



**MINUTES**

**PRIORITIES AND FINANCE COMMITTEE**

**November 5, 2019, 9:30 AM  
IN THE COUNCIL CHAMBER**

**PRESENT:** Mayor N. Nenshi, Chair  
Councillor S. Chu, Vice-Chair  
Councillor J. Gondek (PUD Chair)  
Councillor J. Davison (T&T Chair)  
Councillor W. Sutherland (UCS Chair)  
Councillor E. Woolley (Audit Chair)  
Councillor J. Farkas  
Councillor D. Farrell  
Councillor J. Magliocco

**ABSENT:** Councillor G-C. Carra (CPS Chair)

**ALSO PRESENT:** Chief Financial Officer C. Male  
City Clerk L. Kennedy  
Legislative Coordinator S. Muscoby  
Recorder 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 by recognizing Saturday, 2019 November 02 as Love Calgary Day and Sunday, 2019 November 04 as Local YYC day.

3. CONFIRMATION OF AGENDA

**Moved by** Councillor Chu

That the Agenda be amended by adding an as Urgent Business 9.1, Restraint in Public Sector Compensation During Hard Economic Times, PFC2019-1432.

**MOTION CARRIED**

**Moved by** Councillor Chu

That the Agenda for the 2019 November 05 Regular Meeting of the Priorities and Finance Committee be confirmed, as amended.

**MOTION CARRIED**

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Regular Meeting of the Priorities and Finance Committee, 2019 October 08

**Moved by** Councillor Chu

That the Minutes of the 2019 October 08 Regular Meeting of the Priorities and Finance Committee be confirmed.

**MOTION CARRIED**

5. CONSENT AGENDA

Clerical corrections were noted in the Consent Agenda portion as follows:

- Section 5.1.1, Deferral Request - PFC2019-1366, in the title, by deleting the number "8" prior to the date "March 2020" and by substituting the number "10"; and
- Section 5.2, Briefings, by deleting the description in item 5.2.1, Exploring Civic Partner Cost Savings, PFC2019-1216.

**Moved by** Councillor Chu

That the Committee Recommendations contained in the following reports be approved in an omnibus motion:

5.1 DEFERRALS AND PROCEDURAL REQUESTS

5.1.1 Deferral Request - PFC2019-1366 - Implementation of Electronic Voting from 5 November 2019 to 10 March 2020

5.2 BRIEFINGS

5.2.1 Exploring Civic Partner Cost Savings, PFC2019-1216

For information.

5.2.2 Status of Outstanding Motions and Directions, PFC2019-1342

**MOTION CARRIED**

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Flatwater Pool Business and Service Continuity Update, PFC2019-1330

A presentation entitled "Flatwater pool business and service continuity update", dated 2019 November 5, was distributed with respect to Report PFC2019-1330.

**Moved by** Councillor Woolley

That Report PFC2019-1330 be referred to the 2019 November 12 (25-29) Special Meeting of Council Re: Adjustments to the One Calgary Service Plans and Budgets.

**MOTION CARRIED**

7.2 Water Utility Indicative Rates – Revised for 2020, PFC2019-1402

A presentation entitled "Water Utility Indicative Rates - Revised for 2020", dated 2019 November 5, was distributed with respect to Report PFC2019-1402.

**Moved by** Councillor Sutherland

That with respect to Report PFC2019-1402, the following be approved:

That the Priorities and Finance Committee recommends that Council:

1. Approve the 2020 indicative rates for Water, Wastewater, and Stormwater lines of service shown in Table 2; and
2. Direct Administration to prepare related amending bylaws reflecting the indicative rates shown in Table 2, and that they be forwarded to the November budget adjustments.

**MOTION CARRIED**

Committee recessed at 12:08 p.m. and reconvened at 1:14 p.m. with Mayor Nenshi in the Chair.

7.3 2019 Growth Strategy Monitoring Report, PFC2019-1062

**Moved by** Councillor Farkas

That Report PFC2019-1062 be postponed to the call of the Chair.

**MOTION CARRIED**

Report PFC2019-1062 was lifted from the table and dealt with immediately following item 7.7, PFC2019-1400, by general consent.

That pursuant to Section 6(1) of the Procedure Bylaw 35M2017, Section 78(2)(b) was suspended, by general consent, to allow Committee to complete Report PFC2019-1062 prior to the scheduled 3:15 p.m. afternoon recess.

**Moved by** Councillor Davison

That Members of BILD Calgary be allowed to address the Committee with respect to Report PFC2019-1062.

Against: Councillor Farrell

**MOTION CARRIED**

**Moved by** Councillor Farkas

That all members of the Public be allowed address the Committee with respect to Report PFC2019-1062.

Against: Mayor Nenshi

**MOTION CARRIED**

Mayor Nenshi left the Chair at 3:25 p.m. and Councillor Chu assumed the Chair.

Mayor Nenshi assumed the Chair at 3:28 p.m. and Councillor Chu returned to his regular seat in Committee.

The following people addressed Committee with respect to Report PFC2019-1062:

1. Brian Hahn, BILD Calgary; and
2. Grace Lui, BILD Calgary.

**Moved by** Councillor Woolley

That Recommendation 1 b) be amended by adding the words "that does not include tax and utility rate increases" following the words "without proposed mitigating solution".

**MOTION CARRIED**

**Moved by** Councillor Davison

That the Recommendations be amended by adding a Recommendation 6, as follows:

"6. Explore the phasing out of the growth management overlay, and report back to the Priorities and Finance Committee no later than Q2 2020 with options to better align to our current economic situation and that creates policy that encourages a business-friendly environment and further development investment and retention in Calgary."

Against: Councillor Farkas and Councillor Farrell

**MOTION CARRIED**

**Moved by** Councillor Gondek

That with respect to Report PFC2019-1062, Recommendations 1, 2, 3, 4, 6, 7 and 8 be approved, **as amended**, as follows:

That the Priorities and Finance Committee recommends that Council direct Administration to:

1. As a modification to the established process of regularly receiving business cases for new communities that recognizes the City of Calgary's current economic constraints, Administration may recommend a limited number of growth opportunities to Council, that must meet the following criteria:

- a) no required capital from the City of Calgary to initiate development;
  - b) no required operating costs in the current One Calgary (2019-2022) budget or the next (2023-2026) budget cycle, without a proposed mitigating solution, **that does not include tax and utility rate increases** using the existing model and any improvements made by the date of review;
  - c) completing areas of previously approved communities and leveraging capital investments already made in 2018 and prior years;
  - d) property tax generation potential; and
  - e) levy generation potential that funds new and established areas.
2. Invite landowners to submit a one-page proposal (with a template to be provided) by December 31, 2019 to demonstrate how their proposed business case meets the criteria noted above.
  3. In consultation with Calgary Economic Development's real estate pillar experts, Administration will determine which growth opportunity areas will continue to full business case review, and will then invite business cases from related landowners by January 31, 2020 with a submission deadline of March 13, 2020.
  4. Review business cases by May 29, 2020, with subsequent dialogue with proponents and a summary of approved and rejected cases to be forwarded to October 13 2020 Priorities and Finance Committee for review, discussion and recommendation. Recommendations will be forwarded to the following Council meeting for decision.

**6. Explore the phasing out of the growth management overlay, and report back to Priorities and Finance Committee no later than Q2 2020 with options to better align to our current economic situation and that creates policy that encourages a business-friendly environment and further development investment and retention in Calgary.**

7. Bring a 2020 Growth Strategy Monitoring Report to Council through Priorities and Finance Committee by no later than 2020 October; and
8. Remain committed to the following 4 guiding principles outlined in Attachment 3 through this modified process for business cases for growth:
  - a. Recognize the principle of shared risk that Industry and Administration agreed to as part of the New Community Growth Strategy 2018 work;
  - b. address City financial constraints related to capital and operating funding availability;
  - c. Address City resourcing constraints related to work plan priorities; and
  - d. Continue to drive toward a Comprehensive Citywide Growth Strategy that includes new communities, established areas and industrial areas for 2022 March.

Against: Councillor Farkas and Councillor Farrell

**MOTION CARRIED**

**Moved by** Councillor Gondek

That with respect to Report PFC2019-1062, Recommendation 5 be approved, as follows:

That the Priorities and Finance Committee recommends that Council direct Administration to:

5. Evolve the practice of looking at a direct incremental operating cost model to a full operating cost model, in conjunction with other stakeholders. A briefing on progress toward the new model will be presented at 2020 June 9 Priorities and Finance Committee meeting, with a targeted timeline for completion of no later than Q3 2021.

**MOTION CARRIED**

7.4 Attainable Homes Calgary Corporation – Progress Update Report, PFC2019-1294

**Moved by** Councillor Davison

That with respect to Report PFC2019-1294, the following be approved:

That Council:

1. Direct Administration to provide a one-time waiver of AHC's breach of its annual Interest Coverage Ratio for the period ending 2018 December 31, subject to the same waiver being received from AHC's Lender;
2. Direct Administration to amend any existing agreements between The City and AHC as applicable and to reflect AHC's credit facility renewal with its financial institution in form and content acceptable to the City Treasurer; and
3. Receive the progress report for the corporate record.

**MOTION CARRIED**

7.5 Assessment Review Board Fees, PFC2019-1077

**Moved by** Councillor Chu

That with respect to Report PFC2019-1077, the following be approved;

That the Priorities and Finance Committee recommend that Council:

1. Approve the proposed fees, with new complaint filing fees to be effective 2021 January 01; and,
2. Direct the City Clerk's Office to prepare an amending bylaw with the proposed fees to bring forward during Adjustments to One Calgary Service Plans and Budgets.

**MOTION CARRIED**

7.6 City Appeal Board Fees, PFC2019-1078

**Moved by** Councillor Farrell

That with respect to Report PFC2019-1078, the following be approved:

That the Priorities and Finance Committee recommend that Council:

1. Approve the proposed fees; and,
2. Direct the City Clerk's Office to prepare an amending bylaw with the proposed fees to bring forward during Adjustments to One Calgary Service Plans and Budgets.

**MOTION CARRIED**

- 7.7 Response to NOM C2019-1278 (Blue Ribbon Panel Report) (Verbal), PFC2019-1400

**Moved by** Councillor Farkas

That with respect to Verbal Report PFC2019-1400, the following be approved:

That the Priorities and Finance Committee direct Administration to bring this presentation to a meeting of the Intergovernmental Affairs Committee for a discussion of impacts and advocacy by the end of Q4, 2019.

**MOTION CARRIED**

- 7.8 Financial Task Force November (Verbal) Update, PFC2019-1341

Administration was thanked for their verbal presentation.

- 7.9 Discussion on Proportional Share for Tax Classes for 2020 in Advance of Budget Deliberations, PFC2019-1394

**Moved by** Councillor Gondek

That with respect to Recommendation 1 contained in report PFC2019-1394 the following be approved:

That the Priorities and Finance Committee **recommend that Council:**

1. Use the Tax Shift Assessment Working Group (TSAWG) illustrative examples presented in Attachment 1 (**Report PFC 2019-1394**) as reference material in their discussion and development of Council recommendations on the proportion of property taxes between residential and non-residential properties for 2020.

**MOTION CARRIED**

**Moved by** Councillor Gondek

That with respect to Report PFC2019-1394, Recommendation 2 be approved as follows:

That the Priorities and Finance Committee **recommend that Council:**

2. **Set the proportion of responsibility for operating budget as 52% residential and 48% non-residential.**

ROLL CALL VOTE

For: (1): Councillor Gondek

Against: (6): Mayor Nenshi, Councillor Chu, Councillor Davison, Councillor Sutherland, Councillor Farkas, and Councillor Magliocca

**MOTION DEFEATED**

That pursuant to Section 6(1) of the Procedure Bylaw 35M2017, Section 78(2)(c) was suspended, by general consent, to allow Committee to complete the remainder of today's Agenda prior to the scheduled 6:00 p.m. supper recess.

**Moved by** Councillor Davison

That with respect to Report PFC2019-1394, Recommendation 2 be approved as follows:

That the Priorities and Finance Committee **recommend that Council:**

**2. Set the proportion of responsibility for operating budget as 50% residential and 50% non-residential.**

ROLL CALL VOTE

For: (1): Councillor Davison

Against: (6): Mayor Nenshi, Councillor Chu, Councillor Gondek, Councillor Sutherland, Councillor Farkas, and Councillor Magliocca

**MOTION DEFEATED**

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

8.2 NOTICE(S) OF MOTION

8.2.1 City of Calgary Wage Contract Reconsideration (2020) & City Council Remuneration for 2019-2020, PFC2019-1397

**Moved by** Councillor Gondek

That the Priorities and Finance Committee forward Notice of Motions, Item 8.2.1, City of Calgary Wage Contract Reconsideration (2020) & City Council Remuneration for 2019-2020, PFC2019-1397 to the 2019 November 18 Combined Meeting of Council after consideration of incorporating recommendations from withdrawn Item 9.1, Restraint in Public Sector Compensation During Hard Economic Times, PFC2019-1432.

**MOTION CARRIED**

9. URGENT BUSINESS



- 9.1 Restraint In Public Sector Compensation During Hard Economic Times, PFC2019-1432

This item was withdrawn.

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1 River Valley School Society Land Acquisition, PFC2019-1393

**Moved by** Councillor Sutherland

That the Priorities and Finance Committee forward River Valley School Society Land Acquisition, PFC2019-1393 to the Closed portion of the 2019 November 18 Combined Meeting of Council with the addition of a map.

**MOTION CARRIED**

10.2 URGENT BUSINESS

11. ADJOURNMENT

**Moved by** Councillor Chu

That this Meeting adjourn at 6:47 p.m.

**MOTION CARRIED**

The following items have been forwarded to the 2019 November 18 Combined Meeting of Council:

CONSENT

Water Utility Indicative Rates – Revised for 2020, PFC2019-1402

2019 Growth Strategy Monitoring Report, PFC2019-1062

Attainable Homes Calgary Corporation – Progress Update Report, PFC2019-1294

Assessment Review Board Fees, PFC2019-1077

City Appeal Board Fees, PFC2019-1078

Discussion on Proportional Share for Tax Classes for 2020 in Advance of Budget Deliberations, PFC2019-1394

COMMITTEE REPORTS

City of Calgary Wage Contract Reconsideration (2020) & City Council Remuneration for 2019-2020, PFC2019-1397

CONFIDENTIAL ITEMS

River Valley School Society Land Acquisition, PFC2019-1393

The following item was referred to the 2019 November 12 (25-29) Special Meeting of Council Re: Adjustments to the One Calgary Service Plans and Budgets

Flatwater Pool Business and Service Continuity Update, PFC2019-1330

The next Regular Meeting of the Priorities and Finance Committee is scheduled to be held on Tuesday 2019 December 03 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

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CHAIR

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ACTING CITY CLERK

UNCONFIRMED