



MEMO

2019 October 15

To: Councillor Farkas

From: Carla Male, CFO

Re: Administrative Inquiry – Research and Budget

During the Strategic Meeting of Council on Tuesday, July 16, Councillor Farkas put forward a two-part Administrative Inquiry:

1. How can the questions put to Calgarians as part of the Citizen Satisfaction Survey and Spring Pulse Survey be changed in order to better align with Council's decision-making processes (in particular, budget decisions)?
2. What is the total tax-supported cost of the City Programs and Services ranked lowest in the 2019 Spring Pulse Survey (Page 32, Slide Title: Investment in City Programs and Services; Top 8 Invest Less)?

Citizen Satisfaction Survey and Spring Pulse:

The Citizen Satisfaction Surveys and Spring Pulse Surveys are intended to provide a high-level perspective of Calgarians' views to inform decisions and planning for Council, Administration, and Calgary's citizens. The questionnaires ask about topics including the quality of life in Calgary, issues facing The City, City service delivery and City performance. The results are intended to track citizens' opinions over time, providing one input of many into decision-making at The City. Numerous municipalities have modeled their research after The City's corporate research program, and we are currently in discussions with The City of Edmonton and City of Vancouver as they redefine their corporate approach.

The Corporate Research team has worked to deepen citizen insights that are relevant to Council and Administration's decision making. Process changes initiated in 2017 November include a combination of new and existing research/engagement data in addition to the Citizen Satisfaction Survey and Spring Pulse was provided as supporting information to Administration and Council. These perspectives assisted with both the creation and evaluation of the 2019-2022 Plans and Budgets.

Research and Engagement activities that informed the One Calgary Plans and Budget included:

Public input used to set Council Directives (2017 Nov-Dec): Public input heard by Councillors was gathered and combined with research survey results on quality of life, value and trust measures; this information was utilized to set Council directives in 2017 December.

Public input used to set value characteristics, service targets & refine services (2018 Mar-Sep):

Existing research data was summarized and presented in a report to Council in 2018 March. This report summarized previous research to inform Council and Service Owners regarding citizen aspirations, desires and values. In addition, in person public engagement occurred 2018 April to collect citizen input

on the value of service characteristics within each service line. These results were presented to Council 2018 May. An online business panel was conducted in May to gather feedback from the business community. This report from the Calgary business community was presented to Council in 2018 June.

Targeted conversations (2018 Sep-Oct): Supporting activities included focus groups and in person and online engagement. In 2018 October, Council was provided with a roll-up report summarizing findings for all research and engagement activities that had been conducted to support the One Calgary process through 2017-2018.

In addition to One Calgary focused activities, The City has hundreds of conversations every year through a variety of engagement and research channels; all conversations are about some aspect of service delivery and value for tax dollars.

Plan forward (2019 Sept-Nov): Recognizing that budget and value continues to be top of mind for citizens, the Research and Engagement teams have created and implemented a plan to provide additional insights and perspectives to Administration and Council for the 2019 November budget deliberations. This work will build on existing tactics to provide a more fulsome picture regarding what citizens value, and what factors they hope The City will consider when making budget and service impacting decisions.

Collecting citizen perspectives on budget: The Citizen Satisfaction and Spring Pulse surveys have traditionally asked citizens to identify a preference for more, the same, or less investment, by service. This approach has its limitations, as citizens are asked to answer for each service with varied understanding of what each of those services includes. To provide greater context and understanding, new questions were added to the 2019 Citizen Satisfaction Survey:

- Of all the services you know of that are provided by The City of Calgary, name up to three services that you would propose to have a service reduction in order to save costs.
- Of all the services you know of that are provided by The City of Calgary, name up to three services that you would propose to spend more on to receive and increase in service.
- When it comes to the services The City of Calgary provides, what does 'value' mean to you?

Furthering the conversation: Qualitative research will provide statistically representative results, but further context is needed. This goal is achieved through multiple tactics:

- Focus groups: as part of the Citizen Satisfaction survey activities, focus groups have been conducted with a focus on service value perspectives, economic outlook, and factors that citizens want Council to consider when making budget decisions.
- In person engagement: pop ups were conducted in all wards across the city. Conversations were focused on citizen priorities, information preferences and perspectives, and the values that drive perceptions of value for taxes.
- Online engagement: the above topics were also presented to Calgary's citizens through Citizen Online Engagement Panel for further validation of results.

These results will be presented as part of Administration's report on 2019 November 12. Noting that the work to improve the value of insights provided to Council as part of the budget planning and review process is iterative and will continue to evolve in the months and years ahead.

Tax-supported costs of City Programs:

The following table provides estimated tax-supported operating costs for the top 8 programs and services that were identified as Invest Less within the 2019 Spring Pulse Survey. Some of these, noted below, represent the approved service budgets. The remainder are estimates of the portion of the approved service budget that is dedicated to that program. All estimates reflect the budget as at 2019 July 31, including the \$60 million in reductions approved by Council on 2019 July 22.

Program/Service	2019 Estimated operating net (tax-supported) budget	Comments
On-Street bikeways	\$285 thousand	Cost is for winter clearing, which is part of the overall SNIC budget (est. \$245 thousand), and summer maintenance costs (est. \$40 thousand).
Social media	\$670 thousand	The costs include staff time and contract costs for the promotion and campaign management of City services, as well as costs for the overall management of the social media channels, Facebook, LinkedIn, Twitter, Instagram, on behalf of the City. Approximately 63%, or \$425 thousand of the total costs, is funded by the Business Units requesting the services, and the rest is funded out of CSC's tax supported budget.
Taxi, limousine & vehicles for hire*	\$350 thousand (one-time)	This service is self-supported through licensing revenues, including direct overhead costs. One time budget of \$350 thousand in 2019 and 2020 was approved for a pilot for centralized taxi dispatch. The service is currently in the process of working on an extensive bylaw review and has been directed to report back Q4 2020 with the bylaw changes and any fee and budget adjustments.
Parking and enforcement*	\$1.4 million	The majority (approximately 95%) of the Parking service costs are revenue supported through the Calgary Parking Authority. The tax supported costs are primarily for the planning of parking, operational design and the implementation of Parking Zones.
Arts & culture, including festivals*	\$22.0 million	This service includes the \$12.0 million operating grant to CADA.

Program/Service	2019 Estimated operating net (tax-supported) budget	Comments
Pet ownership & licensing*	\$4.5 million	Total expenditures exceed \$9.8 million. Fee revenue represents over half of the funding for this service. The service line is going through a shelter review and any adjustments as a result of the review will be incorporated into the budget in the mid-year budget adjustment process. The tax-supported budget for 2019 include one-time costs of \$300 thousand for the Responsible Pet Ownership Bylaw review.
Downtown revitalization	N/A	Per discussion with Communications with regards to the survey, there is no clear definition of “downtown revitalization” as this information was provided prior to the finalization of the City of Calgary’s services. As a result, a dollar value has not been provided as putting a value to it would be misleading and, as this work cross services, it will be difficult to provide a cost.
Residential Green Cart service	\$700 – 800 thousand	Waste and Recycling’s Residential Green Cart service is a self-supported program charged to customers on the City Utility bill. As part of WRS’ Financial model change in 2019, overhead functions such as the Director’s Office and strategic planning are tax-supported. A portion of these functions support Green Cart program. It is estimated that annually \$700 – 800 thousand in property tax supports the Green Cart program through overhead. It’s intended that over time, the program’s overhead component will be funded through the monthly charges. This could be achieved in the 2023-2026 cycle, resulting from a further review of the property tax support in WRS’ budget.

*Approved service budget