

Proposed City of Calgary Submission to the Government of Alberta
on the Alberta Infrastructure Act and 20-Year Strategic Capital Plan

Introduction

The City of Calgary (“The City”) would like to thank the Government of Alberta (GoA) for the opportunity to provide input into the upcoming Alberta Infrastructure Act and 20-Year Strategic Capital Plan Survey. City representatives met with Assistant Deputy Minister Tracy Allen on 2020 January 29 to share The City’s approach to capital planning and prioritization and is pleased to see many of the same concepts in the GoA’s materials. The City further offers the following recommendations:

Section A: Capital Planning Governance

Recommendation 1: Adopt best practices in governance, and partner and engage with Municipalities on an ongoing basis to optimize infrastructure investment value.

1. Direction Setting – set, keep current, and communicate clearly to stakeholders. Commit to periodic refresh of priorities and goals. Promote intentional and proactive information sharing for increased transparency, including publishing the new 20-Year Strategic Capital Plan for public view.
2. Objectives – Set objectives that align with provincial, municipal and regional growth strategies, initiatives and plans. Develop capital prioritization criteria that aligns with these objectives. Criteria for capital prioritization are directly aligned to these objectives, clearly stated and show alignment to other programs or funding from other others of government.
3. Investment Optimization – Optimize capital investment decisions with a cross-service lens, recognizing that investments may touch on multiple services at both provincial and municipal levels. Consider annual reviews with municipalities for capital project alignment, integration and optimization. Provide guidelines or expectations for other contributions (e.g., cost-sharing arrangements, matching fund requirements, sponsorship, working with private entities) or operational requirements.
4. Engagement and Inclusiveness – Engage stakeholders early and often (throughout the process). Use best efforts to accommodate diverse needs and backgrounds to foster inclusive decision-making. This may need to include multiple of channels, to reach different segments of Alberta’s population.
5. Roles and Responsibilities - Provide clear delineation of roles and responsibilities for decision-making bodies, working groups and stakeholders. Publish timelines for proposals and requests for funding, and responses back from government.
6. Use Tools, Data, and Processes - Apply consistent project management frameworks, asset management practices, tools, and processes (e.g., PMBOK for PM practices and ISO for Asset Management). Track and communicate timing and dependencies of decisions. Communicate how projects will be measured, and measure and monitor project outcomes in support of data driven decision making. Increase transparency by sharing these tools, data and processes with the public and municipalities.

Section B: Capital Planning Prioritization

Recommendation 2: Expand definitions for prioritization criteria, especially with respect to climate and resilience. There is value in all the GoA's proposed capital planning criteria, and the criteria may need to be weighted differently based on location, timing and purpose of proposed infrastructure when evaluating potential projects.

GoA's Proposed Capital Prioritization Criteria	Potential considerations
Health, Safety, and Compliance Does the project address risks to the health, safety, or security of the public or staff and comply with federal or provincial legislation?	- Add climate considerations – infrastructure projects can help mitigate the risk of shocks and stresses related to environmental events. Infrastructure projects could undergo a climate mitigation and risk assessment prior to approval. Refer to the Federal Infrastructure Canada Climate Lens and Task Force for Climate Disclosure (TCFD). - Compliance with legislation should be a minimum require for all projects. Consider evaluating on alignment to best practices.
Strategic Alignment Does the project support provincial strategic plans and government priorities?	- Reference alignment to provincial, <i>municipal and growth board</i> plans and priorities. - Assess project readiness. - Assess Digital Infrastructure (conduit, poles, fibre optics) implications and requirements.
Economic Impacts Does the project stimulate direct and/or indirect job creation or foster economic development and activity?	- If return on investment (criteria #6) correctly incorporates economic impacts, these need not be listed separately. - Economic considerations should prioritize opportunities that fosters economic diversification and overreliance on a single industry.
Improved Program and Services Delivery Does the project improve government capacity to deliver services, provide or enhance services in a community or region, or solve functional problems or deficiencies limiting program delivery?	- A capital project might not improve a program or service, but enables continuation of, or facilitates delivery of a program or service, which would be disrupted without the investment. - Does “enhance services” provide for the introduction of new services? - Levels of service provision should be established and shared.
Resilient Communities Does the project support resilient infrastructure such as core infrastructure to remote	- This definition could skew investments away from urban communities, who can also benefit from a resilience lens.

communities, social and environmental impacts, heritage considerations, and/or local conditions?	- The City would like to see projects promoting resilient infrastructure – investments that can better withstand shocks and stresses – and social resilience. Infrastructure can help address issues relating to vulnerable populations, accessibility and inclusion of equity-seeking communities leading to improved social inclusion and cohesion.
Life Cycle Costs and Return on Investment Does the project consider the full life cycle costs including, operating, facility, and capital costs when evaluating capital maintenance and renewal for existing buildings, as well when new infrastructure or programs are proposed? Does it include consideration of key measures, such as return on investment, internal rate of return, cost/benefit analysis, or payback period?	- Social and environmental benefits need to be emphasized alongside economic benefits (e.g., investments in Recreation infrastructure that encourage people to live a healthier and more active lifestyle lead to positive outcomes in terms of savings in health care costs and Annual Dropout Rate of Students aged 14 to 18). - Cost savings or revenue generation of potential projects. Ability to attract and leverage external funding. - Long-term durable, adaptable and sustainable infrastructure can be more easily maintained, rehabilitated or upgraded.

Section C: Future Trends and the 20-Year Strategic Capital Plan

Many of the future possible trends listed are known issues and deserve immediate consideration. Trends should be updated and reviewed on a regular basis so as not to miss any new, emerging trends.

Recommendation 3: “Technology” is wide-ranging and a more detailed list of risks, issues and implications should be named. Although not an exhaustive list, please consider innovation and automation, Digital Infrastructure requirements, the increasing digital divide and the need to educate Alberta’s youth for the New Economy, electrification and automation of transportation, decarbonization of commercial, industrial and residential building stock, how technology can buffer the increasing frequency of severe weather events, remote monitoring to lower lifecycle maintenance costs, innovation solutions to re-purpose infrastructure that is no longer operational, etc.

Recommendation 4: Recognize the rise of social movements. Consider the recent rise of political extremism, Black Lives Matter, Truth & Reconciliation, increased focus on mental health problems and housing struggles for vulnerable populations, increased discussions for Basic Income programs, accessibility and inclusive design, increasing digital divide and gender inequity.

Recommendation 5: Suggested strategies for responding effectively to trends over the next 20 years.

1. Partner and engage with municipalities to optimize infrastructure investment value.

2. Infrastructure and financial planning that emphasizes predictable, stable and sufficient funding structures. Certainty contributes to better planning. This is especially valuable when there is a change in provincial leadership. Consider, for example, the need for more predictability for highway infrastructure and its relation to municipal offsite levies. Explore alternative financing options, such as P3, when there is a solid business case and value can be achieved for taxpayers. Consider new legislation that would allocate a larger proportion of revenues to municipalities as fuel tax funding wanes.
3. Be innovative, tech savvy and future-focused. Globally, cities are evolving with a future that is increasingly volatile, uncertain, complex and ambiguous (VUCA). If we want Alberta to have a resilient and prosperous future, we will benefit from innovative solutions, leveraging new technologies and better tools to engage with and consider numerous complex choices. Consider alternative scenarios and potential responses (a.k.a. “Strategic Foresight”) to enhance decision-making and strategy preparation. Monitor, update and identify implications for trends on an on-going basis. The GoA and The City could work collaboratively to share resources and expertise in conducting these strategic planning exercises.

Summary of recommendations

Thank you again for the opportunity to contribute to this important work. To summarize, The City of Calgary’s urges the Government of Alberta to:

1. Adopt governance best practices. Where possible, partner and engage with municipalities on an ongoing basis to optimize infrastructure investment value.
2. Expand definitions for prioritization criteria, especially with respect to environment and resilience.
3. Recognize that many of the future possible trends listed are known issues, and expand on the concept of technology.
4. Incorporate the rise of social movement in its list of trends.
5. Strive for predictable, stable, sufficient and alternative funding structures. Be innovative, tech savvy and future-focused.

The City looks forward to future engagements about the Alberta Infrastructure Act and 20-Year Capital Plan, and working in partnership with the GoA on future infrastructure projects. In the meantime, if the GoA has any further questions, City officials would be pleased to discuss.