

Deputy City Manager's Office Report to
Intergovernmental Affairs Committee
2021 May 13

ISC: UNRESTRICTED
IGA2021-0615
Page 1 of 4

Financial Task Force Recommendations - Provincial Engagement Plan

RECOMMENDATION(S):

That the Intergovernmental Affairs Committee:

1. Endorse the engagement plan laid out in this report and attachments to support the 2021 Q2 Semi-Annual Financial Task Force Implementation Update report to the Priorities and Finance Committee; and
2. Direct Administration to report back to the Intergovernmental Affairs Committee with a progress update by Q1 2022.

HIGHLIGHTS

Several of the recommendations from the Financial Task Force (FTF) cannot be achieved by The City alone but require cooperation and / or legislative change from other orders of government. The engagement plan detailed below represents Administration's best advice on how to secure that cooperation.

For Calgarians, approving this plan represents an opportunity to support Calgary's economic recovery and financial resiliency with innovative solutions recommended by an expert panel.

The engagement plan itself differentiates between FTF recommendations that are "advocacy ready" and those that require further research or development. In both cases, the plan proposes to enlist a combination of four different tools. Advocacy ready items will be dealt with on an accelerated timeline.

The selection of each of the different tools is based on past advocacy experience with the same or similar issues, the current intergovernmental context, and anticipated risks and opportunities.

The tools proposed are as follows: 1) aligning FTF recommendations with the Government of Alberta's existing legislative priorities and engagement opportunities, including the ongoing Red Tape Review process; 2) enlisting FTF and other partner voices in a campaign for change, including public messaging; 3) engaging the Government of Canada in a tri-lateral conversation about municipal finance reform; 4) where opportunities exist for the Mayor and other Members of Council, sharing the aim of fiscal reform with local Members of the Legislative Assembly (MLAs) and Members of Parliament (MPs).

The plan contained here delivers on existing Council direction to "bring a comprehensive provincial engagement plan to the Intergovernmental Affairs Committee no later than 2021 Q2" (PFC2020-1351 and supports Council direction to deliver "a modern and efficient municipal government that makes citizens' lives better every day" (a well-run city))

DISCUSSION

Overview

The FTF's final report includes 12 recommendations whose successful implementation will depend on support from other orders of government, primarily the province, ranging from legislative or regulatory change to improved coordination and communication. Of these:

Financial Task Force Recommendations - Provincial Engagement Plan

- Eight are “advocacy ready.” There is either enough precision in the FTF’s recommendation or sufficient City of Calgary policy direction to proceed with engagement as is (though this doesn’t preclude further development).
- Four, either explicitly or on examination, call for additional analysis and direction prior to engaging other orders of government.
- An overview of these recommendations and distinctions can be found at Attachment 1.

There are four additional recommendations in Attachment 1 initially identified as requiring advocacy to other orders of government. These are, in fact, better addressed (and indeed are already being addressed), as part of The City’s regional strategy and membership in the Calgary Metropolitan Regional Board. As Attachment 1 identifies, Administration will continue to identify how best to advance these recommendations in this context.

Advocacy context

The proposed advocacy is shaped by several important contextual factors.

- Intergovernmental experience: Most of the FTF’s advocacy-based recommendations have been the subject of recent engagement through the City Charter and more recent Council direction for assessment and taxation reform. Despite these calls, successive provincial governments have been resistant to comprehensive change. The province has favoured the approach of smaller amendments or tweaks to existing legislation that applies to all municipalities, is supported by key stakeholders and aligns to their own agenda.
- Current intergovernmental landscape: The current provincial government has suggested that governments are challenged by “a spending problem, not a revenue problem.” It may be less receptive to the FTF recommendations, many of which focus on the challenges of current municipal revenues. Federally, the current government has recognized the revenue challenges facing municipalities and pursued a more direct relationship with big cities.
- The intergovernmental horizon: There are several opportunities for direct engagement on the immediate horizon, including participation in the province’s ongoing red-tape review of the Municipal Government Act. There are also risks that recommend immediate action, including the possibility of a federal election and the potential for a less-supportive partner federally.

Proposed Engagement

This engagement plan for the “advocacy ready” items includes capitalizing on four opportunities. As additional information and direction for the remaining FTF recommendations is developed, they may also utilize similar tactics.

1. As the provincial government seems less likely to respond to unsolicited proposals for change, where possible, framing these issues for submission to the anticipated red-tape review of the assessment and taxation provisions of the MGA.
2. Given the inaction of the province in response to similar advocacy by The City on its own, we are looking to “rally the troops” to pen an open letter on the need for provincial reform co-signed by the Mayor, members of FTF, the Economic Resilience Task Force (ERTF) and other partners as appropriate. We are also proposing to bring a related resolution forward to the Alberta Urban Municipalities Association convention this fall.

Financial Task Force Recommendations - Provincial Engagement Plan

3. Administratively, invite the province and federal government to participate in a tripartite conversation to leverage the Government of Canada's current interest in the challenges of municipal finance generally.
4. Politically (with supportive materials from Administration), engage local MLAs and MPs, seeking their support in amplifying The City's messaging and their commitment to broad reform going forward.

Engagement Plan Timeline

The timeline in Attachment 2 outlines the steps required to take advantage of the proposed opportunities in the current intergovernmental context.

Briefly, it foresees engagement on "advocacy ready" items beginning immediately, proceeding through the fall, returning to IGA Committee with an update in Q1 2022. At that time, we will also bring forward any recommendations for adjustment or next steps, based on the response from other orders of government.

At that same time, we will be positioned to report on the status of the necessary work and need for further direction on the remaining FTF advocacy-related recommendations.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

While the recommendations of the FTF are themselves the subject of a robust process of expert and stakeholder consultation, no additional engagement was required to develop the advocacy plan contained herein. The strategy does, however, contemplate additional engagement with the FTF, ERTF and other partners as appropriate.

IMPLICATIONS

Social, Environmental and Economic Implications

By design, the FTF recommendations (both addressed here and otherwise) are meant to support Calgary's economic recovery and financial resiliency. The scope of the economic implications will depend on the responsiveness of other orders of government to the engagement plan contained here.

Advocacy in support of the FTF's recommendations has no direct social or environmental impacts. Successful reform of the fiscal framework through advocacy is, however, likely to have positive long-term implications for The City to finance its social and environmental obligations and priorities.

Service and Financial Implications

There are no immediate implications for existing service plans or budgets. FTF recommendations align closely with existing advocacy priorities and can be largely assumed within existing budgets. If, however, there is a high degree of interest or uptake from other

Deputy City Manager's Office Report to
Intergovernmental Affairs Committee
2021 May 13

ISC: UNRESTRICTED
IGA2021-0615
Page 4 of 4

Financial Task Force Recommendations - Provincial Engagement Plan

orders of government for fiscal framework reform, there could be a need for additional resources.

RISK

Administration does not perceive of any material risks associated with the advocacy plan which seeks primarily to repeat or amplify existing and, in some cases, long-standing City of Calgary policy. The real risk to The City lies in inaction, which would all but guarantee the fiscal framework status quo, but also cause reputational harm with the members of the FTF and members of other current and future taskforces. If The City is seen not to act on the contributions made by these citizen and stakeholder volunteers, it will be less likely to attract participation of a similar caliber going forward.

ATTACHMENTS

1. Overview of Advocacy-Related FTF Recommendations
2. Engagement Plan Timeline: Financial Task Force Recommendations

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Chris Arthurs	DCMO	Approve
Carla Male	CFOD	Consult