

Attachment 3 – Risk Analysis

The Administrative Leadership Team identified five risks to watch for 2020: Health & Safety, Political, Reputation, Financial, and Infrastructure Management. The Rethink to Thrive Strategy supports risk reduction activities for these risks as well as for other Principal Corporate Risks including Economic, Capacity for Change and Talent Management & Workforce Planning Vulnerability.

Health & Safety: Workforce culture, organizational resilience, and employee health, safety and well-being are affected by internal factors such as the pace/amount of organizational change, as well as external factors such as Calgary's economic environment and population health. While the Rethink to Thrive Strategy itself is a change, it builds from the strong foundation of the One City, One Voice culture. The actions outlined under the “inspire a proud and engaged workforce” strategy provide a clear focus on employee safety (physical and psychological), respect and inclusion and reinforce the Code of Conduct and employee promise.

Political: Changing priorities or actions of municipal, regional, or other orders of government paired with rapid changes in the natural, social or economic environment could result in funding challenges that may adversely impact The City's ability to deliver on citizen expectations. The objectives to reduce the cost of government and increase our capacity as well as the corresponding strategies and actions will help The City to be better able to respond to decisions by other orders of government.

Reputation: Reputation risk can threaten The City's ability to maintain positive and productive relationships with citizens, businesses, partners and the ability to achieve its corporate objectives. The Rethink to Thrive Strategy has identified improving our reputation as a key objective. The strategies and actions include sharing timely and relevant information with citizens, businesses and employees, and actively correcting misinformation, as well as the development of a corporate communications strategy focused on investment and value.

Financial: Funding constraints (lower general revenues, franchise fees and/or higher expenses) and overreliance on debt financing may lead to an inappropriate financing structure and negatively impact service delivery, the ability to maintain critical infrastructure and adapt to growth. The strategy to protect financial sustainability and optimize investment, as well as the corresponding actions to work collaboratively to find permanent savings in The City's operating base budget and increase service efficiency and effectiveness specifically address this risk.

Infrastructure Management: The City owns and operates public infrastructure systems such as water service, storm and sanitary sewers, roads, sidewalks, pathways, bridges and other structures and buildings. The City is exposed to the risk of these assets failing as they age, particularly if lifecycle maintenance is not prioritized appropriately. The actions to continue to optimize capital planning and infrastructure investment, and advance The City's interests with the Provincial and Federal governments and the Calgary Metropolitan Region Board help to address this risk.

Economic: Citizens and the business community face ongoing pressure due to the volatility of local and regional economies. This risk can impact demands for municipal services (including social supports), municipal revenue, and The City's priorities. As a government organization, The City of Calgary needs to remain nimble and agile to respond to changes in the external environment. City Administration requires focus and a new way of thinking to be able to pivot quickly and be flexible and innovative while remaining resilient, safe (physically and psychologically) and committed to a greater vision. The Rethink to Thrive Strategy is intended to help provide focus to Administration and outline how we will work together to support the delivery of the City Manager goals and Council's direction.

Capacity for Change: Increasing velocity, pace and quantity of change in the natural, social, economic and political environment, combined with limited flexibility in the organization to respond, contributes to reduced capacity, preparation and experience required to implement new initiatives and adapt to changing priorities. The objective to increase our capacity and corresponding actions and strategies are intended to build capacity within the organization. In addition, the strategy to be innovative, tech savvy and future-focused provides employees with permission to experiment and fail fast, as well as leverage technology and data to make faster and better decisions.

Talent Management & Workforce Planning: The risk is the inability to attract, develop, engage and retain key talent and knowledge to meet current and future business needs. The strategy to inspire a proud and engaged workforce through a focus on safety, modernized workforce practices, and learning and development opportunities is aimed at achieving the objective to strengthen employee engagement.