 at December 31, 2017 was transferred to this newly created reserve to fund the purpose per Council direction in TT2016-0204.Investment income: X Yes No**Special Reporting Requirements:** None.**Current Activity (\$000s):**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Opening balance	-	-	-	-	-
Transfer from Parking Land Acquisition Reserve	41,719	-	-	-	-
Investment income allocation	-	-	-	-	-
Closing balance	<u>41,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Source Contacts:

Business Unit –	Transportation Planning
Financial Lead –	L. Wong, Finance Lead
Operational Lead –	A. Sebjanic, Manager, Transportation Strategy

Related Authority –	Calgary Parking Authority
Financial Lead –	J. Foulds, Controller
Operational Lead –	G. Furtado, General Manager

Review Schedule: Last Review: N/A Next Review: 2020

Budget Savings Account Reserve

Combined Operating and Capital Reserve (\$000s)

\$ 157,334
(2017)

Authorization: PFC2015-0181, PFC2015-0959, PFC2016-0081, C2016-0544, C2016-0863, PFC2017-0223 (TT2017-0044) and C2017-0057.

Purpose: Regular Budget Savings Account ("BSA"): To encourage and provide incentives for business units to seek annual savings, innovation and efficiencies, within their operating and capital budgets, including, but not limited to the use of "savings accounts".

Community Economic Resiliency Fund ("CERF") Budget Savings Account: As per Council directive, to set aside funding from Corporate surplus / intentional savings to Community Economic Resiliency Fund within the Budget Savings Account for initiatives that support Calgarians and local businesses affected by the challenging economic conditions in Calgary. The Community Economic Resiliency Fund provides the opportunity to respond to the needs of the community in three ways; citizens see the direct benefit of the fund through frozen fees for key City services, non-profits and business units are able to maintain service levels and meet the increasing demand through the emergency fund and can be used as a direct stimulus to the economy by investing in initiatives for economic development and affordable housing.

Conditions: As per purpose.

Restrictions: To remain responsive to current economic conditions The City will retain flexibility in the uses of these funds in the short-term.

Any savings generated by business units ~~will~~ **may** fund the Budget Savings Account. Funds will be allocated 50% to initiatives at the business unit level and 50% to initiatives at the corporate level; or, at 100% to Corporate ~~during to~~ **mitigate the impacts of** economic downturns.

Any savings generated in Corporate Programs, unless as directed by Council, will be directed to the Fiscal Stability Reserve as per Council's current direction.

Related Budget Programs: Operating Program: All impacted City Business Units.
Capital Program: All impacted City Business Units.

Funding Sources: Funding for the savings account will be generated by favorable budget variances identified by business units through the management of their operating and capital budgets, and by Corporate as directed by Council.

Capital funding sources are subject to restrictions which potentially limit the uses of any funds saved. Any potential capital savings identified would require disposition in a manner consistent with the terms and conditions of any governing policies or agreements.

Investment income: ____ Yes X No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	130,103	60,905	-	-	-
Contributions from operations ⁽¹⁾	34,295	24,246	30,313	-	-
Contributions from operations to CERF ⁽²⁾	45,000	58,800	30,000	-	-
Contributions from capital ⁽³⁾	-	3,392	592	-	-
Contributions to operations	(15,866)	(269)	-	-	-
Contributions to operations from CERF	(37,536)	(16,971)	-	-	-
Transfer from other operating reserves	422	-	-	-	-
Transfer from other capital reserves	916	-	-	-	-
Closing balance	<u>157,334</u>	<u>130,103</u>	<u>60,905</u>	<u>-</u>	<u>-</u>

Breakdown of Closing Balance:

Operating BSA ⁽⁴⁾	73,141	54,290	30,313	-	-
Operating BSA-CERF ⁽⁵⁾	79,293	71,829	30,000	-	-
Capital BSA	4,900	3,984	592	-	-
Closing Balance	<u>157,334</u>	<u>130,103</u>	<u>60,905</u>	<u>-</u>	<u>-</u>

(1) Operating savings from various business units.

(2) 2017: Contribution for 2018 Municipal Non-Residential Phased Tax Program ("PTP").

2016: Contribution for 2017 PTP, Calgary Neighborhood Emergency Resilience and user fees freeze for Calgary Transit, Recreation and pet licensing.

2015: Contribution for Affordable Housing Initiative in the Community, Economic Development Initiative, Calgary Neighborhood Emergency Resilience and freeze user fee for Transit, Parks fee, Recreation fee and Pet Service Fee.

(3) Capital savings from various business units.

(4) Committed amount in the closing balance total \$25,764 consisting of: \$764 for Calgary Transit Fleet Reliability, Janitorial and Outside Maintenance and Rail System Communications; and \$25,000 for Economic Development Investment Fund Reserve.

(5) Committed amounts in the closing balance total \$76,626 consisting of: \$25,225 for 2017 PTP, \$45,000 for 2018 PTP, \$1,200 for Calgary Economic Development Initiatives, \$4,569 for Affordable Housing Initiatives, and \$632 for User Fees Freeze.

Source Contacts: **Business Unit – Finance**
 Financial Lead – J. Kwong, Finance Manager
 Operational Lead – C. Male, City Treasurer

Review Schedule: Last Review: N/A Next Review: 2018

Real Estate Services

Combined Operating & Capital Reserve (\$000s)

\$ 70,796
(2017)

Authorization: Notice of Motion 1997-May-26, CPS98-37, FCS2010-10, PFC2012-0606, PFC2013-0745, ~~and~~ PFC2014-0847 ~~and~~ PUD2016-0524.

Purpose: To finance land acquisitions and development of land holdings to advance economic development and diversification objectives by ensuring an available supply of ~~“shovel-ready”~~ industrial land through the development of industrial/business parks; and to advance achievement of other municipal objectives through land improvement of City owned Transit Oriented Development areas and other Council directed special projects.

This Reserve contains the funds allocated to the Calgary General Hospital Legacy Fund, established by CPS98-37 as an endowment generated from the revenues generated by the use, redevelopment and sale of the Calgary General Hospital, Bow Valley Centre lands (“Bridges Project”).

Conditions: As per purpose.

Restrictions: Real Estate Services Reserve Funds are to be used as per the purpose outlined above.

Calgary General Hospital Legacy Fund monies are restricted by Terms of Reference set forth in CPS98-37 and PUD2016-0524. Funds shall be disbursed only for the continuation of the Bridges Project or, for healthy Calgary initiatives, with the recommendation of the Calgary General Hospital Legacy Review Committee and approval by City Council.

Related Budget Programs:

Operating Program: #488 Land Servicing & Housing

Capital Programs: #696 Commercial Land Developments
#697 Land Developments
#699 Land for Future Developments
#703 Transit Oriented Development
#704 School Sites
#705 Mixed Use Redevelopment

Funding Sources: Net proceeds of serviced land sales (Industrial, Business & Special Projects), proceeds of intra-city debt (principal and interest) and proceeds ~~of from-excess~~ commissions. In 1994 (and all subsequent years) the portion reinvested in land inventory is reclassified to Equity in Land Inventory.

Investment income⁽¹⁾: X Yes X No

(1) Interest income is allocated only to portions of the reserve balance that relate to the Calgary General Hospital Legacy Fund/Bridges Project. Other portions of this reserve are not allocated interest.

Special Reporting Requirements: None.

Current Activity (\$000s):
Real Estate Services Reserve

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	57,608	62,005	91,238	76,305	71,368
Contributions from operations for land sales	25,093	3,795	1,928	35,054	6,923
Contributions from/(to) operations	7,885	3,440	(15,992)	5,414	(1,254)
Contributions (to)/from capital financing	(25,102)	(13,378)	(17,971)	(27,767)	(4,446)
Investment income	199	145	148	96	92
Transfer between reserves ⁽¹⁾	(967)	1,746	2,802	2,233	3,714
Closing balance	64,517	57,608	62,005	91,239	76,305

General Hospital Legacy Endowment Fund (Bridges Project)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	6,361	6,391	6,426	4,247	4,754
Contributions from/(to) operations	-	(36)	-	2,671	(358)
Contributions (to)/from capital	(281)	(139)	(184)	(589)	(241)
Investment income	199	145	149	97	92
Closing balance	6,279	6,361	6,391	6,426	4,247
Total closing balance	70,796	63,969	68,396	97,665	80,552

(1) Transfer from other reserves:

2017: Received a total of \$990 from the Revolving Fund Reserve for: General Land Purchase of \$131, repayment of pre-development expenses related to R.B. Bennett School site of \$347 and net proceeds for land sales to the Calgary Municipal Land Corporation of \$512. The balance of (\$967) also includes a transfer to the Corporate Housing Reserve of (\$1,957), which is equal to 5% of its gross industrial land sales proceeds.

2016: Received \$1,571 from Treasury and \$472 from the Revolving Fund Reserve for General Land Purchases servicing and repayment of pre-development expenses related to R.B. Bennett School site. The balance also includes a transfer to Corporate Housing Reserve of (\$297), equal to 5% of gross Industrial Sales.

2015: Received \$2,296 from Treasury and \$506 from the Revolving Fund Reserve for general land servicing and repayment of pre-development expenses related to R.B. Bennett School site.

2014: Received \$2,068 from Treasury and \$103 from the Revolving Fund Reserve for general land servicing. The balance also includes \$62 from Civic Partners for the redevelopment of Block 40.

2013: Received \$2,527 from Treasury and \$992 from the Revolving Fund Reserve for East Hills Debt interest and general land servicing. The balance also includes \$195 from Civic Partners for the redevelopment of Block 40.

Source Contacts: **Business Unit –** **Real Estate and Development Services**
 Financial Lead – D. Stamper, Finance Lead
 Operational Leads – C. Blash, Manager

Review Schedule: Last Review: 2015 Next Review: 2018

Golf Course Reserve\$ 2,777
(2017)

Combined Operating and Capital Reserve (\$000s)

Authorization: CS91-64-02, FB92-64, CS95-07, FCS2004-22, FCS2011-13, PFC2014-0847 and PFC2017-1241.

Purpose: To finance golf course capital projects and to fund any Golf Course operating budget deficit.

Conditions: As per purpose.

Restrictions: Funds are to be used as per the purpose outlined above.

Private contributions of \$1,000 were received in 2017 and will be used towards upgrade and maintenance projects at the Shaganappi Golf Course.

Related Budget Programs: Operating Program: #426 Recreation
Capital Program: #505 Golf Courses

Funding Sources: Surcharge on all golf passes and green fees and additional budget surplus transferred from golf course and recreation operations.

Investment income: X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	1,712	1,126	529	327	148
User surcharges	138	147	161	183	166
Investment income	74	36	25	19	13
Contributions from operations	13	403	411	-	389
Donation	1,000	-	-	-	-
Contribution to operations	(160)	-	-	-	-
Debenture repayments	-	-	-	-	(389)
Closing balance	<u>2,777</u>	<u>1,712</u>	<u>1,126</u>	<u>529</u>	<u>327</u>

Source Contacts: **Business Unit – Calgary Recreation**
Financial Lead – R. Turley, Finance Lead
Operational Lead – G. Steinraths, Manager, Golf Course Operations

Review Schedule: Last Review: 2017 Next Review: 2020

Fleet Services Capital Reserve

Capital Reserve (\$000s)

\$ **10,933**
(2017)

Authorization: Commissionaires Report, FCS2010-10, FCS2011-34 and PFC2014-0847 and C2017-1123.

Purpose: To finance future Fleet Services Capital Expenditures under Council's approval.

Conditions: Funds must be used to finance capital expenditures relating to Fleet Services only.

Restrictions: Funds are to be used only for the purposes outlined above

Related Budget Program: Capital Program: #871 Acquisitions

Funding Sources: Allocation of operating proceeds from disposal of capital assets and operating budget surpluses.

Investment income: ____ Yes X No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	14,326	10,456	4,042	-	-
Gain/(loss) on asset disposals	(178)	961	1,496	278	-
Contributions from operations	1,685	2,909	4,918	3,764	-
Contribution to Budget Savings Account ⁽¹⁾	(4,900)	-	-	-	-
Closing balance	<u>10,933</u>	<u>14,326</u>	<u>10,456</u>	<u>4,042</u>	<u>-</u>

(1) The contribution to the Capital Budget Savings Account is a one-time contribution, which was made as per the recommendations noted in the 2017 Triennial Reserve Review Report, C2017-1123.

Source Contacts:

Business Unit –	Fleet Services
Financial Lead –	E. Jarvo, Finance Lead
Operational Lead –	M. Belzile, Manager, Business Operations

Review Schedule: Last Review: 2017 Next Review: 2020

Reserves to be Reviewed in 2019

Reserve Name	Reserve Type	Reserve Balance as of Dec 31, 2017 (in \$ thousands)	Previously Reviewed Year
Parks Foundation Reserve	Operating	2,407	2016
Tax Loss Provision Reserve	Operating	37,398	2016
Artificial Turf Field Lifecycle Reserve	Capital	3,271	2016
Community Investment Reserve	Capital	39,407	2016
Debt Servicing Reserve	Capital	52,570	2016
Legacy Parks Reserve	Capital	7,195	2016
Revolving Fund for General Land Purchases	Capital	102,118	2016
TELUS Convention Centre Reserve	Capital	20	2016
Community Sustainability Reserve	Sustainment	2,119	2016
Calgary Building Services (CBS) and Calgary Community Standards (CCS) - Business License Sustainment Reserve	Sustainment	96,335	2016
Livery Transport Services Sustainment Reserve	Sustainment	4,145	2016
Parks Endowment and Sustainment Reserve	Sustainment	4,494	2016
Perpetual Care of the Municipal Cemetery System Reserve	Sustainment	18,221	2016
Public Art Reserve	Sustainment	5,883	2016
Utility Sustainment Reserve	Sustainment	142,392	2016
Waste and Recycling Sustainment Reserve	Sustainment	64,802	2016
Total		582,777	

Follow-Ups Scheduled for 2019

Reserve Name	Reserve Type	Reserve Balance as of Dec 31, 2017 (in \$ thousands)	Previously Reviewed Year
Calgary Heritage Authority Reserve	Operating	1,772	2018
Heritage Incentive Reserve	Operating	1,205	2018
Mall Programming Fund	Operating	813	2018
Snow and Ice Control (SNIC) Reserve	Operating	12,482	2018
Corporate Housing Reserve	Capital	30,383	2018
Total		46,655	

Mayor's Office Report to
Priorities and Finance Committee
2018 November 06

ISC: UNRESTRICTED
PFC2018-1291

Council Innovation Fund Application

Council Sponsor: Councillor Jyoti Gondek and Councillor Shane Keating

Internal Sponsor(s): Calgary Transit, Information Technology and Community Standards

Name of Project: On Demand Transit Service Pilot

EXECUTIVE SUMMARY

Councillor Gondek and Councillor Keating are sponsoring an application to the Council Innovation Fund (CIF) in partnership with City Administration, represented by Calgary Transit, Information Technology and Community Standards (Bylaw and Livery).

Councillors Gondek and Keating are requesting a withdrawal of \$338,000 from the CIF to fund an On-Demand Transit Service pilot project. This application proposes offering on-demand transit service in newer communities where transit demand is presently insufficient. A review of new technologies, best practices and pilot projects as other transit agencies has identified that a demand-responsive service model may be able to provide better service at a lower cost than traditional models in areas or time periods that typically experience lower customer demand. This type of on-demand operation, common with ride-sharing companies, is very new to public transit.

A pilot project is being recommended to determine the efficacy of this model within Calgary, and confirm outcomes prior to making large investments in capital and process change. The application on-demand and ride-aggregating technology to a large public transit system is relatively new. Use of the innovation fund will allow Calgary Transit to test this technology in a new community by gathering information and customer feedback in the Calgary context. If successful, this model can be applied to other areas across the city where low demand restricts the ability to provide cost-effective traditional fixed route transit services.

ADMINISTRATION RECOMMENDATION:

1. That the Priorities and Finance Committee recommend Council approve this application for the CIF for the On-Demand Transit Service pilot project in the amount of \$338,000.
2. That the Priorities and Finance Committee direct Administration to report back to PFC indicating how the money was spent and outcomes of the projects no later than Q2 2020.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018 NOVEMBER 06:

That Council approve this application for the CIF for the On-Demand Transit Service pilot project in the amount of \$338,000.

PREVIOUS COUNCIL DIRECTION / POLICY

As part of the 2010 November deliberations on the 2011 budget, Council established the CIF and directed Administration to develop Terms of Reference for the fund and create criteria that would guide Council on withdrawals request from the CIF. The Terms of Reference (see attachment 2) were adopted in March 2011 and are based on the following:

Mayor's Office Report to
Priorities and Finance Committee
2018 November 06

ISC: UNRESTRICTED
PFC2018-1291

Council Innovation Fund Application

Council Sponsor: Councillor Jyoti Gondek and Councillor Shane Keating

Internal Sponsor(s): Calgary Transit, Information Technology and Community Standards

Name of Project: On Demand Transit Service Pilot

- The project will contribute to Council's goals and has potential City-wide application;
- The project is innovative or a pilot project or experiment that proposes a new or different way of doing The City's work.

Successful applications must provide detailed documentation and address one of the following:

- a) One-time start up or "seed" funds for initiatives or programs which will support or contribute to Council's priorities.
- b) Pilot projects or experiments that have potential to change city-wide policies and procedures.

Any Council member(s) can submit an application to the Priorities and Finance Committee for review and consideration and ultimately for Council's consideration and approval. The proposal for funding must demonstrate credibility, fiscal responsibility and good management which will be important considerations in the evaluation of applications.

BACKGROUND

The remaining budget in the Council Innovation Fund, including surplus from previously approved projects, totals \$1,228,662.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

See Attachment 1 for more details.

Stakeholder Engagement, Research and Communication

See Attachment 1 for more details.

Strategic Alignment

See Attachment 1 for more details.

Social, Environmental, Economic (External)

See Attachment 1 for more details.

Financial Capacity

Current and Future Operating Budget:

See Attachment 1 for more details.

Current and Future Capital Budget:

Should this application for \$338,000 be approved, the remaining balance in the Council Innovation Fund would be \$890,662.

Mayor's Office Report to
Priorities and Finance Committee
2018 November 06

ISC: UNRESTRICTED
PFC2018-1291

Council Innovation Fund Application

Council Sponsor: Councillor Jyoti Gondek and Councillor Shane Keating

Internal Sponsor(s): Calgary Transit, Information Technology and Community Standards

Name of Project: On Demand Transit Service Pilot

There are two applications for the CIF before the Priorities and Finance Committee on Nov. 6. Should PFC2018-1300 also be approved, the remaining balance in the CIF would be \$365,662.

Risk Assessment

The Terms of Reference for the CIF have been developed to support a wide variety of candidate projects. Members of Council retain the discretion to develop and support applications to the CIF and Council retains the discretion and final decision-making power over withdrawals from the fund.

REASON(S) FOR RECOMMENDATION(S):

This application meets the Terms of Reference for the CIF. This project is a one-time funding request that has the potential to have a city-wide impact. In addition, this project supports the Council Priorities as well as the Municipal Development Plan and the Calgary Transportation Plan.

ATTACHMENT(S)

1. Attachment 1 – Councillor Gondek and Councillor Keating CIF Application: On-Demand Transit Service
2. Attachment 2 – City Manager Report – Council Innovation Fund Terms of Reference (Policy Interpretation) PAC2011-05 - 2011 March 01

Application to the City of Calgary Council Innovation Fund

Date: October 12, 2018

Name of Project: On-Demand Transit Service Pilot

Sponsor: Councillors Gondek and Keating

Affected Business Unit(s) and / or Departments:

Calgary Transit, Information Technology, Community Standards

Amount of Funds Requested: \$338,000

Project Description:

The On-Demand Transit Service Project is exploring new public transit service delivery methods to identify opportunities for providing more cost-effective service options. A review of new technologies, best practices and pilot projects at other transit agencies has identified that a demand-responsive service model may be able to provide better service at a lower cost than traditional models in areas or time periods that typically experience lower customer demand. This type of on-demand operation, common with ride-sharing companies, is very new to public transit. A pilot project is being recommended to determine the efficacy of this model within Calgary, and confirm outcomes prior to making large investments in capital and process change.

The pilot will focus on providing on-demand transit services in newer communities where demand is presently insufficient to warrant traditional fixed route/fixed schedule operations. By applying a demand responsive model, the pilot will identify whether a new community can be serviced more efficiently, at a lower total cost. The pilot will also monitor customer uptake and satisfaction with this service model. The project is intended to connect new communities with the existing transit network, and to retail and community services not available locally, via short trips and shared rides. Regular fares will be charged for this service.

The on-demand nature of this model has the potential to provide customers with convenient access to a shared transportation service while lowering operating costs and increasing efficiency of service delivery. If proven, this model could be applied to other areas and time periods that typically have low transit ridership.

The application of on-demand and ride-aggregating technology to a large public transit system is relatively new. Use of the innovation fund will allow Calgary Transit to test this technology in a new community by gathering information and customer feedback in the Calgary context. If successful, this model can be applied to other areas across the city where low demand restricts the ability to provide cost-effective traditional fixed route transit services.

Project Benefits – Why is this Project Needed, and Why Now?

The desire for public transit continues to grow across the city, while limited operating budgets and competing demands for resources constrain our ability to address that growth. We want to provide

Calgarians with improved travel options. Council has prioritized initiating transit service in actively developing and new communities, and lower density employment areas faster and more cost-effectively.

This project looks to pilot a service tool that could help address the need. This pilot is meant to enhance the tools in CT's service delivery toolbox, while not taking away from the need for continued investment in high-quality mass transit as the most efficient and cost-effective way to enable people's movement throughout the city.

During periods of moderate to high rider demand, transit systems can tailor vehicle size and route frequency to match demand and minimize the cost per rider. However, in times of low demand, even the smallest vehicle has a significant hourly cost that includes labour, maintenance costs, fuel, and capital costs. This translates in to a relatively high cost per rider.

Several of Calgary Transit's routes, which are highly cost-effective during peak hours, have a higher cost per rider during off-peak periods such as late nights and weekends. Transit continually reviews our routes, looking for ways to combine or redraw them to make them more effective. But where this cannot be achieved, the only option is to run a low performing route or to cancel it. While cancelling routes can look good for our bottom line, it comes with a high impact to our customers.

As a citizen-focused organization that is also a good steward of tax revenues, we must find another option, one that will allow us to provide more cost-effective and efficient service that increases value by better matching to demand at a lower cost. This project allows us to apply peer learnings and private sector practices to operate an on-demand transit service. In addition, the multitude of technology applications in relation to transportation and ride-sharing makes this a good time to test this model.

Project Partners

- **Information Technology Companies:** Although many Transportation Service Providers have developed their own dispatching and ride-hailing technology, we anticipate that some of the proposals will be partnerships between a service provider and an IT company. Fueled initially by Transportation Network Companies (TNCs), this market space is growing rapidly and moving in to the public transit sphere. Technology platforms for on-demand transit can be purchased off-the-shelf, or customized and branded for the client.
- **Transportation Service Providers:** Until an RFP is evaluated, it is unknown what type of company will offer the next service plan. We anticipate proposals from bus lines, taxi companies and other transportation providers. Each has a different business model, and each brings with it certain advantages and insights in to the efficient movement of people.
- **City Business Units:** as a leading-edge initiative, the project has worked closely with City representatives from Community Standards (Bylaws and Livery), Law, Risk, Labour Relations, and IT to ensure that risk to The City is minimized.

Project Timeline

November 2018	RFP to market for eight weeks
January 2019	Preferred Proponent awarded
February 2019	Community outreach begins
February 2019	Operational modelling and development of operations plan
April 2019	Twelve-month pilot project begins

Project Budget

The total budget for the project is \$338,000, which is net of (estimated) new revenue generated. The budget includes:

- **Communications, targeted marketing and branding**, identified as key to ensuring uptake of the service as was identified in the research and peer review.
- **Project administration costs**, including project management, contract management, data analysis, revising service levels as required throughout the pilot, and responding to customer inquiries.
- **Start up costs**, including app development, backend technology requirements, and training.
- **Pilot service costs**, which is the estimated cost to provide the service net of estimated new revenue. This estimate is based on providing approximately 100 rides per weekday and 60 rides per weekend day, over the course of a 12-month pilot. Costs will vary based on demand for service.

How does this Project meet the Criteria of the Fund as set out in the Terms of Reference?

The Council Innovation Fund applies to programs and pilot projects that encourage innovation and support the goals of Council as set out in current Council Priorities.

Council Priorities

Specifically, this project supports the following Council Priorities:

1. A prosperous city:
 - a. Moving our citizens efficiently and in a cost-effective manner promotes business growth and tourism, while reducing traffic congestion and pollution.
 - b. Providing transit to low density communities in a more cost-effective manner promotes new communities by providing potential home buyers with more transportation options
2. Inspiring neighbourhoods:
 - a. Promoting more transportation options allows freedom of movement across the City, encouraging our citizens to explore not only their own neighbourhood, but also other Calgary communities.
3. A city that moves:
 - a. Improved transit connections reduce reliance on personal vehicles, freeing up road space.
 - b. Improved transit affords low-income citizens greater access to the job market.

4. A health and green city:
 - a. Moving our citizens efficiently reduces reliance on personal vehicles and decreases traffic and noise pollution.
5. A well-run city:
 - a. By partnering with the private industry and embracing new technologies, The City will be presented with new ideas and methods for delivering public services.

Municipal Development Plan and Calgary Transportation Plan

The project aligns with the goals of the Municipal Development Plan (MDP) and the Calgary Transportation Plan by supporting City Council's Sustainability Principles and Key Directions for Land Use and Mobility:

1. By increasing the range of cost-effective transit options, the project directly supports Sustainability Principle #1: Creating a range of housing opportunities and choices.
2. The project also aligns with
 - a. Sustainability Principle #4; Provide a variety of transportation options
 - b. Sustainability Principle #9: Connect people, goods and services locally, regionally and globally
 - c. Sustainability Principle #10: Provide transportation services in a safe, effective, affordable and efficient manner that ensures reasonable accessibility to all areas of the city for all citizens.
3. The project directly supports Key Direction #5: Increased mobility choices.
4. The project indirectly supports Key Direction #6: Develop a Primary Transit Network.

Although the Plan suggests the development of areas of high population density to support cost effective transit, there is the problem of "which comes first?" To entice potential buyers in to new high-density communities, developers want to offer an existing transit network. By finding new models to service low density populations, this project will allow The City to fill the gap until densities allow for fixed route, high frequency transit services.

What does Success look Like and How will it be Measured?

This pilot is intended to connect new communities with the existing transit network, and to retail and community services not available locally. Higher transit usage is associated with increased quality of life and lower municipal infrastructure costs.

The project will be a success if there is a reasonable uptake in usage and customer satisfaction, and cost per rider is lower than what would be expected using traditional fixed route services in low demand areas.

Success will be measured and reported back to PFC in Q2 2020 with the following key indicators:

Measure	Target
Ridership	620 trips per week
Customer satisfaction	85%

Apps downloaded	200
Cost per Ride	<i>confidential</i>

**City Manager Report to
Personnel and Accountability Committee
2011 March 01**

**ISC: UNRESTRICTED
PAC2011-06
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**CITY MANAGER REPORT – COUNCIL INNOVATION FUND TERMS OF REFERENCE
(POLICY INTERPRETATION)**

SUMMARY/ISSUE

As part of the 2010 November deliberations on the 2011 budget, Council established the Council Innovation Fund (CIF). Subsequent Council direction gave rise to the need to create Terms of Reference identifying criteria to qualify for withdrawals from the Fund.

PREVIOUS COUNCIL DIRECTION/POLICY

On 2010 November 29 Council adopted a motion amending the 2011 Operating and Capital Budgets and Business Plans, authorizing up to \$5 Million from the Fiscal Stability Reserve to be used for innovation and pilot projects subject to the approval of Council. On 2011 February 14 Council adopted a motion directing Administration to consult with Members of Council in drafting a Terms of Reference (TOR) for the Innovation Fund, to return to the Personnel and Accountability Committee (PAC) no later than 2011 March 01 and ... that no applications to the Innovation Fund be approved until the TOR have been adopted by Council.

ADMINISTRATION RECOMMENDATION:

That PAC recommends that Council adopt the Terms of Reference (see Attachment) for applications to the Council Innovation Fund.

INVESTIGATION

Council established the Council Innovation Fund through the 2010 November deliberations on the 2011 budget.

Candidate projects requesting withdrawals from the Council Innovation Fund have been brought forward to Council individually for approval. To date two projects have received funding: a facilitated review of The City's municipal purpose and core services (up to \$2.5 million) and the Mission Road Main Street Project (\$300,000).

Given the level of interest in the CIF to date it is anticipated that more funding requests will be forthcoming. Some criteria and a process for requesting and approving funds are needed.

The proposed Terms of Reference (Attachment 1) establish some guidelines for disbursements from the CIF, based on the following:

- The project will contribute to Council's goals and has potential City-wide application;
- The project is innovative or a pilot project or experiment that proposes a new or different way of doing The City's work.

Candidate projects will be expected to provide detailed supporting documentation.

An approved Terms of Reference will provide helpful guidelines to applicants wishing to requisition monies from the fund, which will make the application process easier to understand and comply with and therefore more efficient. Clear Terms of Reference will enhance the transparency and fairness of decision-making regarding use of the Council Innovation Fund, and will enable Council to demonstrate value for money to the taxpayers.

BUSINESS PLAN/BUDGET IMPLICATIONS

Establishing the Terms of Reference will make decisions regarding expenditures from the Council Innovation Fund more transparent and easier to understand.

The Council Innovation Fund should be used for operating budget items.

Applications to the CIF will be entertained throughout the 2011 calendar year. To date \$2.8 million has been allocated, leaving

**City Manager Report to
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2011 March 01**

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**CITY MANAGER REPORT – COUNCIL INNOVATION FUND TERMS OF REFERENCE
(POLICY INTERPRETATION)**

\$2.2 million in the Fund. In order to ensure that some monies remain available for the latter part of the year, no more the \$1.1 million from the funds remaining in the CIF should be disbursed before 2011 July 01. This will ensure that \$1.1 million remains in the Fund for applications that may be submitted between 2011 July 01 and December 31.

RISKS

The proposed Terms of Reference for the Council Innovation Fund have been developed to be flexible enough to support a wide variety of candidate projects. The risk associated with adopting the proposed Terms of Reference is that the flexibility created results in ambiguity as to whether a project does or does not qualify for the fund. This risk is of low impact as Council retains discretion and final decision-making power over withdrawals from the fund.

ATTACHMENT

Terms of Reference for the Council Innovation Fund.

TERMS OF REFERENCE FOR THE COUNCIL INNOVATION FUND

Purpose of the Council Innovation Fund

The broad purpose of the Council Innovation Fund (CIF) is to encourage innovations or pilot projects that have the potential to support or contribute to the goals of Council and that have city-wide application.

Guidelines

1. Process for Applications

- a) Applications for the withdrawal of funds from the CIF shall be brought by members of Council to Council for approval through a report included in the agenda of the Personnel and Accountability Committee (PAC). PAC will recommend approval or rejection to Council.
- b) The Mayor's Office will be the point of contact for all applications and will forward all proposals to PAC. Applications should be submitted to the Mayor's office no later than the 15th of the month.
- c) The applicant will be expected to complete and submit a prescribed form to the Mayor's Office. It is the responsibility of the member of Council seeking to access the CIF to use the application form to make their case to Council in the context of these guidelines.
- d) Successful applicants must report back to Council through PAC indicating how the money was spent and the outcomes of the project within 12 months of the approval of funding.
- ↓
- e) Any unused portions of CIF awards must be returned to the CIF.

2. Criteria for Successful Applications

Applications should demonstrate that the proposal is consistent with the Purpose of the Council Innovation Fund as set out in these Terms of Reference.

Successful applications will address one of the following:

- a) One-time start up or "seed" funds for initiatives or programs which will support or contribute to Council's priorities.
- b) Pilot projects or experiments that have the potential to change city-wide policies and procedures.

Applications for funding must include detailed documentation..

The proposal for funding must demonstrate credibility, fiscal responsibility and good management which will be important considerations in the evaluation of applications.

Mayor's Office Report to
Priorities and Finance Committee
2018 November 06

ISC: UNRESTRICTED
As Corrected
PFC2018-1300

Council Innovation Fund Application
Council Sponsor: Councillor Peter Demong
Internal Sponsor(s): Chief Financial Office, Deputy City Manager's Office
Name of Project: Policy Review Proposal

EXECUTIVE SUMMARY

Councillor Peter Demong is presenting this application to the Council Innovation Fund (CIF) requesting a withdrawal of \$525,000 to fund the One Calgary Policy Review pilot project.

One Calgary represents an innovative way of looking at The City of Calgary's planning and budgeting process. Rather than approaching plans and budgets from the perspective of the internal departments that have traditionally delivered services, the City has begun a shift to looking at the services we deliver from the lens of the customer. It is an opportunity to look at the balance between the costs incurred and the value-added by the services we provide. This shift to service-based approach, an increasing focus on "outside-in" customer-service orientation, "One City" thinking across departments, and a desire for supporting innovation, provides the context to review policies from fresh perspectives to ensure they enhance the process and the outcome rather than bog things down for the customer.

This application is to secure funding to develop and execute a policy review pilot project. The goal of this pilot project will be to develop a scope and method for reviewing Council and Administration policies through a service-based lens that can potentially be applied to other service lines. Key to the project will be the acquisition of an independent consultant to undertake the review.

ADMINISTRATION RECOMMENDATION:

1. That the Priorities and Finance Committee recommend Council approve this application for the CIF for the One Calgary Policy Review in the amount of \$525,000.
2. That the Priorities and Finance Committee direct Administration to report back to PFC indicating how the money was spent and outcomes of the projects no later than Q3 2020.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018 NOVEMBER 06:

That Council approve this application for the CIF for the **Policy Review Proposal** in the amount of \$525,000

PREVIOUS COUNCIL DIRECTION / POLICY

As part of the 2010 November deliberations on the 2011 budget, Council established the CIF and directed Administration to develop Terms of Reference for the fund and create criteria that would guide Council on withdrawals request from the CIF. The Terms of Reference (see attachment 2) were adopted in March 2011 and are based on the following:

- The project will contribute to Council's goals and has potential City-wide application;
- The project is innovative or a pilot project or experiment that proposes a new or different way of doing The City's work.

**Mayor's Office Report to
Priorities and Finance Committee
2018 November 06**

**ISC: UNRESTRICTED
As Corrected PFC2018-1300**

**Council Innovation Fund Application
Council Sponsor: Councillor Peter Demong
Internal Sponsor(s): Chief Financial Office, Deputy City Manager' s Office
Name of Project: Policy Review Proposal**

Successful applications must provide detailed documentation and address one of the following:

- a) One-time start up or "seed" funds for initiatives or programs which will support or contribute to Council's priorities.
- b) Pilot projects or experiments that have potential to change city-wide policies and procedures.

Any Council member(s) can submit an application to the Priorities and Finance Committee for review and consideration and ultimately for Council's consideration and approval. The proposal for funding must demonstrate credibility, fiscal responsibility and good management which will be important considerations in the evaluation of applications.

BACKGROUND

The remaining budget in the Council Innovation Fund, including surplus from previously approved projects, totals \$1,228,662.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

See Attachment 1 for more details.

Stakeholder Engagement, Research and Communication

See Attachment 1 for more details.

Strategic Alignment

See Attachment 1 for more details.

Social, Environmental, Economic (External)

See Attachment 1 for more details.

Financial Capacity

Current and Future Operating Budget:

See Attachment 1 for more details.

Current and Future Capital Budget:

Should this application for \$525,000 be approved, the remaining balance in the Council Innovation Fund would be \$703,662.

There are two applications for the CIF before the Priorities and Finance Committee on Nov. 6. Should PFC2018-1291 also be approved, the remaining balance in the CIF would be \$365,662.

Mayor's Office Report to
Priorities and Finance Committee
2018 November 06

ISC: UNRESTRICTED
As Corrected PFC2018-1300

Council Innovation Fund Application
Council Sponsor: Councillor Peter Demong
Internal Sponsor(s): Chief Financial Office, Deputy City Manager' s Office
Name of Project: Policy Review Proposal

Risk Assessment

The Terms of Reference for the CIF have been developed to support a wide variety of candidate projects. Members of Council retain the discretion to develop and support applications to the CIF and Council retains the discretion and final decision-making power over withdrawals from the fund.

REASON(S) FOR RECOMMENDATION(S):

This application meets the Terms of Reference for the CIF. This project is a one-time funding request that has the potential to have a city-wide impact. In addition, this project supports the Council Priorities.

ATTACHMENT(S)

1. Attachment 1 – Councillor Demong CIF Application: **Policy Review Proposal**
2. Attachment 2 – **Policy Review Proposal**
3. Attachment 3 – City Manager Report – Council Innovation Fund Terms of Reference (Policy Interpretation) PAC2011-05 - 2011 March 01



THE CITY OF CALGARY OFFICE OF THE MAYOR

Application to the City of Calgary Council Innovation Fund

Date: October 30, 2018

Name of Project: Policy Review Proposal

Sponsor: Councillor Peter Demong

Phone Number: 1-403-268-5633

Address: Office of the Councillors, 4 Floor Administration Building, 313-7 Avenue S.E.

Affected Business Unit(s) and/or Departments: TBD (Chief Financial Officer's Department; Deputy City Manager's Office)

Amount of Funds Requested: \$525,000

Summary Description of Project (Max 1 page)

The goal of this application is to secure funding to develop and execute a policy review pilot (prototype) which will develop a scope and method for reviewing Council and Administration policies through a service-based lens. This service-based approach, along with an increasing focus on "outside-in" customer-service orientation, "One City" thinking across departments, and a desire to support innovation, provides the context to review policies from a renewed perspective to ensure they enhance the process and the outcome for the customer. This review will provide an opportunity to look at policies from an integrated, customer-focused view to support a balance between costs and service value added.

Key to the project will be the acquisition of an independent consultant to support the review and bring an external perspective to the pilot. The results of this work can potentially be applied to other service lines for a broader impact.

Proposed Timeline (including proposed date of final report):

The review is expected to be completed within 18 months. Below is the timeline of milestones and deliverables.

Date	Milestone	Deliverable
March 2019	Presentation to Priorities and Finance Committee and Council	-Develop scope and method -Identify potential review subject matter -Recruit independent consultant
April 2020	Presentation to relevant Standing Policy Committee and Council	-Develop policy recommendations based on review.
June 2020	Presentation to Priorities and Finance Committee and Council	-Report back on learnings from review -Identify potential next steps for any continuation of the work.

The deadline for applications to the City of Calgary Innovation Fund is the 15th of every month. Applications can be dropped off at the Mayor's Office. All applications will be reviewed at the next Priorities and Finance Committee (PFC) meeting. PFC will then forward the proposal, along with a recommendation, to Council to be voted on at the next scheduled Council meeting.





THE CITY OF CALGARY OFFICE OF THE MAYOR

Attach 1
PFC2018-1300

Application to the City of Calgary Council Innovation Fund

How does this project meet the criteria of the fund as set out in the Terms of Reference for the Council Innovation Fund?

This project will by definition have the potential to change city-wide policies. Should the review be deemed successful there is the potential to go on to either review other services lines or develop a framework for ongoing policy reviews, making the money requested in this application potential “seed” funds for a broader initiative.

Given the number and wide variety of documents relating to City Council and Administration’s operations, this application has the potential to support or contribute to all of Council’s priorities, organized under the five Citizen Priorities. The intent of this project, however, supports three of the Citizen Priorities in particular: A Prosperous City, A Healthy and Green City, and A Well-Run City. First, a renewed focus on customer experience will help ensure that City policies allow businesses and Calgarians to prosper. Second, any policy reviewed by the project would be reviewed for its alignment with the City’s new Climate Resilience Strategy satisfying the priority of A Healthy and Green City. Third, the project will help to satisfy the priority of A Well-Run City by reviewing policies to make sure they are customer-oriented and modernized where needed.

What does success look like and how will it be measured?

Success for this exploratory phase is improved customer experience, more efficient City of Calgary operations, and the potential for the adoption of an informed extended policy review program.

This will be measured in a few different ways:

1. Greater customer satisfaction with City services, measured by customer feedback;
2. Reduction in complexity for customers reaching their outcomes, measured by customer feedback;
3. Reduced time for customers reaching their outcomes (increased efficiency);
4. Better links between City polices and services where relevant; and
5. Any cost savings associated with policy amendments adopted by Council as a result of the project.



The deadline for applications to the City of Calgary Innovation Fund is the 15th of every month. Applications can be dropped off at the Mayor’s Office. All applications will be reviewed at the next Priorities and Finance Committee (PFC) meeting. PFC will then forward the proposal, along with a recommendation, to Council to be voted on at the next scheduled Council meeting.

Policy review proposal

Outcome

To improve the value that City services offer to citizens and customers by:

- identifying any issues with City policies that have a significant adverse impact on service delivery or customer experience;
- identifying solutions to address those issues;
- identifying what, if any, further ongoing work in this area would add value; and
- contributing to the development of the organization's capacity for continuous service improvement.

Objectives

1. Determine which organizational policies need to be reviewed and updated to ensure that they reflect existing and emerging customer needs and priorities, organizational goals and legislative requirements, including considerations of whether policies:

- a) support the achievement of defined Council outcomes, including climate-related outcomes;
- b) are aligned, not duplicative or contradictory;
- c) are linked to the City services; and
- d) are clear, transparent and meeting intended objectives.

2. For the areas of greatest potential benefit, consider options and make recommendations for improvements.

Approach

A four-step process is proposed as an approach which can be modified as needed:

1. As a first step, the following will be identified and confirmed:

- clearly defined problem statement;
- appropriate success measures and determination of the value of the exercise, including the definition and estimation of results and benefits that could be expected from addressing the issues identified;
- Determination of the extent and subject of the issues with existing policies;
- Review of existing policies for customer focus, effectiveness and content of subject area policies; cohesiveness, duplication and contradictions;
- A small or modest-scale service area to prototype the method.

2. A broad look across the suite of policies will help identify any trouble spots. For the prototype area, specific areas for improvement will be identified, scoped and prioritized.

3. For the highest priority areas, solutions will be identified. Managing the scope of areas under review to only the best opportunities for impact will minimize the costs of the review while maximizing the potential benefits.

4. Based on the insights gained through the prototype process (2, 3), potential next steps for any continuation of the work will be identified.

With the goal of reducing duplication of work, this prototype review will be undertaken in conjunction with other policy review efforts currently underway in the organization such as:

1. ZBR program;
2. City Clerks review of Council policies;
3. Business friendly initiatives;
4. Review of policies by the climate change group (proposed to start with the Water and Planning areas;)
5. Work on the administrative policy library within the Corporate Governance service line;

The prototype review will be conducted over an 18-month period from January 2019 to June 2020. Results will be provided to Council, including successes and impacts, and any recommended next steps (including resource requirements if necessary).

A cross-corporate approach will be applied throughout the review in which priorities and directions are determined based on overall corporate impact as well as individual service needs. This approach may serve as an innovative template for other future corporate projects.

Resources and Costs

It is proposed that an external consultant will be retained to support the review. The consultant will be engaged once Administration has completed a preliminary scoping, so as to ensure the consultant engagement is focused and effective. The external consultant will be expected to: bring an external perspective; bring leading practices to the organization; and enable significant knowledge transfer to staff working on the project.

Given the intent for knowledge transfer, and to ensure the consultant is effectively managed and supported, the proposal is for City staff to be dedicated to the project to work closely with the external consultant to an equivalent total effort of two full time employees (FTE). Additionally, input from the subject matter experts will be required. One FTE may be resourced from within Administration. Anticipated costs for an 18-month review are shown below.

Budget:

	<i>Annual</i>	<i>18 months</i>
2 FTEs	\$300,000	\$450,000
Consultant	N/A	\$300,000
Total		\$750,000

Innovation Fund Request:

	<i>Annual</i>	<i>18 months</i>
1 FTEs	\$150,000	\$225,000
Consultant	N/A	\$300,000
Total request		\$525,000

**City Manager Report to
Personnel and Accountability Committee
2011 March 01**

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PAC2011-06
Page 1 of 2**

**CITY MANAGER REPORT – COUNCIL INNOVATION FUND TERMS OF REFERENCE
(POLICY INTERPRETATION)**

SUMMARY/ISSUE

As part of the 2010 November deliberations on the 2011 budget, Council established the Council Innovation Fund (CIF). Subsequent Council direction gave rise to the need to create Terms of Reference identifying criteria to qualify for withdrawals from the Fund.

PREVIOUS COUNCIL DIRECTION/POLICY

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ADMINISTRATION RECOMMENDATION:

That PAC recommends that Council adopt the Terms of Reference (see Attachment) for applications to the Council Innovation Fund.

INVESTIGATION

Council established the Council Innovation Fund through the 2010 November deliberations on the 2011 budget.

Candidate projects requesting withdrawals from the Council Innovation Fund have been brought forward to Council individually for approval. To date two projects have received funding: a facilitated review of The City's municipal purpose and core services (up to \$2.5 million) and the Mission Road Main Street Project (\$300,000).

Given the level of interest in the CIF to date it is anticipated that more funding requests will be forthcoming. Some criteria and a process for requesting and approving funds are needed.

The proposed Terms of Reference (Attachment 1) establish some guidelines for disbursements from the CIF, based on the following:

- The project will contribute to Council's goals and has potential City-wide application;
- The project is innovative or a pilot project or experiment that proposes a new or different way of doing The City's work.

Candidate projects will be expected to provide detailed supporting documentation.

An approved Terms of Reference will provide helpful guidelines to applicants wishing to requisition monies from the fund, which will make the application process easier to understand and comply with and therefore more efficient. Clear Terms of Reference will enhance the transparency and fairness of decision-making regarding use of the Council Innovation Fund, and will enable Council to demonstrate value for money to the taxpayers.

BUSINESS PLAN/BUDGET IMPLICATIONS

Establishing the Terms of Reference will make decisions regarding expenditures from the Council Innovation Fund more transparent and easier to understand.

The Council Innovation Fund should be used for operating budget items.

Applications to the CIF will be entertained throughout the 2011 calendar year. To date \$2.8 million has been allocated, leaving

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Personnel and Accountability Committee
2011 March 01**

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**CITY MANAGER REPORT – COUNCIL INNOVATION FUND TERMS OF REFERENCE
(POLICY INTERPRETATION)**

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RISKS

The proposed Terms of Reference for the Council Innovation Fund have been developed to be flexible enough to support a wide variety of candidate projects. The risk associated with adopting the proposed Terms of Reference is that the flexibility created results in ambiguity as to whether a project does or does not qualify for the fund. This risk is of low impact as Council retains discretion and final decision-making power over withdrawals from the fund.

ATTACHMENT

Terms of Reference for the Council Innovation Fund.

TERMS OF REFERENCE FOR THE COUNCIL INNOVATION FUND

Purpose of the Council Innovation Fund

The broad purpose of the Council Innovation Fund (CIF) is to encourage innovations or pilot projects that have the potential to support or contribute to the goals of Council and that have city-wide application.

Guidelines

1. Process for Applications

- a) Applications for the withdrawal of funds from the CIF shall be brought by members of Council to Council for approval through a report included in the agenda of the Personnel and Accountability Committee (PAC). PAC will recommend approval or rejection to Council.
- b) The Mayor's Office will be the point of contact for all applications and will forward all proposals to PAC. Applications should be submitted to the Mayor's office no later than the 15th of the month.
- c) The applicant will be expected to complete and submit a prescribed form to the Mayor's Office. It is the responsibility of the member of Council seeking to access the CIF to use the application form to make their case to Council in the context of these guidelines.
- d) Successful applicants must report back to Council through PAC indicating how the money was spent and the outcomes of the project within 12 months of the approval of funding.
- ↓
- e) Any unused portions of CIF awards must be returned to the CIF.

2. Criteria for Successful Applications

Applications should demonstrate that the proposal is consistent with the Purpose of the Council Innovation Fund as set out in these Terms of Reference.

Successful applications will address one of the following:

- a) One-time start up or "seed" funds for initiatives or programs which will support or contribute to Council's priorities.
- b) Pilot projects or experiments that have the potential to change city-wide policies and procedures.

Applications for funding must include detailed documentation..

The proposal for funding must demonstrate credibility, fiscal responsibility and good management which will be important considerations in the evaluation of applications.

Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2018 October 10

ISC: **CONFIDENTIAL**
UCS2018-1138
Page 1 of 3

Proposed Method of Disposition (Renfrew) – Ward 09 (1324 Phair AV NE) (MAS)

EXECUTIVE SUMMARY

The purpose of this report is to request authorization for Public Marketing of the Property, to be administered by Real Estate & Development Services and authorization to negotiate a sale of the Property to the successful applicant(s).

The Property is located on Phair Av NE, across from the Renfrew Community Garden and Park. The Property is an irregular shaped 8,495 sq.ft parcel (69.62 foot frontage). Due to the Property's shape and large size as a single residential lot, it can accommodate 2 detached dwellings. The Property is adjacent (to the east) to a green space and has access from Phair Av and a paved rear lane. The Property offers a north facing backyard with an RC-2 land use, is located on a quiet street with close proximity to amenities, Telus Spark and the Calgary Zoo, with easy access to 8th Ave NE, Memorial DR and Deerfoot. The Property has been licensed since 1998 by the neighbour on an annual License of Occupation for landscaping.

Review of adjacent City owned land for disposition was completed and was declined as the properties are counted towards the Community of Renfrew's 10% open space policy.

A future sale of the Property would create an opportunity for two residential dwellings to be developed on a parcel that has been vacant since 1998. The proposed sale will be recorded in Real Estate & Development Services Operating Program 488 and net proceeds from the sale will be transferred to the Revolving Fund Reserve and reallocated to other funds as required.

ADMINISTRATION RECOMMENDATION:

The SPC on Utilities and Corporate Services recommend that Council:

1. Authorize the Recommendation as outlined in Attachment 2;
2. Request the Recommendations, Report and Attachments 1, 2, and 3 remain confidential under Sections 23, 24 and 25 of the *Freedom of Information and Protection of Privacy Act* until the report is published in the Council agenda.
3. Request that Attachments 4 and 5 remain confidential pursuant to Sections 23, 24 and 25 of the *Freedom of Information and Protection of Privacy Act*.

RECOMMENDATION OF THE SPC ON UTILITIES AND CORPORATE SERVICES, DATED 2018 OCTOBER 10:

That Council:

1. Approve the Administration Recommendations contained in Report UCS2018-1138; and
2. Direct that Attachments 4 and 5 remain confidential pursuant to Sections 23, 24, and 25 of the *Freedom of Information and Protection of Privacy Act*.

PREVIOUS COUNCIL DIRECTION / POLICY

Not applicable.

Proposed Method of Disposition (Renfrew) - Ward 09 (1324 Phair AV NE) (MAS)

BACKGROUND

The Property was originally subdivided in 1998 neighbouring what was once 13 Street NE or Robert Street NE. Roads relocated 13 Street turning the area into an escarpment and leaving the Property as a vacant lot. The Property has been licensed since 1998 by the adjacent owner on an annual License of Occupation for landscaping, with the restriction of no building improvements permitted. In 2014, the Property was circulated and declared surplus to municipal needs. The Property was originally deemed a remnant and not developable on its own, but upon further review, taking into consideration the large residential lot size, the Property was deemed to be a Stand-alone parcel maximizing the Property's highest and best use.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Property offers a great development opportunity located across from the Renfrew Community Garden and Park and neighbouring an escarpment. The Property is a large residential site at 8,495 sq.ft with 69.62 feet of frontage. The property is zoned RC-2, can accommodate two detached dwellings and has a paved rear lane. The Property has a slight west-east slope that will likely require a retaining wall on the east edge of the Property. In the valuation for the Property, the grade and future cost of the retaining wall were taken into consideration. Based on the analysis, the Property is located in a sought after community on a large residential lot neighbouring a green space and a park.

Administration reviewed the possibility of a larger consolidation of properties with the City owned land to the East of the subject Property. These properties are stewarded by the Parks department, and were circulated together for disposition. Parks declined disposition because the Community of Renfrew currently has less than 10% open space and the properties are natural Escarpment, as such, residential development is incompatible.

Valuation

The reserve price of the Property was based on an internal valuation which has been endorsed by Administration's Valuation Review Committee. The comparable sales analysed are included in Attachment 4.

Stakeholder Engagement, Research and Communication

Not applicable.

Strategic Alignment

Not applicable.

Social, Environmental, Economic (External)

Social

The Proposed sale of the Property will provide future residential development with a potential for increased densification on a vacant parcel.

Environmental

The Property was not reviewed in accordance with The City of Calgary's Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy. Although a Phase I environmental site assessment has not been undertaken, given that the Property has never been developed and is situated in a

**Deputy City Manager's Office Report to
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2018 October 10**

**ISC: CONFIDENTIAL
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Proposed Method of Disposition (Renfrew) - Ward 09 (1324 Phair AV NE) (MAS)

residential area, a Phase I environmental site assessment would not likely indicate a potential for environmental concern. The Property will be sold "as is, where is" and the proposed Purchaser shall assume all responsibility and liability for any environmental matters existing as of the Closing Date. The proposed Purchaser will have an opportunity to conduct their own due diligence, including but not limited to further environmental investigations or testing.

Economic

If the Method of Disposition is approved, a future sale of the Property will provide an opportunity for development with potential for higher density. A sale will also result in an increase to the annual tax base.

Financial Capacity

Current and Future Operating Budget:

None

Current and Future Capital Budget:

The proposed sale will be recorded in Real Estate & Development Services Operating Program 488 and net proceeds from the sale will be transferred to the Revolving Fund Reserve and reallocated to other funds as required.

Risk Assessment

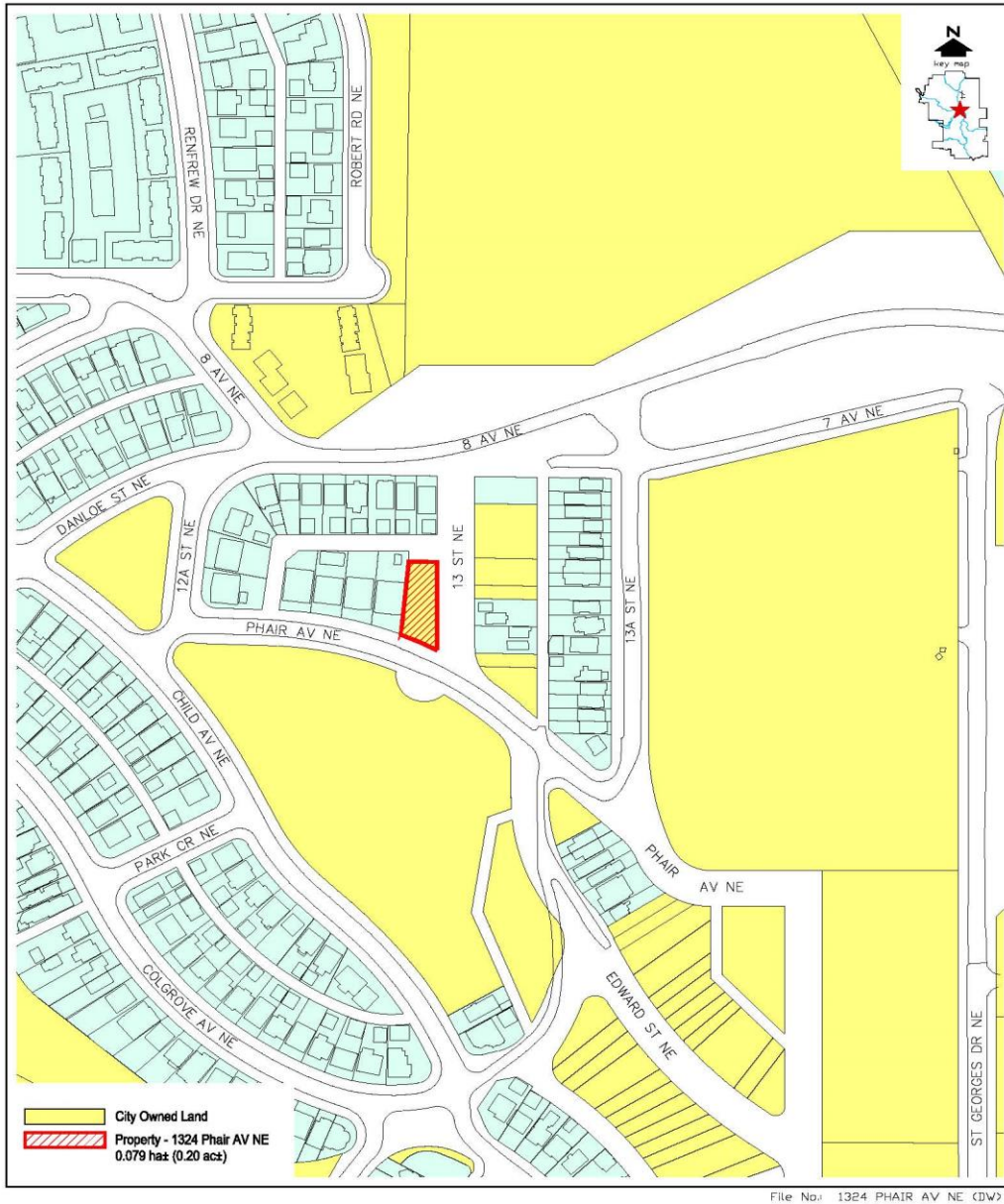
If the recommendation for disposition is not approved, The City would incur costs to hold and maintain a property it does not need. The City would also forego an opportunity to sell surplus property it does not need. The result would be the foregone consideration on a future sale which could have impacts on the sustainability of the revolving fund reserve, where the sale proceeds would be recovered. Furthermore, there would be a foregone opportunity to see private investment and the associated increase to The City's tax base.

REASON(S) FOR RECOMMENDATION(S):

The Property was rationalized by Roads and provides an opportunity for Administration to publicly market the Property with an eventual sale to encourage development. The Property has been circulated and declared surplus to municipal needs. A future sale of the Property would provide an opportunity for two residential dwellings to be built on a parcel that has sat vacant since 1998.

ATTACHMENT(S)

1. Attachment 1 – Site Map
2. Attachment 2 – Recommendations
3. Attachment 3 – Summary of Additional Property Information
4. Attachment 4 – Confidential
5. Attachment 5 – Confidential



RECOMMENDATIONS:

- (1) SPC on Utilities and Corporate Services recommend that Council authorize the proposed Method of Disposition of the following:

(a) PROPERTY:

PLAN 9911881
BLOCK 164
LOT 27
EXCEPTING THEREOUT ALL MINES AND MINERALS

Municipally known as 1324 PHAIR AV NE

(b) METHOD OF DISPOSITION:

Authorization for public marketing of the Property, to be administered by the Real Estate and Development Services, and authorization to negotiate a sale of the Property to the successful applicant.

(c) RESERVE PRICE:

As per Attachment 5

SUMMARY OF ADDITIONAL PROPERTY INFORMATION

SITE DETAILS FOR: 1324 PHAIR AV NE

Land:

Area: 789.23 sq. m.
(8,495.17 sq. ft.)
Topography: Slight negative grade
to east

L.U. Designation: R-C2 Residential -
Contextual One/Two Dwelling

Improvements:

Type: N/A
Size: N/A
Age: N/A

Assessment:

Roll No: 056208200
Property: \$730,500.00

Assessment Comments: The Property is a vacant parcel of land. The assessment reflects a market value standard with a valuation date of July 1, 2017. As legislated, assessments based on a market value standard must be prepared using mass appraisal, must be an estimate of the value of the fee simple estate in the property, and must reflect typical market conditions for properties similar to that property.

Taxes:

Current Year: \$0.00
Arrears: \$0.00
L.I. Levy: \$347.11

REMIS Land Interest Number:

Land Interest No: 1076301

This report and the resulting decision are solely recommendations and authorizations communicated between the Administration. It is not intended to provide representations or warranties to be acted upon by any other party or to be deemed or construed as an offer and an acceptance by The City.

**Utilities & Environmental Protection Report to
SPC on Utilities and Corporate Services
2018 October 10**

**ISC: UNRESTRICTED
UCS2018-1193**

Water Customer Assistance Program Pilot

EXECUTIVE SUMMARY

The City's Water Utility strongly adheres to the mandate of protecting public health through the provision of safe and reliable water, wastewater and stormwater services. In addition to this mandate, it is important that water is accessible and affordable to all Calgarians. The Water Utility's practice of disconnecting essential water services in cases of significant non-payment does not align with this mandate; therefore, a temporary moratorium was placed on this practice in September 2017.

Exploration of alternative solutions for non-paying, low-income customers has been undertaken. Provincial and community social service programs are in place for customers experiencing a financial crisis, assisting with utility bill arrears under certain circumstances; however, these programs do not provide proactive or long-term assistance for water, wastewater, and stormwater bills for low-income citizens. To better understand and address this chronic issue, this report proposes a Water Customer Assistance Program (WCAP) pilot.

The proposed WCAP pilot is an innovative, multi-faceted approach consistent with current practices in the water utility industry. The main objective of this pilot is to test an assistance program for low-income customers targeting those at greatest risk of losing essential water service. This pilot will help the Water Utility learn more about Calgary's low-income population and their bill payment experience, as well as provide options for meaningful assistance. Water utility customers with accounts in arrears over 90 days will be invited to participate in the pilot. To be eligible they must seek appropriate provincial and community social service agency support for arrears payment assistance; meet Fair Entry's residency and low-income criteria; and reside in the home. Through the WCAP pilot, eligible customers will receive assistance to reduce the variable consumption portion of their bill through water efficiency support, followed by a bill adjustment to offset a portion of their fixed water, wastewater and stormwater service charges. These measures combined could reduce the monthly bill by an estimated \$50 to \$86 per month.

The pilot will measure participation, customer benefits and feedback, utility costs and benefits, and overall program performance to inform next steps for Council consideration. Pending Council approval, the WCAP pilot is scheduled to start in Q2 2019 and conclude in early 2021, providing a total estimated cost assistance of up to \$2.8 million, which can be accommodated within the indicative rates previously approved by Council.

**Utilities & Environmental Protection Report to
SPC on Utilities and Corporate Services
2018 October 10**

**ISC: UNRESTRICTED
UCS2018-1193**

Water Customer Assistance Program Pilot

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Utilities and Corporate Services recommend that Council Direct Administration to:

1. Proceed with a Water Customer Assistance Program pilot as proposed, and report back to Council no later than end of 2020 on results and learnings from the pilot and recommendation for next steps.

**RECOMMENDATION OF THE SPC ON UTILITIES AND CORPORATE SERVICES, DATED
2018 OCTOBER 10:**

Administration's Recommendation was lost in a tie at Committee.

Excerpt from the Minutes of the Regular meeting of the SPC on Utilities and Corporate Services, held on 2018 October 10:

"Moved by Councillor Farrell

That with respect to Report UCS2018-1193, the following be approved:

That the Standing Policy Committee on Utilities and Corporate Services recommends that Council Direct Administration to proceed with a Water Customer Assistance Program pilot as proposed, and report back to Council no later than end of 2020 on results and learnings from the pilot and recommendation for next steps.

ROLL CALL VOTE

For: (3): Councillor Farrell, Councillor Gondek, and Councillor Keating

Against: (3): Councillor Sutherland, Councillor Demong, and Councillor Magliocca

MOTION DEFEATED

Pursuant to Section 134(a) of the Procedure Bylaw 35M2017, Councillor Keating requested that the lost motion be forwarded to Council for information."

PREVIOUS COUNCIL DIRECTION / POLICY

2018 February 26, UCS2018-0091 Council directed Administration to:

"Identify the requirements for an assistance program for low-income customers and bring to Council for consideration in 2018 as part of the Utility's 2019-2022 business planning."

BACKGROUND

Challenges paying for water utility services can be the result of many factors including job loss, change in family status, and a limited fixed income. Participation in Provincial and community social service agency programs indicate that some Calgarians are struggling to pay for their water services. In 2015, there were 139,540 Calgarians living under the Low Income Cut Off Before Tax (LICO-BT). From April 2017 to March 2018 in the Calgary region, Alberta Works-Income Support issued utility arrears payment assistance 133 times per month on average. The

**Utilities & Environmental Protection Report to
SPC on Utilities and Corporate Services
2018 October 10**

**ISC: UNRESTRICTED
UCS2018-1193**

Water Customer Assistance Program Pilot

United Way Basic Needs Fund provides financial support to households through several social service agencies. In 2017 there were approximately 2,000 requests for the fund, of which 422 (20%) were for utilities. While these programs provide emergency arrears payment support, they do not address chronic issues that low-income customers face in paying for essential services like water.

The Water Utility delivers quality water, wastewater and stormwater services to customers every day. In providing this service, the Water Utility must also balance financial sustainability, water conservation and equitable customer service. It is the customer's responsibility to pay for the water services they receive. Water service disconnection is a tool used to encourage bill payment in many municipalities across North America; however, disconnecting low-income Calgarians challenges The City's mandate to protect public health. To minimize potential health and safety risks, the Water Utility implemented a temporary moratorium on water disconnections due to non-payment in 2017 pending further research and recommendations on a Water Customer Assistance Program.

Approximately 2,300 City of Calgary residential water customers (less than 1% of total residential customer accounts) currently have unpaid arrears over 90 days and would be at risk of water service disconnection if the temporary moratorium was not in place. While it is common to have a portion of customer accounts behind on their bills, the total has increased by approximately 14% from end of 2015 to August 30, 2018. Billing information does not provide insight into the exact reasons a customer may be in arrears.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

In 2016, the United States Environmental Protection Agency published a summary of customer assistance programs commonly used by municipalities in North America. The most common program type is a bill adjustment, followed by flexible terms, temporary assistance, water efficiency support and a lifeline or adjusted rate. Based on this research and discussions with North American municipalities who have experience implementing assistance programs, the most successful programs include a combination of program types. This is the approach The City recommends taking for the pilot program.

The proposed WCAP pilot is guided by the principle of a shared responsibility between the customer, the Province, community social service agencies and The City. The pilot will provide assistance in two key areas: water efficiency support to reduce consumption and cost; and bill adjustments to partially offset basic service charges.

The City has had water efficiency programming in place since the Water Efficiency Plan was implemented in 2003; however, many low-income customers may still be using inefficient, high flow fixtures that further contribute to higher water use and cost. One of the key programs that made a significant contribution to water efficiency was the Toilet Rebate Program. This program provided \$5 million in rebates to customers over a 14-year period to incentivise installation of low flow toilets (\$50 per toilet), resulting in an estimated 14.7 billion litres of water saved since 2003. It is acknowledged that this type of program would have been difficult to access for low-income customers if they were unable to cover the remainder of the cost of the new toilet.

**Utilities & Environmental Protection Report to
SPC on Utilities and Corporate Services
2018 October 10**

**ISC: UNRESTRICTED
UCS2018-1193**

Water Customer Assistance Program Pilot

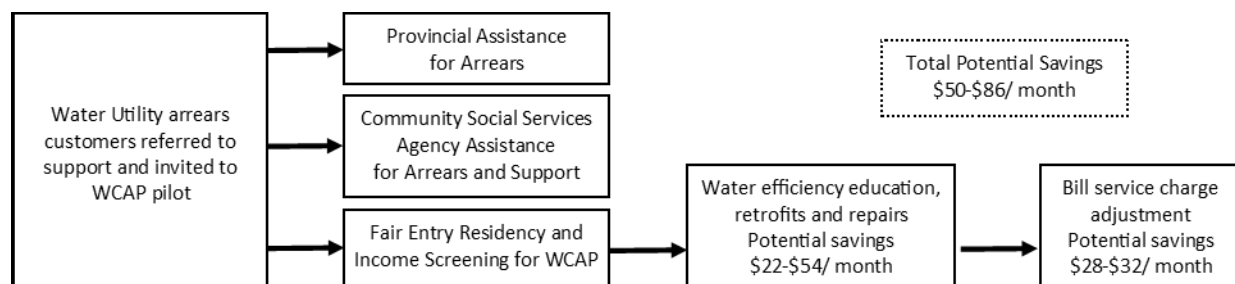
The City will invite customers with arrears greater than 90 days to participate in the pilot. Those who choose to apply will undergo the low income and residency screening provided by Fair Entry. The City's Fair Entry program is a one-point application process for low-income Calgarians applying for all subsidized City programs. Utilizing Fair Entry's established intake system provides an efficient and simple one window entry point for pilot participants and ensures alignment with other City of Calgary assistance programs.

Eligibility for assistance through the WCAP pilot is dependent on three key factors:

- Customers seek appropriate Provincial and community social service agency supports to address the arrears on their account. Customers will be referred to these resources prior to The City providing assistance.
- Participants meet Fair Entry's residency and LICO-BT criteria.
- Participants can be a home owner or a renter, but must reside in the home and pay a water utility bill directly.

Upon satisfaction of the above criteria, The City will begin by providing water efficiency education, as well as detecting and repairing leaks, and replacing water wasting fixtures in the bathroom. This service will be delivered through a third-party service provider or partner. These improvements will target a reduction in volumetric water and wastewater charges on the bill. Such measures have proven to reduce the water use of a typical household with water wasting fixtures by an average of 46%, with an estimated range of 7-17 m³ of water savings per month. This corresponds to \$22 to \$54 bill savings per month (based on 2018 water and wastewater rates), depending on water use prior to participation and number of people in the household.

Once a customer is participating in the water efficiency portion of the program, they will be eligible for a monthly bill adjustment to reduce the fixed water service charges on their utility bill. For this pilot, each household will receive a monthly bill adjustment for a total of six months. It is estimated that this could range from \$28-\$32 per month. The figure below depicts the general participant journey through the pilot program.



There is no industry standard for a water affordability threshold for low-income customers, and municipalities in North America define income eligibility, affordability thresholds and bill adjustment amounts in a variety of ways. Based on knowledge of water use in inefficient homes, Calgarians living under the LICO-BT pay on average 3.85% of their income toward water, wastewater and stormwater services. For the purposes of this pilot, a 2% of income target for

**Utilities & Environmental Protection Report to
SPC on Utilities and Corporate Services
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**ISC: UNRESTRICTED
UCS2018-1193**

Water Customer Assistance Program Pilot

water services has been applied, as guided by research, to the LICO- BT income thresholds. To achieve this target, a combination of bill savings from water efficiency and the bill adjustment is required and will result in an approximate \$50-\$86 reduction to the monthly utility bill. This represents a 50% reduction, on average, to the total monthly water utility bill for low-income customers.

It is estimated that the WCAP pilot will assist up to 2,500 customers with active water arrears accounts. Participation numbers are estimated based on current customers in arrears greater than 90 days, along with anticipated new arrears over the duration of the pilot. An estimated \$2.35 million investment in this pilot will go towards water efficiency education, fixture retrofits and leak repair services with approximately \$450,000 to cover the adjustments to the fixed basic service charge portion of the customers' bills. City administrative costs to design and administer the program will be accommodated within existing resourcing.

The WCAP pilot will allow key unknowns (e.g. customer demand and level of participation) to be determined, and assumptions and program processes to be tested enabling the design, cost and benefits, as well as need for a full program to be accurately determined.

Stakeholder Engagement, Research and Communication

Development of this WCAP pilot was supported by a literature review and investigation of other North American water utilities with customer assistance programs. This research confirmed that low-income customers across North America are struggling to meet bill payments as rates rise. This has become a leading issue in the industry. However, it is widely accepted that customer assistance programs must be customized to meet the needs of the diverse requirements of each municipality and the demographics of their customers.

The Water Utility has worked closely with Fair Entry to explore integration of the WCAP. In addition, all City partners of Fair Entry have been informed of the proposed pilot and possible program alignments have been identified. Also, discussions with the Provincial service Alberta Supports, Provincial program Alberta Works- Income Support and community social service agencies, namely CUPS and the Distress Centre, assisted in the needs assessment of the pilot and identified WCAP alignments.

Calgarians have shown support for programs like the proposed WCAP. According to the Citizen Perspectives Survey reported in November 2017, 77 percent of Calgarians support the idea of a customer assistance program that provides financial supports for those who are struggling to pay their water utility bills. Of those who support a WCAP, 53 percent agree that they would pay more for their water to help others struggling with their bills.

Feedback from pilot program participants will be gathered to better understand their experience and impact of the program. Fair Entry will also assist in the estimation of potential participation of an open entry customer assistance program by asking optional questions of Calgarians applying for other Fair Entry programs. This knowledge will be used to inform recommendations for next steps following the pilot.

**Utilities & Environmental Protection Report to
SPC on Utilities and Corporate Services
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UCS2018-1193**

Water Customer Assistance Program Pilot

Strategic Alignment

The proposed WCAP pilot has direct alignments to One Calgary Council Directives, namely A Prosperous City, A City of Safe and Inspiring Neighbourhoods, A Healthy and Green City and A Well Run City.

Enough for All: Calgary's Poverty Reduction Strategy, jointly led by four partners (The City of Calgary, United Way of Calgary, Vibrant Communities Calgary, and Momentum) expressly identifies a link to utility bills. "Basic needs programs provide direct support to families and individuals in economic emergencies — helping them pay their utility bills, for example, or buy groceries. Programs and initiatives that cultivate community capacity to meet basic needs are key to a sustainable reduction in poverty."

Social, Environmental, Economic (External)

Protecting public health through water and wastewater services is the mandate of Calgary's Water Utility. Providing basic needs services keeps both individuals and communities healthy and clean. Implementing a pilot project will enable The City to fulfill its social responsibility, and provide quality customer focused service to low-income Calgarians at potential risk of future service disconnection.

The water efficiency measures in the pilot will contribute an estimated 322 million liters of water savings during the pilot. It is further anticipated that the water savings will provide long term benefit to both the pilot participants and The City's Water Efficiency Plan, contributing an estimated 4.2 billion liters for the remainder of the Plan (until 2033).

Financial Capacity

Current and Future Operating Budget:

If the pilot is approved by Council, planning costs in 2018 will be accommodated within current budgets. The costs to deliver the WCAP pilot can be accommodated within the Council approved indicative rates for 2019-2022.

Current and Future Capital Budget:

There are no implications to The City's capital budget associated with this report.

Risk Assessment

A WCAP pilot will provide assistance for qualifying low-income Calgarians who pay for water directly through their water utility bill and who have arrears on their account greater than 90 days.

The WCAP pilot should increase the number of water customers able to pay their bill, minimizing the number of customers with accumulating arrears and in disconnection status. This will reduce public health and safety risks, and disconnection costs to the Water Utility. The proposed pilot will improve the Water Utility's ability to accurately understand the low-income population in Calgary and their needs.

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Water Customer Assistance Program Pilot

The risk of not implementing the WCAP pilot is that the Water Utility returns to disconnecting water services to encourage bill payment without the ability to differentiate and support low-income customers. This may result in negative impacts to health and safety, and reputational harm to The City of Calgary.

REASON(S) FOR RECOMMENDATION(S):

The Water Customer Assistance Program allows the Water Utility to pilot a program that will support the continuity of essential water services for low-income customers in need of assistance through meaningful support and resources.

ATTACHMENT(S)

No Attachments



Report Number: C2018-1288
Meeting: Regular Meeting of Council
Meeting Date: 2018 November 19

NOTICE OF MOTION

RE: AT-GRADE LRT CROSSING SAFETY

Sponsoring Councillor(s): COUNCILLOR COLLEY-URQUHART, COUNCILLOR KEATING, & COUNCILLOR JONES

WHEREAS there has been a recent fatality at an at-grade LRT crossing;

WHEREAS Calgary has 63 at-grade LRT crossings that are protected with various safety measures;

WHEREAS Calgary Transit uses a variety of tools including Audits and a crossing review committee that evaluate safety controls;

AND WHEREAS Calgary Transit collects data on safety events that occur across the system;

NOW THEREFORE BE IT RESOLVED that Council direct Administration to provide an At-Grade LRT Crossing report that includes:

- Inventory of crossings and treatments;
- Inventory of protection measures, what they target, constraints and costs;
- Best practices in design from across the industry;
- History of incidents;
- How The City studies, adapts and audits these crossings; and
- Recommendations for Council on additional programs or initiatives that will address crossing safety.

AND FURTHER BE IT RESOLVED that Administration report back to the SPC on Transportation and Transit Committee by Q2 2019.



Report Number: C2018-1351

Meeting: Regular Meeting of Council

Meeting Date: 2018 November 19

NOTICE OF MOTION

RE: Business Advisory Committee Terms of Reference Deferral

Sponsoring Councillor(s): Councillor Ward Sutherland

WHEREAS Council directed the creation of a new Council Board, the Business Advisory Committee on 2018 October 15, and directed that a proposed Terms of Reference document be brought to Council for consideration no later than December 2018;

AND WHEREAS the Business Advisory Committee is a complex collaboration between industry and City departments, whose full membership has not yet been appointed;

AND WHEREAS the Business Advisory Committee desires to ensure that the development of a proposed Terms of Reference considers the input of the proposed membership.

NOW THEREFORE BE IT RESOLVED that Council defer the due date of a proposed Terms of Reference from 2018 December to Q1 2019.



Report Number: C2018-1337
Meeting: Regular Meeting of Council
Meeting Date: 2018 November 19

NOTICE OF MOTION

RE: SUBDIVISION AND DEVELOPMENT REGULATION SETBACKS

Sponsoring Councillors: COUNCILLORS CARRA, COLLEY-URQUHART & KEATING

WHEREAS the Subdivision and Development Regulation defines the setback distance from a development or subdivision for a residence, school, hospital, or food establishment to an operating or non-operating landfill (300 m – 450 m), waste storage site (300 m), and operating and non-operating hazardous waste management facilities (450 m);

WHEREAS the setback distances that are established in the Subdivision and Development Regulation can have a significant negative impact on landowners and operators that are within the setbacks;

WHEREAS Council is supportive of businesses and wants to help facilitate development;

WHEREAS there may be low risk developments for which the setback established in the Subdivision and Development Regulation may be overly cautious; and

WHEREAS The City of Calgary Charter, 2018 Regulation, effective January 1, 2018, gives Council the power to modify the setback distances in the Subdivision and Development Regulation and the definitions of “school”, “hospital”, or “food establishment”.

NOW THEREFORE BE IT RESOLVED THAT COUNCIL:

Direct Administration to:

1. Scope out the requirements and implications of modifying the Subdivision and Development Regulation setbacks or the definition of “food establishment” in accordance with the Calgary Charter Regulation including analyzing:
 - i. The risks and liabilities The City could assume;
 - ii. The benefits and disadvantages;
 - iii. Any challenges from an operational perspective; and
 - iv. The additional resources that may be required for implementation.
2. Report back to Council through the SPC on Planning and Urban Development no later than Q3 2019 unless additional resources are required to complete the scoping exercise described above, and no funding source can be identified, in which case return to Council as soon as reasonably possible.



Report Number: C2018-1356
Meeting: Regular Meeting of Council
Meeting Date: 2018 November 19

NOTICE OF MOTION

RE: WASTE MANAGEMENT STORAGE SITE OPERATIONAL PRACTICES

Sponsoring Councillors: KEATING, COLLEY-URQUHART, CARRA

WHEREAS recycling is becoming more prominent in the minds of Calgarians and Albertans, with a greater focus needing to be placed on the companies operating in the industry to ensure they are operating safely;

WHEREAS Waste Management Storage Sites are locations at which materials are collected or received from multiple sources and are sorted and either sold for recycling or sent to landfill;

WHEREAS companies can operate in several different points within the Waste and Recycling Industry Value Chain;

WHEREAS if Waste Management Storage Sites don't transfer their waste in a timely manner (which is more cost effective), storing large amounts of waste improperly becomes a public safety hazard, with the potential of garbage landslides, fires and site contamination resulting in higher public risk;

WHEREAS in contrast, landfill operations are highly regulated through rigorous provincial and municipal standards requiring qualified employees working at such locations;

WHEREAS The City of Calgary and surrounding municipalities have varying standards for regulating the operations of Waste Management Storage Sites which may result in unsafe operating practices, large accumulations of waste, the potential for fires and accompanying strains on fire prevention services putting people's lives at risk;

WHEREAS there have been a number of Waste Management Storage Site fires including, but not limited to, the management of waste on March 22, July 18 and August 22, 2018 which were responded to by EMS, Police and Fire;

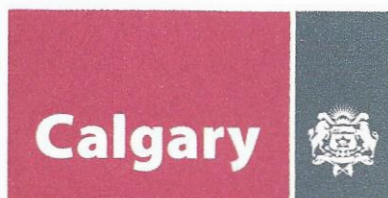
WHEREAS The City is aware of some, but not all, of the Waste Management Storage Sites in Calgary and in Rocky View County; and

WHEREAS the operation of Waste Management Storage Sites should be regulated effectively by The City of Calgary and The Province of Alberta.

NOW THEREFORE BE IT RESOLVED THAT COUNCIL:

Direct Administration to:

1. Report back through the SPC on Utilities and Corporate Services no later than Q1 2019 on an interim approach to minimizing safety risks of these operations; and
2. Report back through the SPC on Utilities and Corporate Services no later than Q4 2019 with:
 - a. A scoping report on The City's authority to use existing controls to limit the safety hazard, risk and liability of The City of Calgary from the operation of waste management storage sites; and
 - b. Make recommendations for potential policy and potential regulatory requirements to standardize practices that reflect best practices.



Memo

CHIEF FINANCIAL OFFICER'S DEPARTMENT

2018 November 7

To: Councillor Farkas, Office of the Councillors #8001

From: Carla Male, Acting Chief Financial Officer #8003

Re: DEBT

You asked the following question at Council on Monday, September 24:

When governments borrow debt, it is often through bonds that get rolled over again and again without ever paying the principal. My inquiry is regarding the debt that was borrowed for the 1988 Olympics and debt that will be borrowed for the 2026 Olympics (if Calgary were to proceed to hosting).

1. How much debt was borrowed by The City to pay for the 1988 Olympics?
2. Were the 1988 funds repaid in full by today? What was the timetable of debt repayment?
3. How much has been spent in interest costs on the 1988 debt that was borrowed?
4. What would be the repayment schedule for funds borrowed for the 2026 Olympics? What would be the property tax impact be for a median residential and non-residential property.

The financial system The City had in 1988 has been replaced and much of the documentation is past the records retention time frame making some information unavailable. However, research has identified \$17.5 million of debt specifically related to the 1988 Olympics. Based on that debt and using prevailing interest rates of that time, it is estimated that total interest may have been between \$8.5M and \$9M. Although records verifying the exact date of total 1988 Olympic debt repayment are not available, it is assured that as of 2018 The City does has no outstanding debt related to this event.

Until the financial arrangement of hosting the 2026 Olympics has been solidified, we cannot forecast the debt repayment schedule or the property tax impact of those costs.

Carla Male
Acting Chief Financial Officer

Memo

2018 November 19

To: Mayor and Councillors

From: Rob Spackman
Director, Water Resources

Debra Hamilton
Director, Community Planning

Doug Cassidy
Director, Real Estate and Development Services

Denise Jakal
Manager, Planning & Environment
Law & Legislative Services

**Re: Response to Administrative Inquiry
2018 October 15 Council Meeting - Highland Park Golf Course Lands
Submitted by Councillor Keating**

Background

In 2013, 1744228 Alberta Ltd. (the “Landowner”), a company of which Ajay Nehru is a Director, acquired the former Highland Park Golf Course lands (the “Lands”) from the owner who originally developed the Lands as a golf course for a purchase price of \$8.1 million. Several months prior to purchasing the Lands, Mr. Nehru had already participated in a pre-application enquiry regarding the Lands, at which point the challenges of developing the Lands were highlighted to him by The City.

In late 2014, after going through another pre-application process during which the Landowner and Water Resources had extensive discussions about the stormwater issues with the Lands, the Landowner submitted a land use and outline plan application. Through the application review, the Landowner indicated that they wanted to move forward quickly despite having incomplete information about the potential risks of developing this site. In electing to proceed, the Landowner assumed the risk of moving forward with a proposal that might prove to be unbuildable. This transfer of risk is reflected in the Outline Plan conditions of approval.

This system of apportioning risk can only work if The City resists assuming such risks if, or when, these unknown risks become known. Otherwise, The City will effectively become

the guarantor of any and all developments across the city. When the outline plan for this site was conditioned, the unknown risks that existed with respect to the impacts of the Regional Drainage Study became the Landowner's. Specifically, the conditions required a Staged Master Drainage Plan prior to tentative plan approval, and provided that any dry pond requirements identified therein must be accommodated on the Lands. Following a close vote, the land use amendment was approved. There was extensive debate in Council about whether or not to approve this land use amendment in the absence of the Regional Drainage Study, but it was noted that the outline plan conditions had been drafted to ensure that construction would not commence until the Regional Drainage Study was completed

When the Confederation Park Regional Drainage Study Draft Final Report was released on June 1, 2018, it became clear that drainage through the Lands is a major concern, and it recommended that the feasibility of stormwater storage solutions on the Lands be explored. The risks respecting the Regional Drainage Study had materialized, and it is now clear that the Landowner will be unable to develop the Lands as contemplated in the approved outline plan.

Throughout 2018, The City has repeatedly communicated to the Landowner that there are two realistic paths forward:

1. Proceed with its development application, preferably by meeting with The City to determine how the Landowner can maximize the site's development potential within the scope of the outline plan conditions and the limitations identified in the Regional Drainage Study; or
2. Present The City with a reasonable offer of sale for the Lands.

The City is not currently in a position where it needs to acquire the Lands. Right now, the Lands are functioning as a natural drainage solution and, based on the way the outline plan conditions have been drafted, no development will take place on the large portion of the Lands that sits west of Centre Street until "appropriate solutions for the entire catchment, including interim solutions to allow phased development to proceed, have been identified and implemented to the satisfaction of Water Resources."

It is possible that the ultimate solution may be a combination of options 1 and 2 above, but that will not be possible to assess until the Regional Drainage Study is finalized. The Final Report of the Regional Drainage Study is expected at the end of Q4, 2018. Once that report is complete, The City will have a better idea of how much of the Lands might be impacted by a proposed regional stormwater drainage solution. The City will also then be in a position to discuss with the Landowner which lands may be required to be dedicated to The City as Municipal Reserve (MR), Environmental Reserve (ER), and Public Utility Lot (PUL), which lands may assist in the accommodation of regional drainage, and whether any additional lands over and above these dedications would be necessary to accommodate stormwater flows.

Response to Administrative Inquiry

With the above background in mind, please find below Administration's response to the Administrative Inquiry received October 15, 2018.

1. What is the current status of the Confederation Park Regional Drainage Study, Draft Final Report, May 31, 2018?

The Draft Final Report has been posted online and made available to the public. As noted above, the Final Report is underway and The City expects it to be issued by the end of Q4, 2018. Once complete, the Final Report will be made available to the public in early 2019.

2. The draft report recommendation is to utilize the former Highland Park golf course essentially as a stormwater reservoir (in the one in one hundred year event). What is the estimated cost to purchase this private land?

The Draft Final Report's recommendation touches on the need to further explore the feasibility of acquiring all or a portion of the Lands in order to accommodate storage and conveyance improvements in the Confederation Creek catchment area. At this time, we do not know how much of the Lands would be impacted or where on the site the proposed storage solutions would be. As such, we have not yet obtained a formal appraisal of the Lands.

In terms of the information available, we know that the last time a knowledgeable, willing and unpressured buyer purchased this property in an open market was in 2013 when the Lands were acquired by the Landowner for \$8.1 million. Any third party buyer would be looking at the obvious challenges (an extensive, existing network of utilities that cannot be moved, City-owned PUL running through the middle of the site, sloped topography, registrations on title, and any comments received from a pre-development application meeting with The City, if pursued), all of which were available to the Landowner at the time of its purchase.

As discussed in more detail above, since the Landowner purchased the Lands:

- a land use amendment application for the Lands was approved by Council;
- an outline plan was approved by Calgary Planning Commission subject to several conditions;
- the Draft Regional Drainage Study was released, highlighting the reality that the existing outline plan is not developable; and
- the real estate market in Calgary experienced a decline.

All of these factors would be taken into account when valuing the Lands. Given all of the above factors, it would be premature to speculate on the Lands' market value.

3. Did Administration (Water Resources) consider whether it could utilize the City-owned lands upstream to address the stormwater issue, i.e. could it store water on the Confederation Golf Course, Confederation Park and/or Queen's Park Cemetery

lands? Has the cost of this option been addressed relative to the Highland Park development land purchase option?

Yes, Water Resources did consider options to utilize upstream City-owned lands. The cost of upstream storage has not been addressed, as no viable options have been identified.

Queen's Park Cemetery is not a viable option because there is minimal storage space available in the cemetery that would not impact existing graves and urns. This proposed option would result in extensive flooding of existing grave sites which would have significant social, moral and operational implications.

Overland flows upstream of Queen's Park Cemetery are already fully retained and released in a controlled manner. The stormwater volumes entering the Lands come from the catchment areas downstream of Confederation Park Golf Course and Confederation Park as well as Queen's Park Cemetery. Water Resources has worked collaboratively with the Landowner's consultant, ISL Engineering, to explore additional open space storage options in the catchment area; however, after careful consideration by Water Resource's consultant (Associated Engineering), it was determined that these areas offered minimal storage opportunities and would have a marginal impact on the water volumes entering the Lands. Water Resources and ISL mutually agreed that there are no viable upstream storage alternatives on City-owned land to address the volume of stormwater entering the Lands.

Not only were these alternatives considered, but The City's analysis with respect to other potential solutions was peer-reviewed by an independent third-party, Computational Hydraulics International, who concurred with The City's analysis. There has been extensive and repeated communication between Water Resources and ISL on this issue.

For an illustration of the catchment area and the locations of alternative storage solutions considered by The City and ISL, please see the map enclosed as Attachment 1.

4. If not analyzed, why were these existing City-owned lands with extensive open spaces, particularly for catastrophic stormwater events, not considered?

Not applicable. Please see above.

5. Is the recommended land purchase and some associated stormwater infrastructure included in the upcoming 2019-2022 budget discussions?

No. As discussed above, the Regional Drainage Study is not yet finalized. Once the study is finalized and implementation options are determined, funding of those options would be considered within the Community Drainage Improvement Program.

6. If not included in the upcoming proposed 4-year budget, what is the next step to resolve this situation working in cooperation with the landowner of the Highland Park lands?

As noted previously, there are two realistic paths forward. The Landowner has the option of continuing to pursue its development application. The City has repeatedly offered to meet with the Landowner to review and discuss the existing outline plan conditions and how the Landowner might be able to redesign the site with those conditions in mind. The other option is for the Landowner to make The City a reasonable offer of sale based on the current state of the Lands and the known constraints on development. City Administration continues to be open to discussion on either of the two options.

7. What is the process for the City to acquire private lands for a public purpose if there is an inability to reach an agreement between the City and the private landowner?

As discussed above, The City is not required to acquire the Lands at this time. The condition of lands has not been altered since the mid-70's when The City and then-owner had significant and protracted negotiations around the drainage issues and stability of the Lands. While the Landowner's land use application accelerated the timing of the Confederation Park Regional Drainage Study, the development challenges presented by the site have existed for the past sixty years.

If the Landowner is not prepared to proceed with its development application or to offer the Lands for sale at a price The City considers reasonable, and if The City concludes that it requires some or all of the Lands for stormwater management, expropriation is a last-resort option. Administration recommends caution in pursuing this option.

In an expropriation, The City could be required to compensate the Landowner for all of the following, **in addition to** the market value of the lands, which it would not be required to pay in a negotiated purchase and sale:

- (a) injurious affection, in the case of a partial taking, if the expropriation would reduce the value of the Landowner's remaining lands;
- (b) disturbance damages, if the Landowner can establish that it has incurred business losses, moving costs or other such damages as a natural and reasonable consequence of the expropriation;
- (c) special economic advantage, if the Landowner can show that it will lose advantages peculiar to its use of the land that would not accrue to another owner of the same parcel;
- (d) interest on any shortfall between the compensation initially paid by The City to the Landowner and the compensation ultimately agreed upon by the parties or awarded by the Land Compensation Board, as well as the possibility of penalty interest; and
- (e) the Landowner's reasonable costs of negotiating compensation and, if negotiations fail, taking the matter to the Board – including the fees and

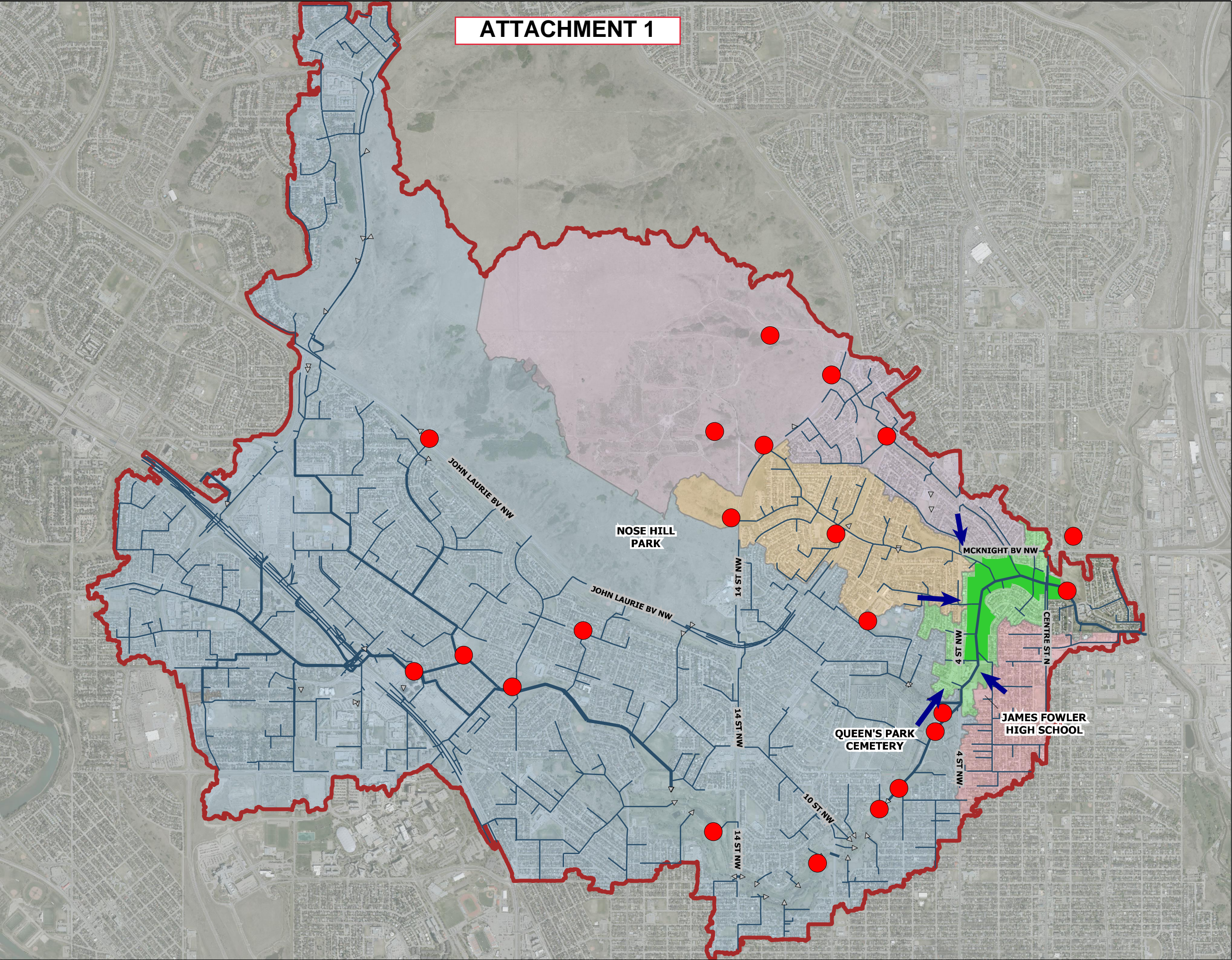
disbursements of lawyers, appraisers and other experts who might reasonably be retained to assist the landowner in making its case.

Expropriation costs can be significant, particularly if the case requires experts from a number of different fields. In Administration's view, expropriation is an option of last resort and is not recommended. Administration remains committed to working with the Landowner to further its development and maximize its development potential within the scope of the existing outline plan conditions.

Attachments: 1

Time: 5:36:40 PM | Date: 11/7/2018 | Scale: [Scale] | Map File: P:\20179915\00_Dam_Safety_Assess\Engineering\03.04_Civil_Notes_Drawings\44_Figures for Council\map_report\figures_V3.map

ATTACHMENT 1



A12018-07

LEGEND

- [Red outline] STUDY AREA
- [Green fill] HIGHLAND VILLAGE GREEN
- [Blue line] STORM PIPE
- [Blue arrow] FLOW DIRECTION
- [Inverted triangle] STORM OUTFALL
- [Red dot] REVIEWED STORAGE OPTION

CATCHMENTS

- [Light purple fill] NORTH
- [Yellow fill] WEST
- [Pink fill] MINOR SYSTEM ONLY
- [Light blue fill] CONFEDERATION CREEK

PROJECT NO.	2017-3915	INITIAL	DATE
DRAWN		AR	06-11-18
DESIGNED		AR	06-11-18
CHECKED		CA	06-11-18
APPROVED		NL	06-11-18



DRAFT

Projection: 3TM114



CONFEDERATION PARK
REGIONAL DRAINAGE STUDY

LOCATIONS OF REVIEWED
STORAGE OPPORTUNITIES

DRAWING NUMBER	REV. NO.	SHEET
FIGURE 2	A	

A12018-07

2018 November 19

To: Mayor Nenshi and Members of Council

From: James McLaughlin, Acting Director, Calgary Recreation

Re: **Response to Administrative Inquiry**
2018 July 30 Council Meeting – Calgary “Event-Ready Infrastructure”
Submitted by Councillor Colley-Urquhart and Councillor Chahal

At the 2018 July 30 Combined Meeting of Council, Councillor Colley-Urquhart and Councillor Chahal submitted an Administrative Inquiry regarding the gaps in “Event-Ready Infrastructure” identified by Tourism Calgary in a 2018 July 27 memo to Council.

In preparation for the One Calgary Operating and Capital Budget discussions, Council requested that Administration consult with key stakeholders on technical deficits, lost business opportunities and options on how the “Event-Ready Infrastructure” gaps may be addressed.

Attachment 1 provides Council with Administration’s response and detailed review of the nine facility gaps identified. As part of Administration’s work, Tourism Calgary was engaged to provide additional information and feedback. In addition, Meetings and Conventions Calgary was invited to participate or add new information.

Two of the nine gaps identified in Tourism Calgary’s original memo may be addressed through items under consideration as part of the One Calgary 2019-2022 Operating and Capital Budget deliberations.

1. The Repsol Sport Centre Legacy Project (Phase 1) business case is included in One Calgary, *recommended for funding*.
2. The Multisport Fieldhouse Development business case is on the One Calgary *unfunded for information* list. For a summary of these business cases and how they could address portions of the “Event-Ready Infrastructure” gaps, please refer to Attachment 2.

The remaining gaps may be addressed within the context of a shared Event Strategy (Attachment 3). This work has been initiated by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle. Administration could report by periodic memo or through the SPC on Community and Protective Services with updates on the Event Strategy beginning as early as Q4 2019. We would also be pleased to meet with members of Council to answer follow up questions and to provide additional information or clarification.

Attachments

1. “Event-Ready Infrastructure” Review
2. One Calgary Capital Budget Deliberations Related to “Event-Ready Infrastructure”
3. Event Strategy

“Event-Ready Infrastructure” Review

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“Event-Ready Infrastructure” Review

BACKGROUND & INTRODUCTION

At the 2018 July 30 Combined Meeting of Council, Councillor Colley-Urquhart and Councillor Chahal submitted an Administrative Inquiry regarding Calgary “Event-Ready Infrastructure,” as follows:

As discussed at the May 2018 SPC on Community and Protective Services, Tourism Calgary was requested to provide detailed feedback on events Calgary has lost between 2014 and 2017, due to a deficit in “Event-Ready Infrastructure”. [This information was provided in a memo to Council on 2018 July 27.]

Administration is requested to report back to members of Council no later than October 2018, in preparation for the One Calgary Operating and Capital Budget discussions in consultation with key stakeholders (including but not limited to Tourism Calgary and Meeting and Conventions Calgary) on:

- a. Options on how the “Event-Ready Infrastructure” gap can be addressed with timelines;
- b. Examine “lost business” opportunities as they relate to postponed, declined, developmental loss and competitive loss;
- c. Technical deficits in meeting hosting standards on the nine facility gaps identified in the attached

In response to the Administrative Inquiry, the following provides a detailed review conducted by Administration of the nine facility gaps identified by Tourism Calgary. This document addresses each infrastructure gap by outlining the technical deficits in meeting hosting standards, lost business opportunities, and options on how the gap may be addressed with timelines.

Please note that two of nine gaps may be addressed through items under consideration as part of the One Calgary 2019-2022 Operating and Capital Budget deliberations.

1. The Repsol Sport Centre Legacy Project (Phase 1) business case is included in One Calgary, *recommended for funding*.
2. The Multisport Fieldhouse Development business case is on the One Calgary *unfunded for information* list.

For a summary of these business cases and how they may address portions of the “Event-Ready Infrastructure” gaps, please refer to Attachment 2.

The remaining gaps may be addressed within the context of a shared Event Strategy (Attachment 3), initiated by Administration and anticipated to be completed during the 2019-2022 business cycle.

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #1: GLENMORE RESERVOIR

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits at Glenmore Reservoir include lane markers, infrastructure to support ‘fixed starts’, expansion of the rowing course to meet the World Rowing Federation FISA (Fédération Internationale des Sociétés) standards (e.g. from 1,500 meters to 2,000 meters), enhancements to the observation tower, upgrades to the canoe course / markings / equipment / buoys and a consistent 2-meter depth (candidate destinations).

The current rowing and canoe course could be increased by 500 meters. However, recreational usage by the Glenmore Sailing Club, Glenmore Sailing School and the S.S. Moyie (Heritage Park Historical Village paddleboat) along with public and recreational user groups would be considerably reduced. With an additional investment in storage and operating budget, the buoys could be removed between events (leaving the anchors only), however the recreational use would still be impeded due to limitations associated with the anchors and available water depth.

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include:

- Canadian Masters Rowing Championships with an estimated 400 participants representing potential spending of \$150 thousand.
- Canadian Canoe Kayak Sprint Championship with an estimated 1,200 participants representing potential spending of \$500 thousand.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(c) options on how the gap may be addressed with timelines

Recreational uses are complementary to the primary purpose as defined in the Glenmore Reservoir Bylaw Number 9018, which is to provide Calgarians a safe and sufficient supply of drinking water with bylaws put in place to maintain the quality of the water.

It is possible to meet the Event-Ready requirements set out by Tourism Calgary. However, the cost and impact to both the primary purpose and recreational uses of the reservoir is anticipated to be substantial. In addition, Glenmore Reservoir is simply not consistently accessible for event purposes based on the need to manage water levels and river flows/currents.

“Event-Ready Infrastructure” Review

In addition, the majority of the required 500-meter course extension would be less than 1-meter (approximately 2 to 3 feet) deep which is far short of the required 2-meter depth. Historically, The City has declined requests from sporting organizations to dredge the Reservoir due to the high cost and because it does not align with the primary purpose of the Glenmore Reservoir. However, if The City decided to change its practice by dredging the 2,000-meter course, it would likely lead to additional requests from sporting organizations to dredge other parts of the Reservoir for recreational purposes.

If required, a feasibility study, including a cost estimate and cost benefit analysis, could be undertaken to better quantify these impacts and others, such as new starting/finishing platforms and the addition of a second water observation tower.

The demand for increased recreational activity and water sports is not likely to decrease. Glenmore Reservoir user studies were completed in 2004 and 2010. Between 2004 and 2010, there was a 300 per cent increase in boats and 500 per cent increase in people using the reservoir for recreational purposes. As such, Calgary Recreation is looking to the Bearspaw Reservoir for continued and expanded non-motorized recreational uses.

With the support of Intergovernmental and Corporate Strategy, Calgary Recreation and Water Resources are currently participating in the Tri-lateral Task Force for the Bearspaw Reservoir which includes discussions on appropriate recreational uses. Calgary Recreation is advocating for the inclusion of recreational uses at the Bearspaw Reservoir and expanded non-motorized sport uses, beyond what is currently permitted by the Glenmore Reservoir Bylaw Number 9018 (e.g. stand up paddle board).

Event-Ready Infrastructure is not currently on the agenda. Calgary Recreation will bring forward the possibility of including the Event-Ready Infrastructure to the Bearspaw Reservoir Tri-lateral Task Force and inform Tourism Calgary of Administration's progress.

In addition, Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council's overall vision for Calgary. Options for addressing rowing and canoe course gaps will be considered within the context of a shared Event Strategy (Attachment 3). The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle.

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #2: REPSOL SPORT CENTRE

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits include a FINA (Fédération Internationale de Natation) world championship standard pool complete with automatic officiating equipment, 10 lanes, a consistent 2-meter depth, 1,500 LUX lighting, minimum 2,000 spectator seats, and seating for media, athletes, coaches and officials.

The current event-ready infrastructure offered at Repsol Sport Centre includes:

- 2, 50-meter competition pools: north (1.8-meter depth) and south (2.6-meter depth)
- permanent seating for approximately 500 with the addition of temporary seating for several hundred more, depending on the configuration
- automatic officiating equipment
- 1,500 LUX lighting
- seating for media, athletes, coaches and officials
- 1, dive tank (5-meter depth)
 - dive platforms: 3m, 5m, 7m, 10m
 - spring boards: 4x 3m, 4x 1m

The 50-meter pools and dive tank are not FINA compliant.

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include the World Junior Swimming Championships with an estimated 1,000 participants representing potential spending of \$480 thousand.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(c) options on how the gap may be addressed with timelines

Repsol Sport Centre is a key contributor to Calgary’s economy with more than 30 aquatic events held at the facility annually. In 2018, Tourism Calgary (via Calgary Sport and Major Events) measured the impact of eight aquatic events that took place in the first two quarters of 2018. These events were hosted at Repsol Sport Centre and contributed nearly \$600 thousand to Calgary’s economy through visitor spending. A total of \$85 thousand was provided in the form of event hosting grants.

Repsol Sport Centre’s proposed Legacy Project (Phase 1) could address the deficits identified in the 2018 July memo from Tourism Calgary including 2,000 spectator seats which may be accommodated with temporary bleachers.

“Event-Ready Infrastructure” Review

The Legacy Project (Phase 1) will allow Repsol Sport Centre to continue to attract and host more aquatic events that are of higher quality/profile, as well as expand the aquatic program and offer more spaces to sport groups. It is anticipated that the number of events hosted annually will increase as will the number of athletes the facility may accommodate. It will not accommodate events requiring 4,000 to 6,000 seats, however this will be considered as part of Phase 2. It is anticipated that conceptual design for Phase 2 will occur subsequent to the completion of Phase 1

The 2019-2022 Operating and Capital Budget deliberations scheduled for 2018 November 26-30 include the *Repsol Sport Centre Legacy Project - Phase 1* capital business case. This business case has been submitted by Lindsay Park Sports Society and requests Council to consider a capital investment. Should Council choose to approve this capital business case, AND federal and provincial funding for the project is secured by the Society, a portion of facility gap #2 as outlined in the 2018 July memo from Tourism Calgary, could be addressed in the 2019-2022 budget cycle.

Administration also considered the Brookfield Residential YMCA at Seton as a location suitable for a FINA world championship level event. Although the facility features a 50-meter, 10 lane competition pool, it does not meet the spectator seating requirements set out in the 2018 July memo from Tourism Calgary. Seton was designed for 275 spectator seats plus an accessible seating area. There is no realistic way to increase Seton more than a few hundred seats without undertaking a substantial redesign of the building.

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #3: HOSTING CLUSTERS

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, the technical deficits identified include a multi-sport field complex with a feature field capable of seating up to 5,000.

Based on preliminary work, Tourism Calgary has identified that minimum specifications will likely include:

- ten rectangular fields;
- consider baseball, softball, tennis, athletics, fieldhouse (basic - gymnastics, temporary volleyball courts, tradeshow space, etc.); and
- stadium seating, change room facilities and services (e.g. food service, photography, and ticket services).

As part of the Sport Field Strategy (October 2016), specifications have been explored but are not yet set. Minimum specifications will likely include multiple fields, parking, change rooms, public washrooms, irrigation, potable water, bleachers, waste and recycling facilities, and field lighting. Additional amenities may include: conference space, event office space / organizing space (possible hosting spaces for VIPs and sponsors), and storage space for onsite needs. Land requirements for 10+ fields plus ancillary amenities would be one of the more substantial challenges to establishing a hosting cluster.

An example of a major complex is Dicks Sporting Goods Park in Commerce City, Colorado. It is located on 140 acres of land and comprised of an 18,000-seat stadium, home to the Colorado Rapids. Surrounding the stadium are 24 full-size, fully-lit sports fields, including 22 natural grass and 2 synthetic turf fields. Indoor (large and small) and outdoor spaces are available for events.

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include the Men’s World Lacrosse Championship with an estimated 1,400 participants representing potential spending of \$1.3 million.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

“Event-Ready Infrastructure” Review

(c) options on how the gap may be addressed with timelines

More work is required to study hosting clusters, establish priority, contemplate an investment model, identify barriers and opportunities to hosting, and determine exact specifications required for a hosting cluster.

Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council's overall vision for Calgary.

Options for addressing the gap in hosting clusters will be considered within the context of a shared Event Strategy (Attachment 3). For example, potential sites that may partially address the deficit include Inland Athletic Park (multi-sport), Deerfoot Athletic Park (diamonds), and Calgary Rugby Union (rectangular). In these cases, minimum seating requirements may be addressed through temporary infrastructure (e.g. expandable seating). In addition, consideration could be given to how the technical requirements of the hosting cluster and six-surface arena (facility gap #6) interface and complement each other. And, to explore how the two venues may be integrated into a single location.

The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle. Should a hosting cluster be identified as a high priority within the Event Strategy, Calgary Recreation could undertake a Program, Amenity and Market Assessment which involves the following key considerations:

- needs assessment (e.g. historical utilization rate of athletic parks, bookings/allocations practices)
- site acquisition strategy: site determination and land acquisition strategy
- facility service delivery
- public and stakeholder (e.g. sport groups) consultation
- facility design and construction considerations
- funding arrangements

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #4: MIDSIZE ARENA

a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits include a certified, international (200ft x 100ft) indoor ice arena with seating capacity of between 6,000-8,000.

The City owns and operates two arenas with 200ft x 100ft ice surfaces: (1) Father David Bauer Arena with a seating capacity of 1,750; and (2) Max Bell, Ken Bracko Arena with a seating capacity of 2,121.

b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include the Canadian Tire National Skating Championship with an estimated 500 participants representing potential spending of \$400 thousand.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

c) options on how the gap may be addressed with timelines

More work is required to study midsize arenas, establish priority, contemplate an investment model, identify barriers and opportunities to hosting, and determine exact specifications required for a hosting cluster. For example, Calgary Recreation has identified existing arenas (Stew Hendry Arena, Shouldice Skating Arena, Rose Kohn and Jimmie Condon Arenas and Max Bell) that could be redeveloped or expanded to accommodate the desired seating capacity (approx. 6,000 seats).

Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned that the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council's overall vision for Calgary. Options for addressing the midsize arena gap will be considered within the context of a shared Event Strategy (Attachment 3). The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle.

“Event-Ready Infrastructure” Review

Other Opportunities

The Multisport Fieldhouse Development is envisioned as a multi-sport amenity located within Foothills Athletic Park (50.7 acres) and a top priority in several strategic plans including the Recreation Master Plan, Infrastructure Calgary (Innovation, Education and Wellness District), the Recreation Facility Development and Enhancement Study (FDES) and the FDES Sport Infrastructure Compendium. The Multisport Fieldhouse Development was primarily conceived to provide year-round indoor practice and play space for Calgary’s recreational sport community, act as a training facility for amateur athletes, and accommodate current and anticipated demand from both sport organizations and recreational users locally and citywide. The facility concept includes the following amenities that may address the deficits identified in the 2018 July memo from Tourism Calgary:

- permanent seating capacity of 500
- ability to provide up to 2,500 temporary seats on a seasonal basis
- floor space/capability for 10,000 temporary spectator seating for events

The Multisport Fieldhouse Development 2016 concept primarily accommodates sanctionable recreational practice and play amenities. Tournament hosting and spectator-capable amenities were a secondary consideration. Based on a review conducted by Calgary 2026, the venue could be converted temporarily to accommodate figure skating and short-track speed skating. The temporary conversion would come with a one-time cost and use, with temporary infrastructure removed following the event. In addition, the vision of the Foothills Athletic Park includes an eventual aquatics and twin arena complex. Further analysis by Calgary 2026 has confirmed that one arena may be enlarged to 6,000 seats (temporarily or permanently), however the current business case does not include these expanded amenities.

The 2019-2022 Operating and Capital Budget deliberations scheduled for 2018 November 26-30 includes the *Multisport Fieldhouse Development* capital business case on the unfunded, for information only list. This business case defines the primary purpose of the Fieldhouse as supporting amateur sport, accommodating sanctionable recreational practice and play. The conceptual design does not consider permanent tournament hosting and spectator capable amenities.

Should Council choose to approve this capital business case, extensive stakeholder engagement and design stages would be completed in advance of design and construction. As outlined in Attachment 2, Council may also choose to direct Administration to undertake new work to address the midsize arena gap.

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #5: CRICKET PITCH

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits include but are not limited to the provision and availability of an International Cricket Council (ICC) sanctioned pitch.

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include the Global T20 Canada with an estimated 115 participants representing potential spending of \$190 thousand.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(c) options on how the gap may be addressed with timelines

Calgary Parks and Calgary Recreation are currently working together to plan the development of an athletic park on a 20-acre site in northeast Calgary which would include International Cricket Council (ICC) sanctioned cricket pitches. The scope of work, including a market assessment, and budget are under development.

In addition, Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned that the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council’s overall vision for Calgary. Options for addressing the cricket pitch gap will be considered within the context of a shared Event Strategy (Attachment 3). The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle.

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #6: SIX-SURFACE ARENA

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits include six regulation size (200ft x 80ft) ice surfaces with a main arena providing 1,300 seats under one roof. Additionally, this facility would be conversion friendly with proper decking and adequate ceiling height to host national and international events in basketball, volleyball, badminton and lacrosse.

The City is well equipped with arenas of a variety of sizes and seating capacities across the city, although a single facility housing six sheets does not exist.

In addition, the Multisport Fieldhouse Development is envisioned as a multi-sport amenity located within Foothills Athletic Park (50.7 acres) and a top priority in several strategic plans including the Recreation Master Plan, Infrastructure Calgary (Innovation, Education and Wellness District), the Recreation Facility Development and Enhancement Study (FDES) and the FDES Sport Infrastructure Compendium. The Multisport Fieldhouse Development was conceived to provide year-round indoor practice and play space for Calgary’s recreational sport community, act as a training facility for amateur athletes, and to accommodate current and anticipated demand from both sport organizations and recreational users locally and citywide.

The Multisport Fieldhouse Development conceptual design accommodates sanctionable recreational practice and play. While not addressing the need for ice the following amenities will address some of the deficits identified by Tourism Calgary including:

- conversion friendly gymnasium space for basketball, volleyball, badminton and lacrosse
 - 13 volleyball courts
 - 8 basketball courts
 - 18 badminton courts
- permanent seating capacity of 500
- ability to provide up to 2,500 temporary seats on a seasonal basis
- floor space/capability for 10,000 temporary spectator seating for events

In addition, Calgary Recreation expects that the infield could be converted to exceed the court requirements identified by Tourism Calgary in the 2018 July memo.

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include the Canadian Ringette Championship with an estimated 1,175 participants representing potential spending of \$850 thousand.

“Event-Ready Infrastructure” Review

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(c) options on how the gap may be addressed with timelines

More work is required to study six-surface arenas, establish priority, contemplate an investment model and identify barriers and opportunities to hosting.

Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council's overall vision for Calgary. Options for addressing the six-surface arena gap in will be considered within the context of a shared Event Strategy (Attachment 3). For example, consideration could be given to how the technical requirements of the six-surface arena and hosting cluster (facility gap #3) interface and complement each other. And, to explore how the two venues may be integrated into a single location.

The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle.

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #7: MULTI-SPORT FIELDHOUSE

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits include an indoor six lane 200-meter synthetic track with raised banks, 25 permanent indoor volleyball courts and seating capacity of more than 2,000. One example, as provided by Tourism Calgary, of a facility that meets these requirements, is the Saville Community Sports Centre in Edmonton, Alberta.

The Multisport Fieldhouse Development is envisioned as a multi-sport amenity located within Foothills Athletic Park (50.7 acres) and a top priority in several strategic plans including the Recreation Master Plan, Infrastructure Calgary (Innovation, Education and Wellness District), the Recreation Facility Development and Enhancement Study (FDES) and the FDES Sport Infrastructure Compendium. The Multisport Fieldhouse Development was conceived to provide year-round indoor practice and play space for Calgary’s recreational sport community, act as a training facility for amateur athletes, and to accommodate current and anticipated demand from both sport organizations and recreational users locally and citywide.

The Multisport Fieldhouse Development concept includes the following amenities that may address the deficits identified in the 2018 July memo from Tourism Calgary:

- one 400-meter, 8-lane International Association of Athletics Federation (IAAF) regulation indoor track and throwing facilities
- one Fédération Internationale de Football Association (FIFA) regulation-sized rectangular field
- convertible gymnasium space to accommodate:
 - o 13 volleyball courts
 - o 8 basketball courts
 - o 18 badminton courts
- fitness and weight training space
- administrative operational support facilities
- permanent seating capacity of 500
- ability to provide up to 2,500 temporary seats on a seasonal basis
- floor space/capability for 10,000 temporary spectator seating for events
- change rooms, storage rooms, washrooms and requisite support spaces

In addition, Calgary Recreation expects that the infield may be converted to exceed the court requirements identified by Tourism Calgary.

The 2018 July Tourism Calgary memo identified that the 400-meter, 8 lane indoor track does not meet international hosting specifications because it is not conceived to include raised banks. However, raised banks are only required for a 200-meter indoor track to meet sanctioning. The 400-metre track does not require banking to meet IAAF sanctioning.

“Event-Ready Infrastructure” Review

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include the:

- World Athletics Indoor Masters Championships with an estimated 3,700 participants representing potential spending of \$2.7 million.
- Volleyball Canada 15U - 18 U Nationals with an estimated 3,700 participants representing potential spending of \$840 thousand.
- Men’s U15 & U17 National Basketball Championships with an estimated 350 participants representing potential spending of \$210 thousand.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(c) options on how the gap may be addressed with timelines

The 2019-2022 Operating and Capital Budget deliberations scheduled for 2018 November 26-30 includes the *Multisport Fieldhouse Development* capital business case on the unfunded, for information only list. This business case defines the primary purpose of the Fieldhouse as supporting amateur sport, accommodating sanctionable recreational practice and play. The conceptual design does not consider permanent tournament hosting and spectator capable amenities. It has been submitted by Administration and requests Council to consider a capital investment.

Should Council choose to approve this capital business case, extensive stakeholder engagement and design stages would be completed in advance of design and construction. As outlined in Attachment 2, Council may also choose to direct Administration to undertake new work to address the midsize arena gap.

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #8: OUTDOOR FESTIVAL SITE

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, the Stampede Parks meets the requirements to host Big Top Touring Shows including an 820ft x 330ft paved lot with power and sewer in a highly visible location. However, Cirque de Soleil has cited challenges with scheduling and cost.

Should a second outdoor festival site be established, Calgary Recreation and Tourism Calgary have identified requirements as including but not limited to an 820ft x 330ft paved lot with fire hydrant, power and sewer within 175 feet; parking for 600 to 700 cars; accessibility by 60-foot semi-trailers; ground that will hold up to 1,000 stakes to a minimal depth of 1.25m (4 feet) with 120 kPa (2,500 pound per square foot).

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include Big Top Touring Shows with an estimated 165 participants representing potential spending of \$1.2 million.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(c) options on how the gap may be addressed with timelines

Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council's overall vision for Calgary. Options for addressing the gap in outdoor festival sites will be considered within the context of a shared Event Strategy (Attachment 3).

The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle.

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #9: SOCCER STADIUM

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits for a Soccer Stadium include but are not limited to a Fédération Internationale de Football Association (FIFA) Two-Star artificial pitch (FIFA quality pro). Acceptable spectator seating would need to be verified by FIFA; the smallest spectator capacity confirmed to date is the Moncton Stadium at 13,000 seats.

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities included the Women’s World Cup with an estimated 550 participants representing potential spending of \$1.8 million.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(c) options on how the gap may be addressed with timelines

The Multisport Fieldhouse Development may address a portion of the deficits identified in the 2018 July memo from Tourism Calgary. The Multisport Fieldhouse Development is envisioned as a multi-sport amenity located within Foothills Athletic Park (50.7 acres) and a top priority in several strategic plans including the Recreation Master Plan, Infrastructure Calgary (Innovation, Education and Wellness District), the Recreation Facility Development and Enhancement Study (FDES) and the FDES Sport Infrastructure Compendium.

The Multisport Fieldhouse Development was conceived to provide year-round indoor practice and play space for Calgary’s recreational sport community, act as a training facility for amateur athletes, and to accommodate current and anticipated demand from both sport organizations and recreational users locally and citywide.

“Event-Ready Infrastructure” Review

The 2016 conceptual design will include the following amenities that address a portion of the deficits identified in the 2018 July memo from Tourism Calgary:

- one 400-meter, 8-lane IAAF (International Association of Athletics Federation) regulation indoor track and throwing facility
- one FIFA regulation-sized rectangular field
- seating
 - permanent seating capacity of 500
 - ability to provide up to 2,500 temporary seats on a seasonal basis
 - floor space/capability for 10,000 temporary spectator seating for events
- change rooms, storage rooms, washrooms and requisite support spaces
- convertible gymnasium space to accommodate:
 - 13 volleyball courts
 - 8 basketball courts
 - 18 badminton courts
- fitness and weight training space
- administrative operational support facilities

The 2016 conceptual design does not meet the following technical deficits identified in the 2018 memo from Tourism Calgary:

- FIFA Two-Star artificial pitch (FIFA quality pro) and associated conceptual design requirements; FIFA quality pro fields are intended for a consistent level of professional play
- Where more than 13,000 seats (permanent, season temporary and other temporary) may be required.

The 2019-2022 Operating and Capital Budget deliberations scheduled for 2018 November 26-30 includes the *Multisport Fieldhouse Development* capital business case on the unfunded, for information only list. This business case defines the primary purpose of the Fieldhouse as supporting amateur sport. It has been submitted by Administration and requests Council to consider a capital investment.

Should Council choose to approve this capital business case, extensive stakeholder engagement and design stages would be completed in advance of design and construction. As outlined in Attachment 2, Council may also choose to direct Administration to undertake new work to meet international FIFA hosting and spectator capable specifications including professional play.

In addition, Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned that the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council’s overall vision for Calgary. Options for addressing the soccer stadium gap will be considered within the context of a shared Event Strategy (Attachment 3). The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle.

One Calgary Capital Budget Deliberations Related to “Event-Ready Infrastructure”

The 2019-2022 Operating and Capital Budget deliberations are scheduled for 2018 November 26-30 and include the following capital business case submissions for consideration by Council.

- a) Lindsay Park Sports Society: Repsol Sport Centre Legacy Project - Phase 1 (this business case is on the *recommended, for funding* list)

Lindsay Park Sport Society delivers on a dual mandate of sport excellence and recreational needs. Repsol Sport Centre was designed, built and is operated to provide recreational opportunities to Calgarians, as well as, training and competition for the development of competitive and high-performance athletes.

Repsol Sport Centre is a key contributor to Calgary's economy. The Legacy Project (Phase 1) will allow Repsol Sport Centre to continue to attract and host high quality aquatic events as well as expand the aquatic program and offer more space to sport groups.

Should Council choose to approve this business case, and federal and provincial funding for this project is secured by Lindsay Park Sports Society, a portion of facility gap #2 (Repsol Sport Centre), as outlined in the 2018 July memo from Tourism Calgary could be addressed during the 2019-2022 business cycle.

- b) Calgary Recreation: Multisport Fieldhouse Development (this business case is located on the *unfunded, for information* list)

Calgary Recreation designs facilities to deliver year-round practice and play spaces for Calgary's recreational sport community, act as training facilities for amateur athletes, and accommodate demand from sport organizations and recreational users.

The Multisport Fieldhouse Development was conceived to accommodate sanctionable recreational practice and play events. Within the current concept, tournament hosting and spectator capable amenities are a secondary design consideration and would be accommodated as unique one off permitted events requiring shut down and conversion of the facility.

Should Council choose to approve this business case, as part of One Calgary, a portion of the facility gaps identified in the 2018 July memo from Tourism Calgary could be addressed in the 2019-2022 budget cycle. In addition, Council may consider directing Administration to undertake additional work during the engagement and design stages of the Multisport Fieldhouse Development as follows:

1. Identify the additional functional requirements and costs to meet international tournament hosting and spectator capable specifications (e.g. international FIFA hosting and spectator capable specifications for professional play).
2. Identify the functional requirements to ensure the infield and track are conversion friendly (including secondary flooring) for basketball, volleyball, badminton and lacrosse for international tournament purposes.
3. Identify the additional cost and functional requirements to add a removable 200m indoor raised bank track design within the 400m IAAF track already included in the design.

Council may also choose to direct Administration to undertake new work to identify the costs and functional requirements to provide a twin arena (one arena to be enlarged to 6000 temporary and/or permanent seats to accommodate the midsize arena gap [facility gap #4]) and an aquatic complex at Foothills Athletic Park.

Event Strategy

Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. These stakeholders include Sport Calgary, Calgary Arts Development Authority, Meetings and Conventions Calgary, Calgary Hotel Association, and the Calgary Stampede. The Event Strategy is envisioned to look broadly across sport, culture and art sectors and to establish common objectives and performance indicators that support Council's overall vision for Calgary.

In addition to potentially addressing “event-ready infrastructure” gaps, the Event Strategy will achieve two of four commitments set out in the Sport for Life Policy (CP2018-03), which was adopted by Council on 2018 May 28. These commitments are (1) *Supporting Sporting Events* and (2) *Building Infrastructure*.

In alignment with the Sport for Life Policy, this Strategy will: (a) enable the success of partners and the sport sector; (b) identify the infrastructure required to support the objectives set out in the Strategy; and (c) identify how City-owned facilities may accommodate sanctionable sporting activities.

This Event Strategy will emphasize strategic and long-term alignment and planning, collaboration with external partners, and the promotion of community legacies. Where possible, alignment will be made to the national and provincial approach to bid opportunities, and would consider the social, environmental and economic legacy of festivals and events. In addition, the Strategy will consider how to streamline processes, funding grants and subsidies that sport, art and cultural partners depend on to deliver festivals and events to Calgarians.

The scope of work required to complete the Event Strategy is currently under discussion within Administration and with Tourism Calgary and other Event Strategy stakeholders. As part of One Calgary, the event strategy will be developed and implemented over the 2019-2022 period. Work may include:

- clarifying the purpose of infrastructure (e.g. recreational play and practice, tournament hosting and spectator capable amenities, etc.) and prioritizing all “Event-Ready Infrastructure” gaps (including the nine identified by Tourism Calgary in their 2018 July memo);
- identifying the barriers, benefits and opportunities to hosting;
- establishing investment priorities (for funding or to remain unfunded) including alignment with Council-approved infrastructure investment priorities, associated technical specifications to meet international hosting standards, and venue time requirements;
- defining Triple Bottom Line impacts;
- exploring various investment models; and
- developing economic proformas which consider potential incremental value of future events hosted, financial impact and payback period.

This work may result in a future business case to Council recommending further funding as a budget adjustment or in the 2023-2027 budget cycle.

2018 November 19

To: Mayor Nenshi and Members of Council

From: James McLaughlin, Acting Director, Calgary Recreation

Re: **Response to Administrative Inquiry**
2018 July 30 Council Meeting – Calgary “Event-Ready Infrastructure”
Submitted by Councillor Colley-Urquhart and Councillor Chahal

At the 2018 July 30 Combined Meeting of Council, Councillor Colley-Urquhart and Councillor Chahal submitted an Administrative Inquiry regarding the gaps in “Event-Ready Infrastructure” identified by Tourism Calgary in a 2018 July 27 memo to Council.

In preparation for the One Calgary Operating and Capital Budget discussions, Council requested that Administration consult with key stakeholders on technical deficits, lost business opportunities and options on how the “Event-Ready Infrastructure” gaps may be addressed.

Attachment 1 provides Council with Administration’s response and detailed review of the nine facility gaps identified. As part of Administration’s work, Tourism Calgary was engaged to provide additional information and feedback. In addition, Meetings and Conventions Calgary was invited to participate or add new information.

Two of the nine gaps identified in Tourism Calgary’s original memo may be addressed through items under consideration as part of the One Calgary 2019-2022 Operating and Capital Budget deliberations.

1. The Repsol Sport Centre Legacy Project (Phase 1) business case is included on the One Calgary ***unfunded for information list***.
2. The Multisport Fieldhouse Development business case is on the One Calgary *unfunded for information* list. For a summary of these business cases and how they could address portions of the “Event-Ready Infrastructure” gaps, please refer to Attachment 2.

The remaining gaps may be addressed within the context of a shared Event Strategy (Attachment 3). This work has been initiated by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle. Administration could report by periodic memo or through the SPC on Community and Protective Services with updates on the Event Strategy beginning as early as Q4 2019. We would also be pleased to meet with members of Council to answer follow up questions and to provide additional information or clarification.

Attachments

1. “Event-Ready Infrastructure” Review
2. One Calgary Capital Budget Deliberations Related to “Event-Ready Infrastructure”
3. Event Strategy

“Event-Ready Infrastructure” Review

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“Event-Ready Infrastructure” Review

BACKGROUND & INTRODUCTION

At the 2018 July 30 Combined Meeting of Council, Councillor Colley-Urquhart and Councillor Chahal submitted an Administrative Inquiry regarding Calgary “Event-Ready Infrastructure,” as follows:

As discussed at the May 2018 SPC on Community and Protective Services, Tourism Calgary was requested to provide detailed feedback on events Calgary has lost between 2014 and 2017, due to a deficit in “Event-Ready Infrastructure”. [This information was provided in a memo to Council on 2018 July 27.]

Administration is requested to report back to members of Council no later than October 2018, in preparation for the One Calgary Operating and Capital Budget discussions in consultation with key stakeholders (including but not limited to Tourism Calgary and Meeting and Conventions Calgary) on:

- a. Options on how the “Event-Ready Infrastructure” gap can be addressed with timelines;
- b. Examine “lost business” opportunities as they relate to postponed, declined, developmental loss and competitive loss;
- c. Technical deficits in meeting hosting standards on the nine facility gaps identified in the attached

In response to the Administrative Inquiry, the following provides a detailed review conducted by Administration of the nine facility gaps identified by Tourism Calgary. This document addresses each infrastructure gap by outlining the technical deficits in meeting hosting standards, lost business opportunities, and options on how the gap may be addressed with timelines.

Please note that two of nine gaps may be addressed through items under consideration as part of the One Calgary 2019-2022 Operating and Capital Budget deliberations.

1. The Repsol Sport Centre Legacy Project (Phase 1) business case is included on the One Calgary ***unfunded for information list***.
2. The Multisport Fieldhouse Development business case is on the One Calgary *unfunded for information* list.

For a summary of these business cases and how they may address portions of the “Event-Ready Infrastructure” gaps, please refer to Attachment 2.

The remaining gaps may be addressed within the context of a shared Event Strategy (Attachment 3), initiated by Administration and anticipated to be completed during the 2019-2022 business cycle.

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #1: GLENMORE RESERVOIR

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits at Glenmore Reservoir include lane markers, infrastructure to support ‘fixed starts’, expansion of the rowing course to meet the World Rowing Federation FISA (Fédération Internationale des Sociétés) standards (e.g. from 1,500 meters to 2,000 meters), enhancements to the observation tower, upgrades to the canoe course / markings / equipment / buoys and a consistent 2-meter depth (candidate destinations).

The current rowing and canoe course could be increased by 500 meters. However, recreational usage by the Glenmore Sailing Club, Glenmore Sailing School and the S.S. Moyie (Heritage Park Historical Village paddleboat) along with public and recreational user groups would be considerably reduced. With an additional investment in storage and operating budget, the buoys could be removed between events (leaving the anchors only), however the recreational use would still be impeded due to limitations associated with the anchors and available water depth.

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include:

- Canadian Masters Rowing Championships with an estimated 400 participants representing potential spending of \$150 thousand.
- Canadian Canoe Kayak Sprint Championship with an estimated 1,200 participants representing potential spending of \$500 thousand.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(c) options on how the gap may be addressed with timelines

Recreational uses are complementary to the primary purpose as defined in the Glenmore Reservoir Bylaw Number 9018, which is to provide Calgarians a safe and sufficient supply of drinking water with bylaws put in place to maintain the quality of the water.

It is possible to meet the Event-Ready requirements set out by Tourism Calgary. However, the cost and impact to both the primary purpose and recreational uses of the reservoir is anticipated to be substantial. In addition, Glenmore Reservoir is simply not consistently accessible for event purposes based on the need to manage water levels and river flows/currents.

“Event-Ready Infrastructure” Review

In addition, the majority of the required 500-meter course extension would be less than 1-meter (approximately 2 to 3 feet) deep which is far short of the required 2-meter depth. Historically, The City has declined requests from sporting organizations to dredge the Reservoir due to the high cost and because it does not align with the primary purpose of the Glenmore Reservoir. However, if The City decided to change its practice by dredging the 2,000-meter course, it would likely lead to additional requests from sporting organizations to dredge other parts of the Reservoir for recreational purposes.

If required, a feasibility study, including a cost estimate and cost benefit analysis, could be undertaken to better quantify these impacts and others, such as new starting/finishing platforms and the addition of a second water observation tower.

The demand for increased recreational activity and water sports is not likely to decrease. Glenmore Reservoir user studies were completed in 2004 and 2010. Between 2004 and 2010, there was a 300 per cent increase in boats and 500 per cent increase in people using the reservoir for recreational purposes. As such, Calgary Recreation is looking to the Bearspaw Reservoir for continued and expanded non-motorized recreational uses.

With the support of Intergovernmental and Corporate Strategy, Calgary Recreation and Water Resources are currently participating in the Tri-lateral Task Force for the Bearspaw Reservoir which includes discussions on appropriate recreational uses. Calgary Recreation is advocating for the inclusion of recreational uses at the Bearspaw Reservoir and expanded non-motorized sport uses, beyond what is currently permitted by the Glenmore Reservoir Bylaw Number 9018 (e.g. stand up paddle board).

Event-Ready Infrastructure is not currently on the agenda. Calgary Recreation will bring forward the possibility of including the Event-Ready Infrastructure to the Bearspaw Reservoir Tri-lateral Task Force and inform Tourism Calgary of Administration’s progress.

In addition, Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council’s overall vision for Calgary. Options for addressing rowing and canoe course gaps will be considered within the context of a shared Event Strategy (Attachment 3). The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle.

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #2: REPSOL SPORT CENTRE

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits include a FINA (Fédération Internationale de Natation) world championship standard pool complete with automatic officiating equipment, 10 lanes, a consistent 2-meter depth, 1,500 LUX lighting, minimum 2,000 spectator seats, and seating for media, athletes, coaches and officials.

The current event-ready infrastructure offered at Repsol Sport Centre includes:

- 2, 50-meter competition pools: north (1.8-meter depth) and south (2.6-meter depth)
- permanent seating for approximately 500 with the addition of temporary seating for several hundred more, depending on the configuration
- automatic officiating equipment
- 1,500 LUX lighting
- seating for media, athletes, coaches and officials
- 1, dive tank (5-meter depth)
 - dive platforms: 3m, 5m, 7m, 10m
 - spring boards: 4x 3m, 4x 1m

The 50-meter pools and dive tank are not FINA compliant.

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include the World Junior Swimming Championships with an estimated 1,000 participants representing potential spending of \$480 thousand.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(c) options on how the gap may be addressed with timelines

Repsol Sport Centre is a key contributor to Calgary’s economy with more than 30 aquatic events held at the facility annually. In 2018, Tourism Calgary (via Calgary Sport and Major Events) measured the impact of eight aquatic events that took place in the first two quarters of 2018. These events were hosted at Repsol Sport Centre and contributed nearly \$600 thousand to Calgary’s economy through visitor spending. A total of \$85 thousand was provided in the form of event hosting grants.

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Repsol Sport Centre’s proposed Legacy Project (Phase 1) could address the deficits identified in the 2018 July memo from Tourism Calgary including 2,000 spectator seats which may be accommodated with temporary bleachers.

The Legacy Project (Phase 1) will allow Repsol Sport Centre to continue to attract and host more aquatic events that are of higher quality/profile, as well as expand the aquatic program and offer more spaces to sport groups. It is anticipated that the number of events hosted annually will increase as will the number of athletes the facility may accommodate. It will not accommodate events requiring 4,000 to 6,000 seats, however this will be considered as part of Phase 2. It is anticipated that conceptual design for Phase 2 will occur subsequent to the completion of Phase 1

The 2019-2022 Operating and Capital Budget deliberations scheduled for 2018 November 26-30 includes the *Repsol Sport Centre Legacy Project - Phase 1* capital business case **on the unfunded, for information only list**. This business case has been submitted by Lindsay Park Sports Society and requests Council to consider a capital investment. Should Council choose to approve this capital business case, AND federal and provincial funding for the project is secured by the Society, a portion of facility gap #2 as outlined in the 2018 July memo from Tourism Calgary, could be addressed in the 2019-2022 budget cycle.

Administration also considered the Brookfield Residential YMCA at Seton as a location suitable for a FINA world championship level event. Although the facility features a 50-meter, 10 lane competition pool, it does not meet the spectator seating requirements set out in the 2018 July memo from Tourism Calgary. Seton was designed for 275 spectator seats plus an accessible seating area. There is no realistic way to increase Seton more than a few hundred seats without undertaking a substantial redesign of the building.

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #3: HOSTING CLUSTERS

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, the technical deficits identified include a multi-sport field complex with a feature field capable of seating up to 5,000.

Based on preliminary work, Tourism Calgary has identified that minimum specifications will likely include:

- ten rectangular fields;
- consider baseball, softball, tennis, athletics, fieldhouse (basic - gymnastics, temporary volleyball courts, tradeshow space, etc.); and
- stadium seating, change room facilities and services (e.g. food service, photography, and ticket services).

As part of the Sport Field Strategy (October 2016), specifications have been explored but are not yet set. Minimum specifications will likely include multiple fields, parking, change rooms, public washrooms, irrigation, potable water, bleachers, waste and recycling facilities, and field lighting. Additional amenities may include: conference space, event office space / organizing space (possible hosting spaces for VIPs and sponsors), and storage space for onsite needs. Land requirements for 10+ fields plus ancillary amenities would be one of the more substantial challenges to establishing a hosting cluster.

An example of a major complex is Dicks Sporting Goods Park in Commerce City, Colorado. It is located on 140 acres of land and comprised of an 18,000-seat stadium, home to the Colorado Rapids. Surrounding the stadium are 24 full-size, fully-lit sports fields, including 22 natural grass and 2 synthetic turf fields. Indoor (large and small) and outdoor spaces are available for events.

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include the Men’s World Lacrosse Championship with an estimated 1,400 participants representing potential spending of \$1.3 million.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

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(c) options on how the gap may be addressed with timelines

More work is required to study hosting clusters, establish priority, contemplate an investment model, identify barriers and opportunities to hosting, and determine exact specifications required for a hosting cluster.

Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council's overall vision for Calgary.

Options for addressing the gap in hosting clusters will be considered within the context of a shared Event Strategy (Attachment 3). For example, potential sites that may partially address the deficit include Inland Athletic Park (multi-sport), Deerfoot Athletic Park (diamonds), and Calgary Rugby Union (rectangular). In these cases, minimum seating requirements may be addressed through temporary infrastructure (e.g. expandable seating). In addition, consideration could be given to how the technical requirements of the hosting cluster and six-surface arena (facility gap #6) interface and complement each other. And, to explore how the two venues may be integrated into a single location.

The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle. Should a hosting cluster be identified as a high priority within the Event Strategy, Calgary Recreation could undertake a Program, Amenity and Market Assessment which involves the following key considerations:

- needs assessment (e.g. historical utilization rate of athletic parks, bookings/allocation practices)
- site acquisition strategy: site determination and land acquisition strategy
- facility service delivery
- public and stakeholder (e.g. sport groups) consultation
- facility design and construction considerations
- funding arrangements

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #4: MIDSIZE ARENA

a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits include a certified, international (200ft x 100ft) indoor ice arena with seating capacity of between 6,000-8,000.

The City owns and operates two arenas with 200ft x100ft ice surfaces: (1) Father David Bauer Arena with a seating capacity of 1,750; and (2) Max Bell, Ken Bracko Arena with a seating capacity of 2,121.

b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include the Canadian Tire National Skating Championship with an estimated 500 participants representing potential spending of \$400 thousand.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

c) options on how the gap may be addressed with timelines

More work is required to study midsize arenas, establish priority, contemplate an investment model, identify barriers and opportunities to hosting, and determine exact specifications required for a hosting cluster. For example, Calgary Recreation has identified existing arenas (Stew Hendry Arena, Shouldice Skating Arena, Rose Kohn and Jimmie Condon Arenas and Max Bell) that could be redeveloped or expanded to accommodate the desired seating capacity (approx. 6,000 seats).

Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned that the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council's overall vision for Calgary. Options for addressing the midsize arena gap will be considered within the context of a shared Event Strategy (Attachment 3). The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle.

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Other Opportunities

The Multisport Fieldhouse Development is envisioned as a multi-sport amenity located within Foothills Athletic Park (50.7 acres) and a top priority in several strategic plans including the Recreation Master Plan, Infrastructure Calgary (Innovation, Education and Wellness District), the Recreation Facility Development and Enhancement Study (FDES) and the FDES Sport Infrastructure Compendium. The Multisport Fieldhouse Development was primarily conceived to provide year-round indoor practice and play space for Calgary’s recreational sport community, act as a training facility for amateur athletes, and accommodate current and anticipated demand from both sport organizations and recreational users locally and citywide. The facility concept includes the following amenities that may address the deficits identified in the 2018 July memo from Tourism Calgary:

- permanent seating capacity of 500
- ability to provide up to 2,500 temporary seats on a seasonal basis
- floor space/capability for 10,000 temporary spectator seating for events

The Multisport Fieldhouse Development 2016 concept primarily accommodates sanctionable recreational practice and play amenities. Tournament hosting and spectator-capable amenities were a secondary consideration. Based on a review conducted by Calgary 2026, the venue could be converted temporarily to accommodate figure skating and short-track speed skating. The temporary conversion would come with a one-time cost and use, with temporary infrastructure removed following the event. In addition, the vision of the Foothills Athletic Park includes an eventual aquatics and twin arena complex. Further analysis by Calgary 2026 has confirmed that one arena may be enlarged to 6,000 seats (temporarily or permanently), however the current business case does not include these expanded amenities.

The 2019-2022 Operating and Capital Budget deliberations scheduled for 2018 November 26-30 includes the *Multisport Fieldhouse Development* capital business case on the unfunded, for information only list. This business case defines the primary purpose of the Fieldhouse as supporting amateur sport, accommodating sanctionable recreational practice and play. The conceptual design does not consider permanent tournament hosting and spectator capable amenities.

Should Council choose to approve this capital business case, extensive stakeholder engagement and design stages would be completed in advance of design and construction. As outlined in Attachment 2, Council may also choose to direct Administration to undertake new work to address the midsize arena gap.

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REVIEW OF FACILITY GAP #5: CRICKET PITCH

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits include but are not limited to the provision and availability of an International Cricket Council (ICC) sanctioned pitch.

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include the Global T20 Canada with an estimated 115 participants representing potential spending of \$190 thousand.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(c) options on how the gap may be addressed with timelines

Calgary Parks and Calgary Recreation are currently working together to plan the development of an athletic park on a 20-acre site in northeast Calgary which would include International Cricket Council (ICC) sanctioned cricket pitches. The scope of work, including a market assessment, and budget are under development.

In addition, Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned that the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council’s overall vision for Calgary. Options for addressing the cricket pitch gap will be considered within the context of a shared Event Strategy (Attachment 3). The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle.

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REVIEW OF FACILITY GAP #6: SIX-SURFACE ARENA

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits include six regulation size (200ft x 80ft) ice surfaces with a main arena providing 1,300 seats under one roof. Additionally, this facility would be conversion friendly with proper decking and adequate ceiling height to host national and international events in basketball, volleyball, badminton and lacrosse.

The City is well equipped with arenas of a variety of sizes and seating capacities across the city, although a single facility housing six sheets does not exist.

In addition, the Multisport Fieldhouse Development is envisioned as a multi-sport amenity located within Foothills Athletic Park (50.7 acres) and a top priority in several strategic plans including the Recreation Master Plan, Infrastructure Calgary (Innovation, Education and Wellness District), the Recreation Facility Development and Enhancement Study (FDES) and the FDES Sport Infrastructure Compendium. The Multisport Fieldhouse Development was conceived to provide year-round indoor practice and play space for Calgary’s recreational sport community, act as a training facility for amateur athletes, and to accommodate current and anticipated demand from both sport organizations and recreational users locally and citywide.

The Multisport Fieldhouse Development conceptual design accommodates sanctionable recreational practice and play. While not addressing the need for ice the following amenities will address some of the deficits identified by Tourism Calgary including:

- conversion friendly gymnasium space for basketball, volleyball, badminton and lacrosse
 - 13 volleyball courts
 - 8 basketball courts
 - 18 badminton courts
- permanent seating capacity of 500
- ability to provide up to 2,500 temporary seats on a seasonal basis
- floor space/capability for 10,000 temporary spectator seating for events

In addition, Calgary Recreation expects that the infield could be converted to exceed the court requirements identified by Tourism Calgary in the 2018 July memo.

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include the Canadian Ringette Championship with an estimated 1,175 participants representing potential spending of \$850 thousand.

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Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(c) options on how the gap may be addressed with timelines

More work is required to study six-surface arenas, establish priority, contemplate an investment model and identify barriers and opportunities to hosting.

Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council’s overall vision for Calgary. Options for addressing the six-surface arena gap in will be considered within the context of a shared Event Strategy (Attachment 3). For example, consideration could be given to how the technical requirements of the six-surface arena and hosting cluster (facility gap #3) interface and complement each other. And, to explore how the two venues may be integrated into a single location.

The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle.

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #7: MULTI-SPORT FIELDHOUSE

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits include an indoor six lane 200-meter synthetic track with raised banks, 25 permanent indoor volleyball courts and seating capacity of more than 2,000. One example, as provided by Tourism Calgary, of a facility that meets these requirements, is the Saville Community Sports Centre in Edmonton, Alberta.

The Multisport Fieldhouse Development is envisioned as a multi-sport amenity located within Foothills Athletic Park (50.7 acres) and a top priority in several strategic plans including the Recreation Master Plan, Infrastructure Calgary (Innovation, Education and Wellness District), the Recreation Facility Development and Enhancement Study (FDES) and the FDES Sport Infrastructure Compendium. The Multisport Fieldhouse Development was conceived to provide year-round indoor practice and play space for Calgary’s recreational sport community, act as a training facility for amateur athletes, and to accommodate current and anticipated demand from both sport organizations and recreational users locally and citywide.

The Multisport Fieldhouse Development concept includes the following amenities that may address the deficits identified in the 2018 July memo from Tourism Calgary:

- one 400-meter, 8-lane International Association of Athletics Federation (IAAF) regulation indoor track and throwing facilities
- one Fédération Internationale de Football Association (FIFA) regulation-sized rectangular field
- convertible gymnasium space to accommodate:
 - o 13 volleyball courts
 - o 8 basketball courts
 - o 18 badminton courts
- fitness and weight training space
- administrative operational support facilities
- permanent seating capacity of 500
- ability to provide up to 2,500 temporary seats on a seasonal basis
- floor space/capability for 10,000 temporary spectator seating for events
- change rooms, storage rooms, washrooms and requisite support spaces

In addition, Calgary Recreation expects that the infield may be converted to exceed the court requirements identified by Tourism Calgary.

The 2018 July Tourism Calgary memo identified that the 400-meter, 8 lane indoor track does not meet international hosting specifications because it is not conceived to include raised banks. However, raised banks are only required for a 200-meter indoor track to meet sanctioning. The 400-metre track does not require banking to meet IAAF sanctioning.

“Event-Ready Infrastructure” Review

lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include the:

- World Athletics Indoor Masters Championships with an estimated 3,700 participants representing potential spending of \$2.7 million.
- Volleyball Canada 15U - 18 U Nationals with an estimated 3,700 participants representing potential spending of \$840 thousand.
- Men’s U15 & U17 National Basketball Championships with an estimated 350 participants representing potential spending of \$210 thousand.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(b) options on how the gap may be addressed with timelines

The 2019-2022 Operating and Capital Budget deliberations scheduled for 2018 November 26-30 includes the *Multisport Fieldhouse Development* capital business case on the unfunded, for information only list. This business case defines the primary purpose of the Fieldhouse as supporting amateur sport, accommodating sanctionable recreational practice and play. The conceptual design does not consider permanent tournament hosting and spectator capable amenities. It has been submitted by Administration and requests Council to consider a capital investment.

Should Council choose to approve this capital business case, extensive stakeholder engagement and design stages would be completed in advance of design and construction. As outlined in Attachment 2, Council may also choose to direct Administration to undertake new work to address the midsize arena gap.

“Event-Ready Infrastructure” Review

REVIEW OF FACILITY GAP #8: OUTDOOR FESTIVAL SITE

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, the Stampede Parks meets the requirements to host Big Top Touring Shows including an 820ft x 330ft paved lot with power and sewer in a highly visible location. However, Cirque de Soleil has cited challenges with scheduling and cost.

Should a second outdoor festival site be established, Calgary Recreation and Tourism Calgary have identified requirements as including but not limited to an 820ft x 330ft paved lot with fire hydrant, power and sewer within 175 feet; parking for 600 to 700 cars; accessibility by 60-foot semi-trailers; ground that will hold up to 1,000 stakes to a minimal depth of 1.25m (4 feet) with 120 kPa (2,500 pound per square foot).

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities include Big Top Touring Shows with an estimated 165 participants representing potential spending of \$1.2 million.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(c) options on how the gap may be addressed with timelines

Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council's overall vision for Calgary. Options for addressing the gap in outdoor festival sites will be considered within the context of a shared Event Strategy (Attachment 3).

The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle.

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REVIEW OF FACILITY GAP #9: SOCCER STADIUM

(a) technical deficits in meeting hosting standards

As outlined in the 2018 July memo from Tourism Calgary, technical deficits for a Soccer Stadium include but are not limited to a Fédération Internationale de Football Association (FIFA) Two-Star artificial pitch (FIFA quality pro). Acceptable spectator seating would need to be verified by FIFA; the smallest spectator capacity confirmed to date is the Moncton Stadium at 13,000 seats.

(b) lost business opportunities

As outlined in the 2018 July memo from Tourism Calgary, the lost business opportunities included the Women’s World Cup with an estimated 550 participants representing potential spending of \$1.8 million.

Potential spending represents cost of travel, meals and incidentals for event participants (spectators and accompanying friends and family are unaccounted for). This projected spending does not account for operational expenses required by the organizing committees. These expenditures represent a significant aspect of any projected economic impact along with any capital spending required as a result of hosting the event.

(c) options on how the gap may be addressed with timelines

The Multisport Fieldhouse Development may address a portion of the deficits identified in the 2018 July memo from Tourism Calgary. The Multisport Fieldhouse Development is envisioned as a multi-sport amenity located within Foothills Athletic Park (50.7 acres) and a top priority in several strategic plans including the Recreation Master Plan, Infrastructure Calgary (Innovation, Education and Wellness District), the Recreation Facility Development and Enhancement Study (FDES) and the FDES Sport Infrastructure Compendium.

The Multisport Fieldhouse Development was conceived to provide year-round indoor practice and play space for Calgary’s recreational sport community, act as a training facility for amateur athletes, and to accommodate current and anticipated demand from both sport organizations and recreational users locally and citywide.

“Event-Ready Infrastructure” Review

The 2016 conceptual design will include the following amenities that address a portion of the deficits identified in the 2018 July memo from Tourism Calgary:

- one 400-meter, 8-lane IAAF (International Association of Athletics Federation) regulation indoor track and throwing facility
- one FIFA regulation-sized rectangular field
- seating
 - permanent seating capacity of 500
 - ability to provide up to 2,500 temporary seats on a seasonal basis
 - floor space/capability for 10,000 temporary spectator seating for events
- change rooms, storage rooms, washrooms and requisite support spaces
- convertible gymnasium space to accommodate:
 - 13 volleyball courts
 - 8 basketball courts
 - 18 badminton courts
- fitness and weight training space
- administrative operational support facilities

The 2016 conceptual design does not meet the following technical deficits identified in the 2018 memo from Tourism Calgary:

- FIFA Two-Star artificial pitch (FIFA quality pro) and associated conceptual design requirements; FIFA quality pro fields are intended for a consistent level of professional play
- Where more than 13,000 seats (permanent, season temporary and other temporary) may be required.

The 2019-2022 Operating and Capital Budget deliberations scheduled for 2018 November 26-30 includes the *Multisport Fieldhouse Development* capital business case on the unfunded, for information only list. This business case defines the primary purpose of the Fieldhouse as supporting amateur sport. It has been submitted by Administration and requests Council to consider a capital investment.

Should Council choose to approve this capital business case, extensive stakeholder engagement and design stages would be completed in advance of design and construction. As outlined in Attachment 2, Council may also choose to direct Administration to undertake new work to meet international FIFA hosting and spectator capable specifications including professional play.

In addition, Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. It is envisioned that the Event Strategy will look broadly across sport, culture and art sectors to establish common objectives and performance indicators that support Council’s overall vision for Calgary. Options for addressing the soccer stadium gap will be considered within the context of a shared Event Strategy (Attachment 3). The Event Strategy was initiated in Q4 2018 by Administration in collaboration with Tourism Calgary and other stakeholders. It is anticipated to be completed during the 2019-2022 business cycle.

One Calgary Capital Budget Deliberations Related to “Event-Ready Infrastructure”

The 2019-2022 Operating and Capital Budget deliberations are scheduled for 2018 November 26-30 and include the following capital business case submissions for consideration by Council.

- a) Lindsay Park Sports Society: Repsol Sport Centre Legacy Project - Phase 1 (this business case is on the ***unfunded, for information list***)

Lindsay Park Sport Society delivers on a dual mandate of sport excellence and recreational needs. Repsol Sport Centre was designed, built and is operated to provide recreational opportunities to Calgarians, as well as, training and competition for the development of competitive and high-performance athletes.

Repsol Sport Centre is a key contributor to Calgary's economy. The Legacy Project (Phase 1) will allow Repsol Sport Centre to continue to attract and host high quality aquatic events as well as expand the aquatic program and offer more space to sport groups.

Should Council choose to approve this business case, and federal and provincial funding for this project is secured by Lindsay Park Sports Society, a portion of facility gap #2 (Repsol Sport Centre), as outlined in the 2018 July memo from Tourism Calgary could be addressed during the 2019-2022 business cycle.

- b) Calgary Recreation: Multisport Fieldhouse Development (this business case is located on the *unfunded, for information list*)

Calgary Recreation designs facilities to deliver year-round practice and play spaces for Calgary's recreational sport community, act as training facilities for amateur athletes, and accommodate demand from sport organizations and recreational users.

The Multisport Fieldhouse Development was conceived to accommodate sanctionable recreational practice and play events. Within the current concept, tournament hosting and spectator capable amenities are a secondary design consideration and would be accommodated as unique one off permitted events requiring shut down and conversion of the facility.

Should Council choose to approve this business case, as part of One Calgary, a portion of the facility gaps identified in the 2018 July memo from Tourism Calgary could be addressed in the 2019-2022 budget cycle. In addition, Council may consider directing Administration to undertake additional work during the engagement and design stages of the Multisport Fieldhouse Development as follows:

1. Identify the additional functional requirements and costs to meet international tournament hosting and spectator capable specifications (e.g. international FIFA hosting and spectator capable specifications for professional play).
2. Identify the functional requirements to ensure the infield and track are conversion friendly (including secondary flooring) for basketball, volleyball, badminton and lacrosse for international tournament purposes.
3. Identify the additional cost and functional requirements to add a removable 200m indoor raised bank track design within the 400m IAAF track already included in the design.

Council may also choose to direct Administration to undertake new work to identify the costs and functional requirements to provide a twin arena (one arena to be enlarged to 6000 temporary and/or permanent seats to accommodate the midsize arena gap [facility gap #4]) and an aquatic complex at Foothills Athletic Park.

Event Strategy

Calgary Recreation and Tourism Calgary have been working together to engage stakeholders to establish a shared Event Strategy. These stakeholders include Sport Calgary, Calgary Arts Development Authority, Meetings and Conventions Calgary, Calgary Hotel Association, and the Calgary Stampede. The Event Strategy is envisioned to look broadly across sport, culture and art sectors and to establish common objectives and performance indicators that support Council's overall vision for Calgary.

In addition to potentially addressing “event-ready infrastructure” gaps, the Event Strategy will achieve two of four commitments set out in the Sport for Life Policy (CP2018-03), which was adopted by Council on 2018 May 28. These commitments are (1) *Supporting Sporting Events* and (2) *Building Infrastructure*.

In alignment with the Sport for Life Policy, this Strategy will: (a) enable the success of partners and the sport sector; (b) identify the infrastructure required to support the objectives set out in the Strategy; and (c) identify how City-owned facilities may accommodate sanctionable sporting activities.

This Event Strategy will emphasize strategic and long-term alignment and planning, collaboration with external partners, and the promotion of community legacies. Where possible, alignment will be made to the national and provincial approach to bid opportunities, and would consider the social, environmental and economic legacy of festivals and events. In addition, the Strategy will consider how to streamline processes, funding grants and subsidies that sport, art and cultural partners depend on to deliver festivals and events to Calgarians.

The scope of work required to complete the Event Strategy is currently under discussion within Administration and with Tourism Calgary and other Event Strategy stakeholders. As part of One Calgary, the event strategy will be developed and implemented over the 2019-2022 period. Work may include:

- clarifying the purpose of infrastructure (e.g. recreational play and practice, tournament hosting and spectator capable amenities, etc.) and prioritizing all “Event-Ready Infrastructure” gaps (including the nine identified by Tourism Calgary in their 2018 July memo);
- identifying the barriers, benefits and opportunities to hosting;
- establishing investment priorities (for funding or to remain unfunded) including alignment with Council-approved infrastructure investment priorities, associated technical specifications to meet international hosting standards, and venue time requirements;
- defining Triple Bottom Line impacts;
- exploring various investment models; and
- developing economic proformas which consider potential incremental value of future events hosted, financial impact and payback period.

This work may result in a future business case to Council recommending further funding as a budget adjustment or in the 2023-2027 budget cycle.