



MINUTES
STRATEGIC MEETING OF COUNCIL

April 1, 2019, 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 G. Cole
Deputy City Manager B. Stevens
Acting City Solicitor and General Counsel D. Jakal
General Manager S. Dalglish
General Manager D. Duckworth
Acting Chief Financial Officer C. Male
General Manager M. Thompson
Acting General Manager T. Sampson
City Clerk L. Kennedy
Legislative Advisor D. Williams

1. CALL TO ORDER

Deputy Mayor Colley-Urquhart called today's Meeting to order at 9:30 a.m.

2. OPENING REMARKS

Deputy Mayor Colley-Urquhart, on behalf of Council, offered condolences to the family of Sandy Virgo, Manager, Business Operations and Administration in Real Estate and Development Services and acknowledged her dedication as an employee of The City of Calgary.

Deputy Mayor Colley-Urquhart called for a moment of quiet contemplation.

Mayor Nenshi assumed the Chair at 9:35 a.m. and Councillor Colley-Urquhart returned to her regular seat in Council.

3. QUESTION PERIOD

1. Councillor Chu

Topic: Mayor Nenshi to Write a Letter to the Mayor of the City of Toronto with respect to Calgary's Response to the Oil and Gas Sector. Mayor indicated already completed.

2. Councillor Farkas

Topic: Why do people drive on parkways and park on driveways?

Mayor Nenshi acknowledged the following:

- The Calgary Inferno Women's Hockey team for winning the 2019 Clarkson Cup; and
- The Calgary Flames Hockey Team for placing first place in the Western Conference Final.

Mayor Nenshi mentioned that Marthe Cohn, Former French Jewish WWII Spy was recognized at a White Hat Ceremony, on 2019 March 24 at the Calgary International Airport.

Mayor Nenshi, on behalf of Members of Council, acknowledged the City of Calgary stance against intolerance and hatred.

Councillor Chu introduced a group of Grade 4 students from Highwood School in Ward 04, along with their teacher, Irene Ly.

Councillor Farrell introduced a group of students from the University of Calgary faculty of Social Work, along with their professor Dr. Victoria Burns.

4. CONFIRMATION OF AGENDA

Moved by Councillor Chu

Seconded by Councillor Farkas

That the Agenda for today's Meeting be amended, by bringing forward and filing Item 10.1.1, Alleviating the Tax Burden on Businesses and Creating Tax Equity Through Budget Reductions, C2019-0358.

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

Against: (7): Councillor Chahal, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Jones, Councillor Keating, and Councillor Woolley

MOTION CARRIED

Moved by Councillor Colley-Urquhart

Seconded by Councillor Jones

That the Agenda for the 2019 April 01 Strategic Meeting of Council be confirmed, **as amended.**

MOTION CARRIED

5. CONFIRMATION OF MINUTES

5.1 Minutes from the Combined Meeting of Council, 2019 March 18 and 19

Moved by Councillor Farkas

Seconded by Councillor Demong

That the Minutes of the Combined Meeting of Council, held on 2019 March 18 and 19 be confirmed, **after amendment**, as follows:

On Page 3 of 39, under Item 6.1, Calgary Airport Authority Annual Report, third paragraph, by adding the name "**Katie MacLean**" following the words " along with their teacher ".

MOTION CARRIED

6. PRESENTATION(S) AND RECOGNITION(S)

None

7. CONSENT AGENDA

None

8. POSTPONED REPORTS

None

9. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

9.1 OFFICER OF COUNCIL REPORTS

None

9.2 ADMINISTRATION REPORTS

Pursuant to Section 6(1) of the Procedure Bylaw, 35M2017, as amended, Section 77(c) was suspended by general consent, to allow Members additional time for questions to Administration.

9.2.1 Downtown Strategy and Focus (Verbal) - C2019-0415

The following came forward to present with respect to Report C2019-0415:

1. Stuart Dalglish, General Manager, Planning and Urban Development
2. Thom Mahler, Manager, Urban Strategy
3. Mary Moran, President and CEO, Calgary Economic Development
4. Michael Brown, President, Calgary Municipal Land Corporation
5. Chris Arthurs, Director, Resilience and Infrastructure.

Moved by Councillor Colley-Urquhart

Seconded by Councillor Chu

That pursuant to Section 6(1) of the Procedure Bylaw 35M2017, as amended, Council suspended Section 78(1)(b), in order to complete Item 9.2.1, C2019-0415, before the scheduled 12:00 p.m. recess.

For: (9): Mayor Nenshi, Councillor Carra, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Farrell, Councillor Gondek, Councillor Sutherland, and Councillor Woolley

Against: (6): Councillor Chahal, Councillor Demong, Councillor Farkas, Councillor Jones, Councillor Keating, and Councillor Magliocca

MOTION CARRIED

Moved by Councillor Colley-Urquhart

Seconded by Councillor Davison

That with respect to Report C2019-0415, the following be adopted:

That Council:

1. Endorse the direction as presented (C2019-0415-Downtown Strategy and Focus).
2. Direct Administration to provide an update on the further development of a Downtown Strategy to the Priorities and Finance Committee in 2019 July and October; and
3. For the July Priorities and Finance Committee, Administration further refine the Downtown Strategy to include:
 - heritage,
 - safety, and
 - competitive research.

MOTION CARRIED

Council recessed at 12:37 p.m. and reconvened at 1:49 p.m. with Mayor Nenshi in the Chair.

9.2.2 Downtown Tax Shift Response - Updated - C2019-0352

Distributions with respect to Report C2019-0352:

- PowerPoint presentation entitled "Downtown Tax Shift Response - Updated", dated 2019 April 01; and
- A document entitled "Distribution #1 at Strategic Council C2019-0352 - Nenshi Non-residential shift scenarios".

The following came forward to present with respect to Report C2019-0352:

1. Carla Male, Chief Financial Officer
2. Nelson Karpa, Director and City Assessor, Assessment

Council recessed at 3:18 p.m. and reconvened at 3:48 p.m. with Mayor Nenshi in the Chair.

Mayor Nenshi left the Chair at 4:10 p.m. in order to put a Recommendation and participate in debate with respect to Report C2019-0352, and Deputy Mayor Colley-Urquhart resumed the Chair.

Councillor Keating rose on a Point of Order for clarity to be given with respect to the Procedure Bylaw and the flow of Agenda items in the Meeting.

Council Gondek rose on a Point of Order with respect to the comments made, by an individual Member of Council, with respect to her proposed motion.

Councillor Keating rose on a Point of Order to clarify what motion was before Council, with respect to the current scenario of the 2019 Tax Rate.

Councillor Gondek rose on a Point of Order to clarify what motion was before Council.

Moved by Councillor Magliocca

Seconded by Councillor Chu

That pursuant to section 27 (privileged information), of the *Freedom of Information and Protection of Privacy Act*, Council now move into Closed Meeting at 5:00 p.m., in the Council Lounge, to discuss a confidential matter with respect to the Item 9.2.2, Downtown Tax Shift Response - Update, C2019-0352.

ROLL CALL VOTE

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

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

MOTION CARRIED

Council reconvened in Public Meeting at 5:25 p.m., with Deputy Mayor Colley-Urquhart in the Chair.

Moved by Councillor Chu

Seconded by Councillor Davison

That Council rise and report.

MOTION CARRIED

Moved by Councillor Chu

Seconded by Councillor Davison

That the closed meeting verbal discussion remain confidential pursuant to section 27 (privileged advice) of the *Freedom of Information and protection of Privacy Act*.

MOTION CARRIED

Moved by Councillor Gondek
Seconded by Councillor Davison

That the Recommendations be amended by adding a new Recommendation 2 as follows, and by renumbering the Recommendations accordingly:

"2. Direct Administration to run the same scenario in Point 1 with a 49/51 residential to non-residential split, returning to the 2019 April 08 Combined Council Meeting with two property tax bylaw options."

RECORDED VOTE

For: (11): Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, and Councillor Sutherland

Against: (4): Mayor Nenshi, Councillor Demong, Councillor Farkas, and Councillor Woolley

MOTION CARRIED

Moved by Councillor Gondek
Seconded by Councillor Carra

That the Recommendations be amended by adding a new Recommendation 9, as follows:

"9. Add the Tax Shift Response plan as a standing Item to the Priorities and Finance Committee Agendas for the remainder of 2019."

Against: Councillor Farkas and Councillor Woolley

MOTION CARRIED

Moved by Mayor Nenshi
Seconded by Councillor Davison

That with respect to Report C2019-0352, Recommendation 10, as follows, be referred to the 2019 April 02 Regular Meeting of the Priorities and Finance Committee:

"10. Establish a working group of the Priorities and Finance Committee to steward the work and report back to Council with updates on an as needed basis."

MOTION CARRIED

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, as amended, Section 79 be suspended, by general consent, in order that Council may

complete the remainder of the agenda prior to the scheduled adjournment time.

Moved by Councillor Demong
Seconded by Councillor Woolley

That the Recommendations be amended by adding a new Recommendation 11, as follows:

"11. Council reconsider its decision from the Minutes of the March 04 Special Meeting of Council, with respect to Report to VR2019-0013 and the approval of financial strategy for all four unfunded long term projects (BMO Centre expansion, Event Centre, one phase of Arts Common, and Multi-Sport Field House) as it relates to the transfer from the Fiscal Stability Reserve."

ROLL CALL VOTE

For: (4): Councillor Demong, Councillor Farkas, Councillor Farrell, and Councillor Woolley

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

MOTION DEFEATED

Moved by Councillor Woolley
Seconded by Councillor Chahal

That the Recommendations be amended by adding a new Recommendation 12, as follows:

"12. Direct that Administration prepare the 2019 tax rate bylaw for Councils consideration at the 2019 April 08 Combined Meeting of Council based on Scenario 3 and consider Scenario 3 for 2020, 2021 and 2022."

RECORDED VOTE

For: (4): Councillor Chahal, Councillor Demong, Councillor Keating, and Councillor Woolley

Against: (11): Mayor Nenshi, Councillor Carra, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Magliocca, and Councillor Sutherland

MOTION DEFEATED

Moved by Mayor Nenshi
Seconded by Councillor Jones

That with respect to Report C2019-0352, the following Recommendation 1, be adopted:

1. Direct Administration to prepare a 2019 property tax rate bylaw for Council's consideration on 2019 April 08 – starting with the One Calgary approved budget, and applying tax room of \$27 million to the municipal non-residential property tax in 2019 – effectively producing a residential municipal tax rate increase of 6.67% and a non-residential municipal tax rate decrease of 1.77% in 2019.

ROLL CALL VOTE

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

Against: (7): Councillor Chahal, Councillor Chu, Councillor Demong, Councillor Farkas, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION CARRIED

Moved by Mayor Nenshi
Seconded by Councillor Jones

That with respect to Report C2019-0352, the following Recommendation 2 be adopted, **as amended**:

2. Direct Administration to run the same scenario in Point 1 with a 49/51 residential to non-residential split, returning to the 2019 April 08 Combined Council Meeting with two property tax bylaw options.

ROLL CALL VOTE

For: (10): Councillor Carra, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, and Councillor Sutherland

Against: (5): Mayor Nenshi, Councillor Chahal, Councillor Demong, Councillor Farkas, and Councillor Woolley

MOTION CARRIED

Moved by Mayor Nenshi
Seconded by Councillor Jones

That with respect to Report C2019-0352, the following Recommendation 3 be adopted:

3. Direct Administration to use an indicative rate increase of zero per cent for non-residential properties for 2020, 2021, and 2022 and 3.59% (2020), 3.72% (2021) and 3.83% (2022) for residential properties in preparing the annual budget adjustments for 2020 to 2022s.

ROLL CALL VOTE

For: (4): Mayor Nenshi, Councillor Carra, Councillor Farrell, and Councillor Jones

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

MOTION DEFEATED

Moved by Mayor Nenshi
Seconded by Councillor Jones

That with respect to Report C2019-0352, the following Recommendation 4 be adopted:

4. Direct Administration to develop criteria and process for a Small Business Sustainment Grant to a maximum of \$70.9 million of one-time funding (\$44 million from the Fiscal Stability reserve, and \$26.9 million from the 2017 and 2018 Phased Tax Program funding not required due to appeal resolutions), returning to the Priorities and Finance Committee on 14 May 2019.

ROLL CALL VOTE

For: (9): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Colley-Urquhart, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Jones, and Councillor Woolley

Against: (6): Councillor Chu, Councillor Davison, Councillor Gondek, Councillor Keating, Councillor Magliocca, and Councillor Sutherland

MOTION CARRIED

Moved by Mayor Nenshi
Seconded by Councillor Jones

That with respect to Report C2019-0352, the following Recommendation 5 be adopted:

5. Direct Administration to continue its work on maximizing value from our assets, returning to the Priorities and Finance Committee with an update on 04 June 2019.

ROLL CALL VOTE

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

Against: (4): Councillor Demong, Councillor Farkas, Councillor Jones, and Councillor Woolley

MOTION CARRIED

Moved by Mayor Nenshi
Seconded by Councillor Jones

That with respect to Report C2019-0352, the following Recommendation 6 be adopted:

6. Direct Administration to explore the creation of a small business assessment class for implementation in 2021 reporting back to the Priorities and Finance Committee in 2019 June.

ROLL CALL VOTE

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

Against: (5): Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Gondek, and Councillor Magliocca

MOTION CARRIED

Moved by Mayor Nenshi
Seconded by Councillor Jones

That with respect to Report C2019-0352, the following Recommendation 7 be adopted:

7. Direct Administration to further refine and update the proposed roles and responsibilities of the Financial Task Force and bring an updated Terms of Reference for the Financial Task Force for discussion and consideration of the Priorities and Finance Committee no later than June, 2019.

MOTION CARRIED

Moved by Mayor Nenshi
Seconded by Councillor Jones

That with respect to Report C2019-0352, the following Recommendation 8 be adopted:

8. Direct Administration to report back to Special Council (One Calgary Adjustments) on November 12, 2019 with an update on the status of the Downtown Tax Redistribution in consideration of the 2020 Property Assessment Roll.

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

MOTION CARRIED

Moved by Mayor Nenshi
Seconded by Councillor Jones

That with respect to Report C2019-0352, the following Recommendation 9 be adopted, **as amended**:

9. Add the Tax Shift Response plan as a standing Item to the Priorities and Finance Committee Agendas for the remainder of 2019.

MOTION CARRIED

Pursuant to Section 121 of the Procedure Bylaw 35M2017, as amended, Council permitted, by general consent, Councillor Farkas to change his vote from the negative to the affirmative.

Mayor Nenshi resumed the Chair at 6:42 p.m. immediately following the vote on Item C2019-0352 and Councillor Colley-Urquhart returned to her regular seat in Council.

Moved by Councillor Farkas
Seconded by Councillor Demong

That with respect to Report C2019-0352, the following Motion Arising be adopted:

That Council direct the Administration to provide operating budget reduction options/scenarios (equating to a budget freeze) as part of the One Calgary mid-cycle budget deliberations.

Against: Councillor Carra and Councillor Farrell

MOTION CARRIED

The Chair ruled Councillor Gondek's proposed Motion Arising out of order.

Moved by Councillor Gondek
Seconded by Councillor Chu

That the ruling of the Chair, on Councillor Gondek's proposed Motion Arising be appealed.

ROLL CALL VOTE

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

Against: (7): Mayor Nenshi, Councillor Chahal, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Jones, and Councillor Woolley

MOTION CARRIED

Mayor Nenshi rose on a Question of Privilege with respect to the conduct of an individual Member of Council.

Moved by Councillor Gondek
Seconded by Councillor Chu

That with respect to Report C2019-0352, the following Motion Arising be adopted:

That Council Direct Administration to develop criteria and process for a Residential Property Tax Rebate Program to a maximum of \$70.9 million of one-time funding for 2019 (\$44 million from the Fiscal Stability reserve, and \$26.9 million from the 2017 and 2018 Phased Tax Program funding not required due to appeal resolutions), returning to the Priorities and Finance Committee on 14 May 2019.

ROLL CALL VOTE

For: (9): Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Farkas, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, and Councillor Sutherland

Against: (6): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Demong, Councillor Farrell, and Councillor Woolley

MOTION CARRIED

Final Motion as adopted:

Moved by Mayor Nenshi
Seconded by Councillor Jones

The with respect to Report C2019-0352, the following Recommendations 1,2,4,5,6,7,8 and 9 were adopted:

1. Direct Administration to prepare a 2019 property tax rate bylaw for Council's consideration on 2019 April 08 – starting with the One Calgary approved budget, and applying tax room of \$27 million to the municipal non-residential property tax in 2019 – effectively producing a residential municipal tax rate increase of 6.67% and a non-residential municipal tax rate decrease of 1.77% in 2019; and
2. Direct Administration to run the same scenario in Point 1 with a 49/51 residential to non-residential split, returning to the 2019 April 08 Combined Council Meeting with two property tax bylaw options.
3. Motion Lost.
4. Direct Administration to develop criteria and process for a Small Business Sustainment Grant to a maximum of \$70.9 million of one-time funding (\$44 million from the Fiscal Stability reserve, and \$26.9 million from the 2017 and 2018 Phased Tax Program funding not required due to appeal resolutions), returning to the Priorities and Finance Committee on 14 May 2019;
5. Direct Administration to continue its work on maximizing value from our assets, returning to Priorities and Finance Committee with an update on 04 June 2019;

6. Direct Administration to explore the creation of a small business assessment class for implementation in 2021 reporting back to the Priorities and Finance Committee in 2019 June;
7. Direct Administration to further refine and update the proposed roles and responsibilities of the Financial Task Force and bring an updated Terms of Reference for the Financial Task Force for discussion and consideration of the Priorities and Finance Committee no later than June, 2019;
8. Direct Administration to report back to Special Council (One Calgary Adjustments) on November 12, 2019 with an update on the status of the Downtown Tax Redistribution in consideration of the 2020 Property Assessment Roll; and
9. Add the Tax Shift Response plan as a standing item to the Priorities and Finance Committee Agendas for the remainder of 2019.
10. Referred - "Establish a working group of the Priorities and Finance Committee to steward the work and report back to Council with updates on an as needed basis." to the 2019 April 02 Priorities and Finance Committee.

9.3 COMMITTEE REPORTS

None

10. ITEMS DIRECTLY TO COUNCIL

10.1 NOTICE(S) OF MOTION

- 10.1.1 Alleviating the Tax Burden on Businesses and Creating Tax Equity Through Budget Reductions - C2019-0358

This item was filed at Confirmation of the Agenda.

10.2 BYLAW TABULATIONS

None

10.3 MISCELLANEOUS BUSINESS

None

11. URGENT BUSINESS

None

12. CONFIDENTIAL ITEMS

None

12.1 CONSENT AGENDA

12.2 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

12.3 URGENT BUSINESS

None

13. ADMINISTRATIVE INQUIRIES

None

14. ADJOURNMENT

Moved by Councillor Jones

Seconded by Councillor Colley-Urquhart

That this Council adjourn at 7:11 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

MOTION CARRIED

CONFIRMED BY COUNCIL ON 2019 APRIL 08



MAYOR

CITY CLERK