

Calgary



# Submission to GoA on the Alberta Infrastructure Act and 20-Year Strategic Capital Plan

Intergovernmental Affairs Committee

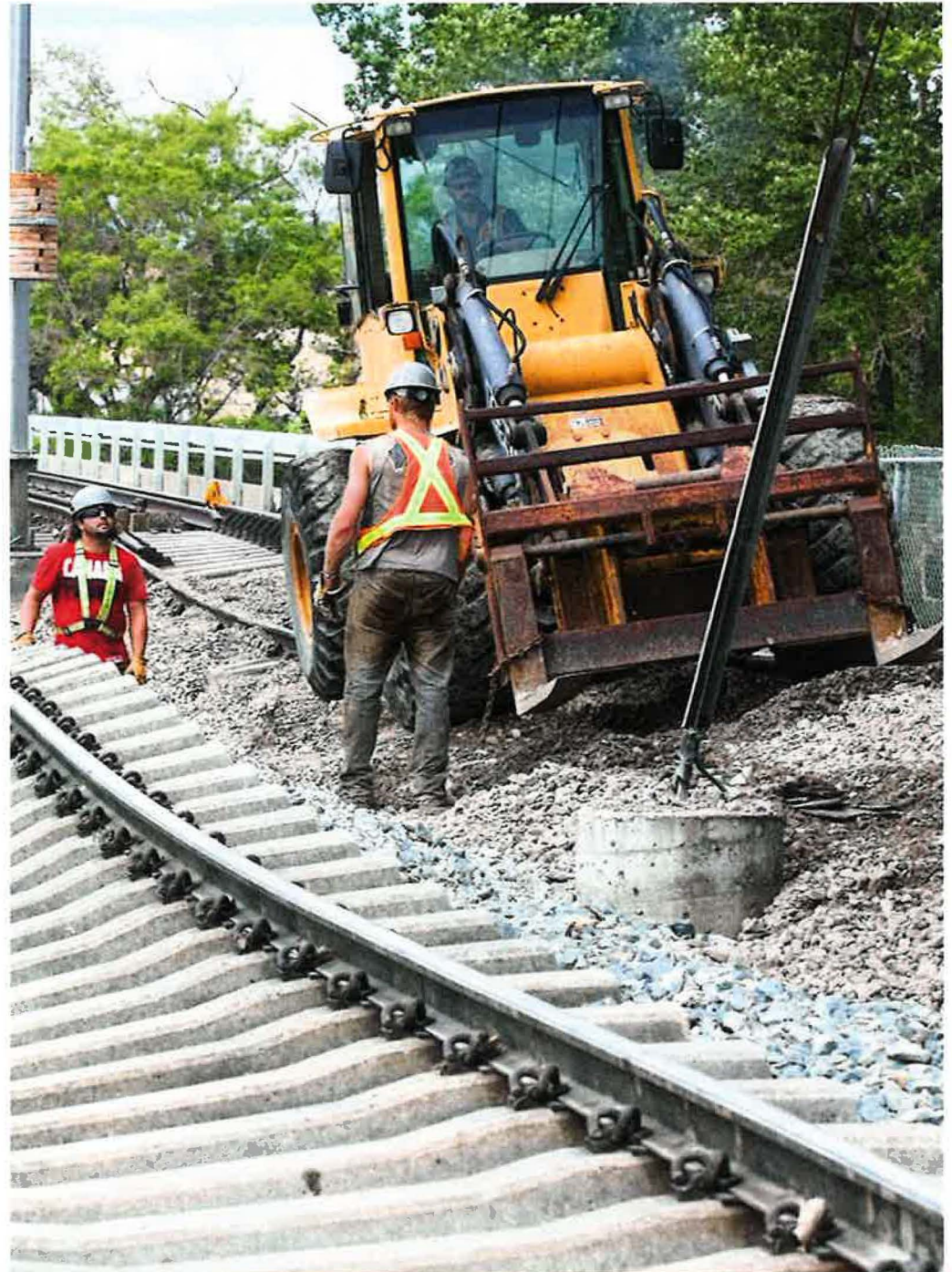
2020 July 23

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## Today's presentation

1. GoA request for input on Infrastructure
2. Background on the Alberta Infrastructure Act and 20-Year Strategic Capital Plan
3. Internal consultation
4. Considerations for The City of Calgary
5. Draft recommendations
6. Recommendations for IGA Committee







## GoA's Request for Input

The Government of Alberta (GoA) is requesting public input to the Alberta Infrastructure Act and 20-Year Strategic Capital Plan.

GoA is focused on prioritizing **its own capital spending**, and developing a 20-year plan that anticipates future GoA infrastructure needs.

The survey seeks input on three major areas:

- (1) governance and the capital planning process
- (2) proposed prioritization criteria for their infrastructure projects
- (3) future trends for consideration



## Alberta Infrastructure Act and 20-Year Strategic Capital Plan

*Alberta Infrastructure Act* will outline how the GoA will plan for and prioritize capital spending

- expected to be introduced in the fall 2020 legislative session
- legislated governance framework for capital planning in Alberta
- prioritization criteria will be used to evaluate projects for the GoA's Capital Plan.

*20-Year Strategic Capital Plan* will guide the GoA's approach to long-term planning for infrastructure

- Expected to be released by early 2021
- Capital Planning Criteria will be used to guide decision-making on all submissions for infrastructure projects for the Capital Plan
- Criteria will be consistent over time

### GoA's Proposed Capital Planning Criteria

- Health, safety, and compliance
- Strategic alignment
- Economic impacts
- Improved program and services delivery
- Lifecycle costs and return on investment
- Resilient communities

Input for this submission was sought from:

- Intergovernmental and Corporate Strategy (ICS)
- Infrastructure Calgary Steering Committee  
Infrastructure Calgary EP MO
- Corporate Budget Office (CBO)
- Departmental Infrastructure Investment Planning (IIP) stewards
- Corporate Project and Asset Management (CPAM)
- Corporate Engineering & Energy
- Next 20 project team (Municipal Development (MDP)/Calgary Transportation Plan (CTP) update)
- Resilience team
- The City's Strategic Foresight Scan Club, which draws from staff from across the organization.



# Governance and Capital Planning

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

**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.

**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.

**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.

**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.

**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.

**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.



# Capital Planning Prioritization

In January 2020, Chris Arthurs (Acting GM, DCMO), Heather Kathol (Manager, IC) and Jeremy Clarke (ICS) met with the GoA and shared The City's approach to capital planning and prioritization. Many of the concepts from The City's capital prioritization criteria are reflected in the GoA's proposed criteria.

## City of Calgary's Corporate Capital Prioritization Criteria

- Legal, Regulatory, Health & Safety Requirement
- Critical Infrastructure
- Critical Asset Risk Mitigation
- Minimize Service Delivery Costs
- Deliver Existing Levels of Service
- Attracts Private Investment, And / Or Public & Other Government Funding (Regional)
- Improves Connectivity, Accessibility & Inclusion of Communities

## GoA's Proposed Capital Planning Criteria

- Health, safety, and compliance
- Strategic alignment
- Economic impacts
- Improved program and services delivery
- Lifecycle costs and return on investment
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## Recommendation 2: Expand definitions for prioritization criteria, especially with respect to climate and resilience.

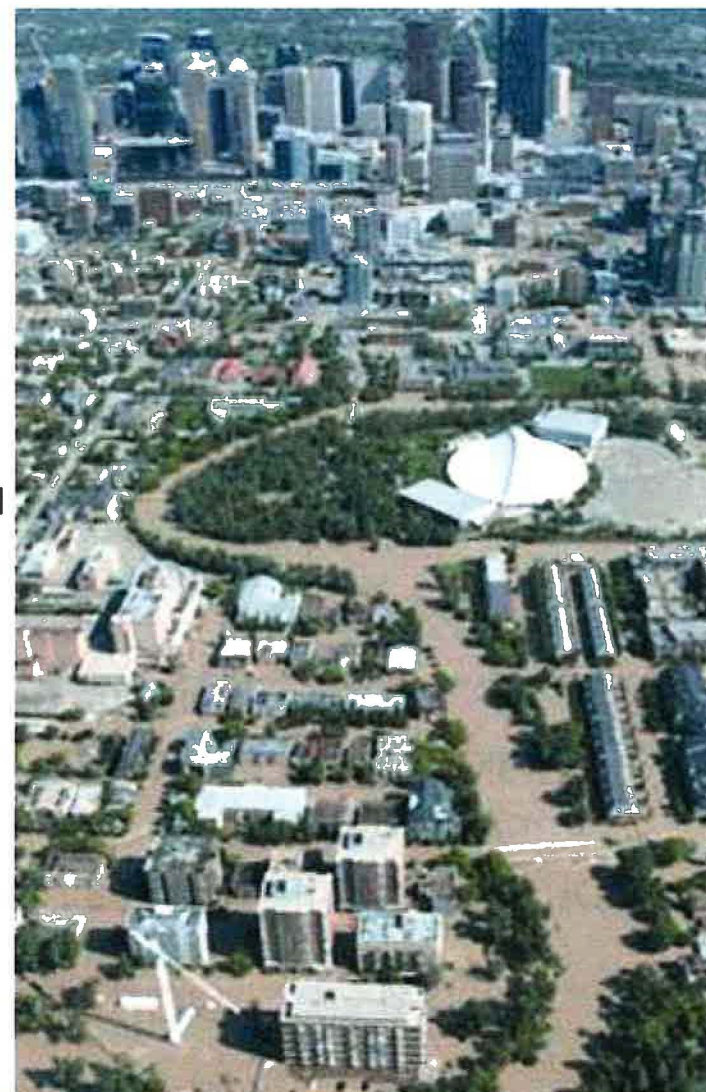
GoA definition:

### Resilient Communities

*Does the project support resilient infrastructure such as core infrastructure to remote communities, social and environmental impacts, heritage considerations, and/or local conditions?*

- This definition could skew investments away from urban communities, who can also benefit from a resilience lens.
- 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.\

**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).







## GoA's Possible Future Trends

GoA identifies 12 **possible future trends** to which the province may need to respond:



1. Globalization and international trade
2. Increasing need for resilient infrastructure
3. Improvements in building sustainability
4. Virtual service delivery
5. Technology
6. Demographic shifts
7. Bigger, more complex projects
8. Increased role of private funding and participation in public infrastructure
9. Increased funding pressure and financing gaps for infrastructure
10. Health and safety of aging infrastructure
11. The sharing economy
12. Aging population and workforce

## GoA's Possible Future Trends

Many of the future possible trends GoA 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.



## Strategies for Responding to Trends

### **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. 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.

That the Intergovernmental Affairs Committee:

Forward this Report as an item of Urgent Business to the 2020 July 27 Combined Meeting of Council, for approval of The City of Calgary's submission to the Government of Alberta's Infrastructure Planning Engagement as set out in Attachment 1.