



Leadership Strategic Plan

Progress report

For 2016

The story behind the plan

In 2014, we took the pulse of citizens and City Council to determine where our efforts as a local government should be focused. City Council said they expect us to provide services in a coordinated and integrated way; to collaborate and work together as a team; deliver services with a citizen and customer-focused approach; provide a sustainable financial plan; and instill confidence and trust in all that we do. Citizens told us they want us to be mindful of spending; show value in the services we offer; invest in infrastructure; be transparent and accountable; and ask for their opinions before making decisions that affect the future of our city.

Citizens also want quality customer service through easily accessible channels. They expect our behaviours and our values to align with those of the community we live in, and hold us accountable to meet those expectations on a daily basis. They want us to help out when our neighbours, locally, nationally and internationally are in need. They also expect us to monitor and respond at a moment's notice. These are the expectations of a modern municipal government.

The Leadership Strategic Plan (LSP) is to intentionally manage a well run city and to close the gap in expectations. It guides us toward becoming a modern municipal government through a change in our culture. The LSP is how we align the hopes, dreams and aspirations of the community and the direction we receive from Council.

We present our collective progress on pages 5 to 9 of this report for each of the focus areas. It is organized as follows:



1. High level **recent accomplishments** in 2016.
2. Headline performance measures to show **how we are doing**. Where available, baseline information for the measures show history (represented by a solid grey line) and forecast (indicated by a dotted black line). Anticipated changes are represented by a solid black arrow, to depict where we can “turn the curve” on our performance.
3. **The story behind the numbers** describes the conditions, causes and forces at work that helps explain the current and expected performance.
4. **What we propose to do** highlights initiatives planned or currently underway to advance success in the focus area.

Ongoing performance accountability is essential to the success of the LSP. A sustainment strategy will be developed to integrate these initiatives in the work we do, and to continue to measure and report on our performance.

Leadership Strategic Plan: Contract with Council

Approved by Council September 15, 2014 (C2014-0703)

- 1. Establish a cooperative and meaningful relationship with Council** (page 5)
 - Build a shared strategic agenda focused on Council priorities, through the City's Action Plan
 - Focus on results by establishing timely and meaningful reporting of accomplishments
 - Develop a corporate calendar aligned to the term of Council, and a new strategic agenda management process
 - Improve Council/Administration communications
- 2. Cohesive leadership culture and collaborative workforce** (page 6)
 - Engage and focus administrative leadership on the shared strategic agenda (Action Plan)
 - Reinforce a leadership culture that champions a respectful workplace and a progressive public service organization
 - Create more opportunities for leadership development and recognition
 - Maintain a supportive workplace, and promote an engaged workplace culture founded on:
 - our future for The City as a great place to work
 - a mission based on a well-defined public service mandate
 - the values of responsible and accountable public service
 - good government and sound management practices, including reducing duplication and eliminating redundancies
 - a progressive partnership with all Unions
- 3. Better serve our citizens, communities, and customers** (page 7)
 - Implement a performance management system including:
 - performance measurement
 - zero-based review and improvement
 - service based business planning and budgeting
 - integrated risk management
 - Individual performance evaluation
 - Provide a comprehensive strategy for citizen engagement and customer service delivery , including:
 - a philosophy of trust, communication, and participation
 - an overall 'citizen first' orientation for municipal public services to meet citizen needs
 - establish a 'One City' senior management mind set
- 4. Focus immediate and collective attention on planning and building a great city** (page 8)
 - Coordinate a corporate approach to strategic planning and investment
 - Integrate all planning and development activities, including
 - all City master plans with a comprehensive Growth Management philosophy,
 - alignment of municipal capital investment with strategic infrastructure requirements, in particular transportation and utilities
 - Work with all partners to build trust, and together address future growth related investment matters
- 5. Strengthen the Corporation's financial position** (page 9)
 - Update and implement The City's strategic financial plan that addresses immediate financial pressures, and meets longer term financial needs
 - Create an infrastructure investment strategy to fund essential infrastructure and close the current infrastructure gap, emphasizing return on municipal investment
 - Secure provincial commitment through City Charter negotiations and MGA review
 - Generate greater investment capital for infrastructure financing, and realign investment to current priorities
 - Rationalize City holdings by divesting of land
 - Redirect capital to align with The City's priorities

Roadmap

Stage One: Organizational Stability

- Step 1: Articulate the Leadership Vision
- Step 2: Concentrate on Priorities
- Step 3: Establish Goals
- Step 4: Set Specific Objectives, Measures and Targets

Stage Two: Organizational Effectiveness and Economy

- Step 5: Align with Strategic Direction
- Step 6: Clarify Accountability
- Step 7: Enhance Organizational Development
- Step 8: Enable Service Integration
- Step 9: Build Organizational Flexibility
- Step 10: Focus on Customer Needs and Citizen Engagement
- Step 11: Balance Scope and Scale of Departments

Stage 3: Organizational Efficiency

- Step 12: Address Structural Efficiency
- Step 13: Strive for Cost Efficiency

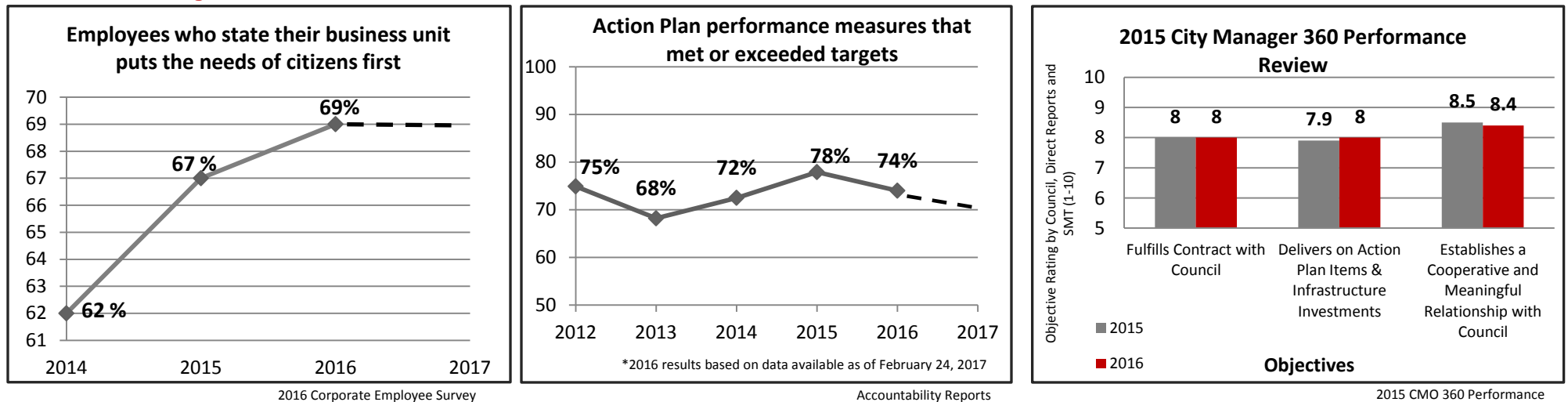
1. Establish a cooperative and meaningful relationship with Council

This area focuses on Administration's relationship with Council. It is imperative that a meaningful relationship is maintained to deliver on Council's direction and maintain quality of life for Calgarians.

Recent accomplishments

- Developed and distributed 64 editions of Council and committee News in Brief, a communications tool used to provide a summary of highlights from Council and committee meetings.
- Improved processes to identify strategic topics and provide information for strategic Council meetings based on Council's feedback.
- Refined the format and structure of Accountability Reports to reflect Council's feedback.
- Completed a review of the 2013 Council orientation and on-boarding program. A team has been assembled to begin work on a Council orientation program for 2017.
- Established the Corporate Calendar Pilot Project to help create cross-departmental awareness and identify opportunities for collaboration.
- Revised existing and developed new policies, and posted them to the Council Policy Library.

How we are doing?



The story behind the numbers

Employees are delivering on Council's direction as outlined in the 2015-2018 Action Plan. Increasingly, employees believe their business unit is putting the needs of citizens first, based on their responses in the Corporate Employee Survey (CES). However, the number of Action Plan performance measures that met or exceeded targets in 2016 has dipped slightly compared to 2015. Under current economic conditions this trend is not expected to improve and may decline further. Note: it is not expected that 100 per cent of performance targets will be met in any year, as they are designed as stretch targets.

A 360 degree feedback review is conducted for the City Manager on an annual basis. This review includes an assessment of the City Manager's core objectives, including the ability to fulfill the contract with Council, deliver on Action Plan and infrastructure investments, and establish a cooperative and meaningful relationship with Council. In 2015 and 2016, the City Manager scored high in all three areas.

What we propose to do

- Provide Council with the 2016 year-end accountability report in Q1 2017 with comprehensive reporting on all performance measures.
- Develop a tool to measure Administration's relationship with Council (e.g. survey).
- Evolve the Corporate Calendar Pilot Project to create greater awareness of corporate activities and ensure activities are appropriately timed.
- Continue to refine the process behind strategic Council meetings to ensure topics are timely and relevant for members of Council.

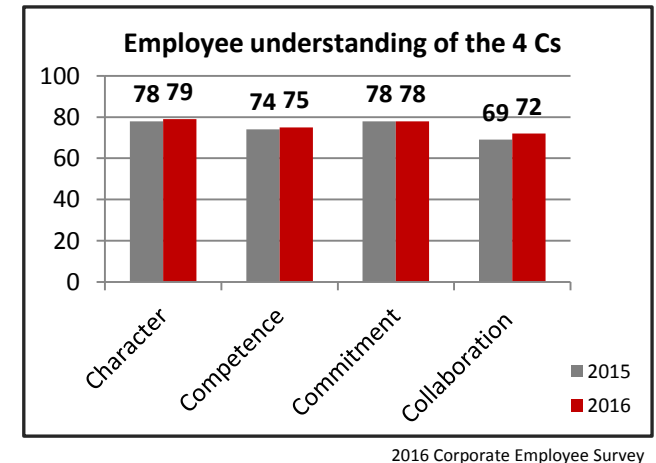
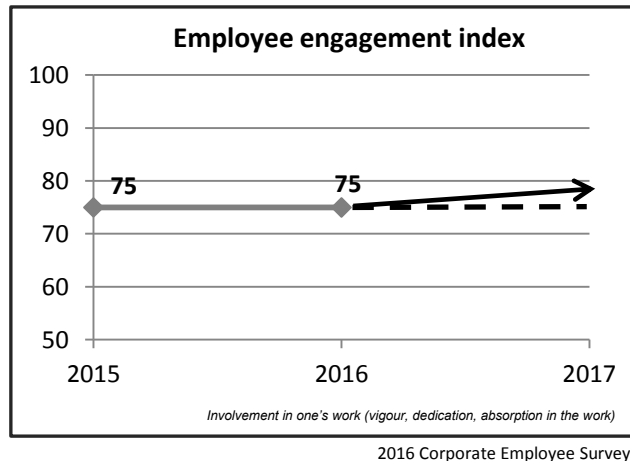
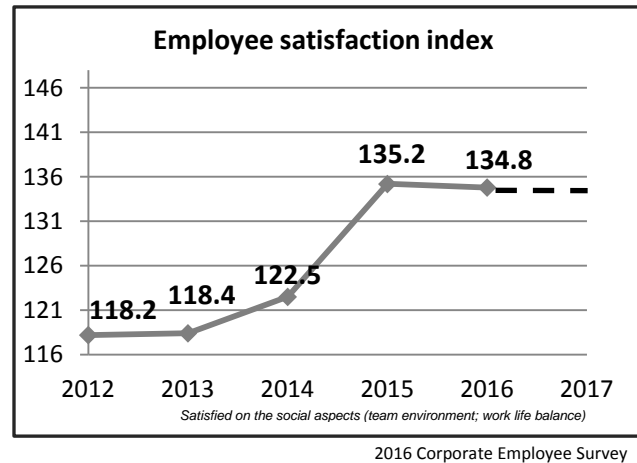
2. Cohesive leadership culture and collaborative workforce

This area focuses on reinforcing a leadership culture that champions a respectful and engaged workplace founded on a progressive public service organization.

Recent accomplishments

- Collaborated as an organization on the Budget Savings Account (BSA).
- Presented mid-cycle adjustments by Council priority focussing decisions on results achieved, rather than on organizational structure.
- Incorporated Results Based Accountability (RBA) methodology to measure indicators of culture, performance, and leadership/employee satisfaction and engagement to drive business results.
- Corporate Employee Survey now includes two additional indices: inclusion and mental health which together provide robust measurements on the employee experience (in addition to the existing indices of safety climate, engagement and satisfaction).
- Developed strategies to manage the principal corporate risks.
- Developed, tested and measured a coaching approach to quality conversations to enhance collaboration.
- Supported business unit realignment and leadership efforts with change specialists' expertise and coaching.
- Delivered inclusion workshops to improve intercultural competencies, unconscious bias, bridging cultures, respectful workplace and human rights.

How we are doing?



The story behind the numbers

Employee satisfaction jumped 12 points in 2015 and remained stable in 2016. The change from 2013 to-date coincides with the flood, a new City Manager, focused attention on leadership development, implementation of The City's defined culture and behaviours and the strategic alignment of administration resources. In addition, the clarity of direction provided by the City Manager's Roadmap and the LSP may be factors that drive employee satisfaction results.

Team culture and leadership impact are two direct measures of employee engagement and satisfaction. These measures demonstrate our employees' perception of leadership capability and overall engagement/commitment. They also demonstrate that we are making progress and will require further attention to impact leadership cohesiveness and overall collaboration to improve the indices. This is demonstrated by our high scores of the 4 Cs framework.

What we propose to do

- Continue to use the RBA approach to measure progress on culture and evaluate cohesive leadership and collaborative workforce.
- Explore correlation between citizen and employee satisfaction and timing of the surveys.
- Continue to focus on leadership development in the areas of strategic alignment and intentional management.
- Implement redesigned programs such as Code of Conduct, recruitment, recognition, inclusion efforts, and Mental Health Strategy.
- Continue with skill development in the areas that support an inclusive workforce.

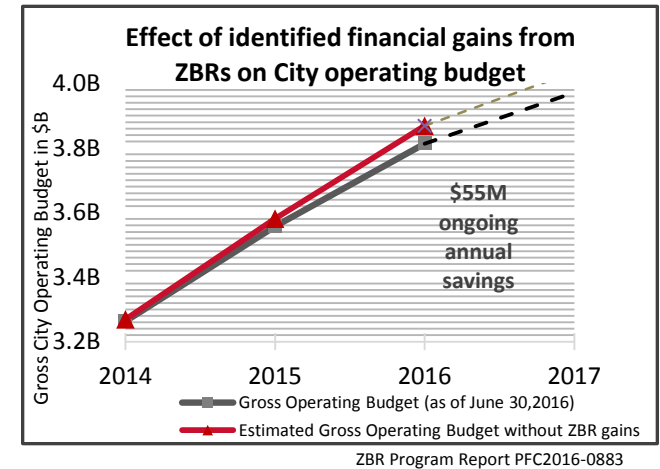
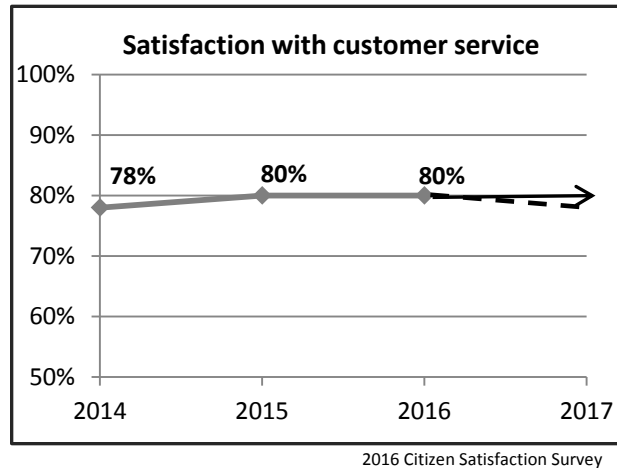
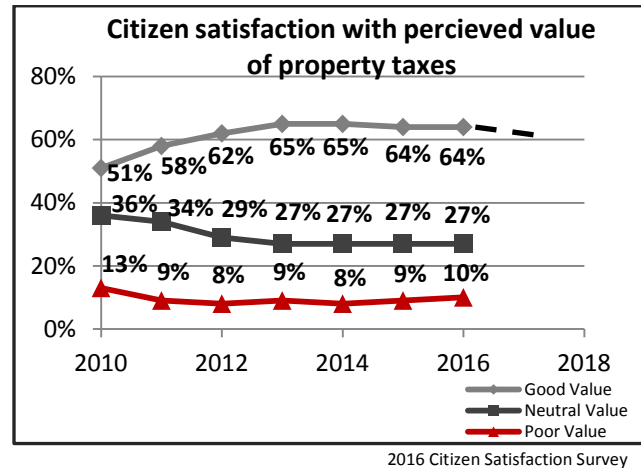
3. Better serve our citizens, communities, and customers

This focus area includes implementation of a performance management system and a comprehensive strategy for customer service delivery and citizen engagement.

Recent accomplishments

- Launched the Performance Management System – service review and improvement, service plans and budgets, performance measurement and accountability, integrated risk management, and individual performance development.
- Enhanced risk management tools and processes to improve risk identification, assessment and management and to support an organization-wide perspective on risk.
- Completed seven ZBRs with three more underway and another seven scheduled. In addition to identifying ongoing annual efficiency gains of approximately \$55 million, ZBRs have increased customer service and improved performance measurement to support ongoing service delivery and improvement.
- Received Council's unanimous approval for mid-cycle adjustments, reduced 2017 tax rate from 4.7% to 1.5%, and reduced the planned increase in user fees and utility rates without a significant reduction in services.
- Used funding from the Fiscal Stability Reserve (FSR) to invest in emerging needs and absorb lower corporate revenues while providing a one-time rebate in 2017, effectively bringing the tax rate to 0 per cent for 2017.
- Reported service performance through the external-facing citizen dashboard and through twice yearly accountability reports to Council.
- Designed the Service Delivery Model for communications in accordance with the One City, One Voice mandate, ensuring that key value messages are presented in a unified and strategic manner.
- Received direction during a strategic session with Council to realign the Engage! Policy and Framework to improve outcomes.
- Completed three stages of Service Requests (SRs) in 311 to provide request tracking to citizens. Exceeded targets for SRs processed through the 311 app and website.

How are we doing?



The story behind the numbers

The five elements of the performance management system, along with tools for customer segmentation and journey mapping, have brought an increased discipline to the way we understand customer needs, manage and deliver services, continually improve efficiency and results, and provide value for investments in service levels.

Despite the economic downturn and increased pressure on citizens' ability to pay, citizen perceptions of value for tax dollars and customer service have remained relatively high. The ZBR program, along with other initiatives, has visibly increased the efficiency, effectiveness and customer-orientation of City services. The challenge will be to maintain service results in the face of a continued economic downturn and financial restraint, and as the ZBR focus turns from large, customer-facing business units to smaller, internal services.

What we propose to do

- Develop and implement sustained behavioural change and an ongoing focus on customer experience through tactical frontline training.
- Leverage our existing data in new ways to provide customer insights to deliver a consistent experience regardless of service or channel.
- Complete the design of service-based plans and budgets, incorporating service levels and value, risk and results based accountability.
- Enhance the information in the risk section of Council reports.
- Modify the Engage! Policy and Framework to align with Council's direction and expectations.
- Find efficiencies in upcoming ZBRs by looking across business unit and departmental boundaries. Exact amount of efficiencies is to be determined as program changes are just now being implemented.

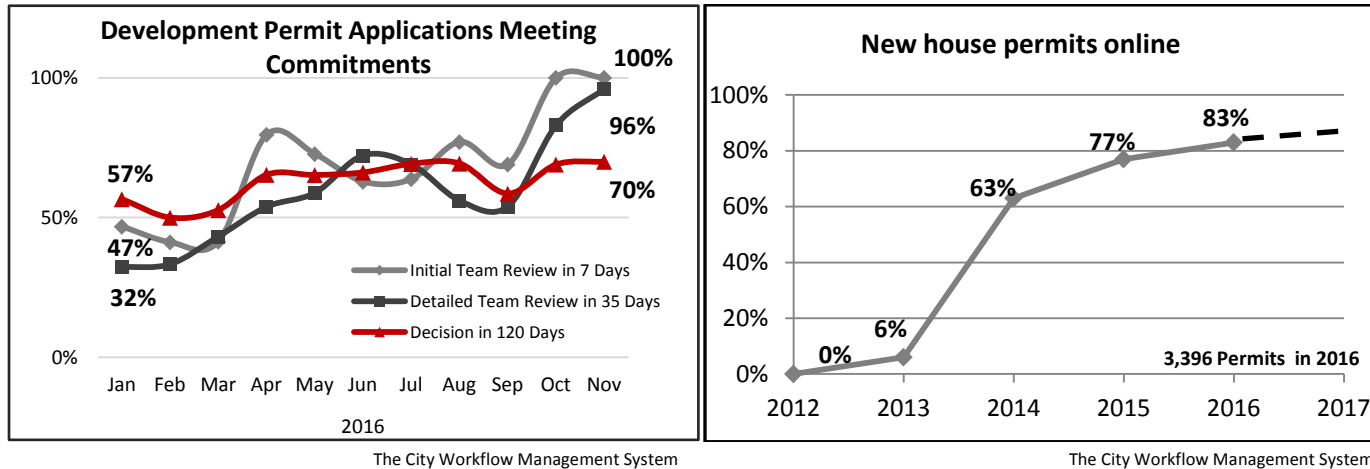
4. Focus immediate and collective attention on planning and building a great city

This area focuses on working together across the corporation to integrate our planning and development activities / investment to align with the Municipal Development Plan (MDP) and the Calgary Transportation Plan (CTP) with the goal of building trust with all partners.

Recent accomplishments

- Created a new business plan for Planning & Development with a clear mission: to plan and facilitate building a great Calgary that advances the MDP/CTP vision, ensures development is realized and buildings are safe.
- Developing both the Established Areas and Centre City Guidebooks to provide more clarity on how MDP direction should be applied in these areas.
- Created a centralized business unit - Calgary Approvals Coordination, responsible for oversight and support of the approvals process. This has increased efficiency by reducing duplication and centralizing accountability.
- Approved the first Building Maintenance Bylaw in Alberta to address public safety of existing building facades over five stories and adjacent to public property.
- Initiated a shift from a process-centered approach to one of a customer and citizen-centered approach through comprehensive employee training.
- Worked collaboratively with major customer groups on a joint process improvement work plan that includes 13 specific areas of focus.
- Improved the consistency in meeting Council commitments regardless of file type.
- Processed 87 per cent (down 1 per cent from 2015) of 46,186 trade permits online and 83 per cent (up 6 per cent from 2015) of 3,396 new homes permits online in 2016, saving customers time and money.

How are we doing?



The story behind the numbers

Having a clear direction focused on the three key results for the approvals process is leading to a renewed citizen and customer experience for the planning and building of a great city.

A more cross-departmental approach is being taken with a corporate approvals team that is shifting their efforts to be solutions-oriented. There has been increased support from senior leadership on training and staff development to ensure that employees involved in development are better prepared to work together with citizens and customers to advance the Municipal Development Plan policy objectives while realizing the development of safe buildings.

What we propose to do

- Align policy and department tools to better support achieving the results in the Municipal Development Plan.
- Report on our progress in 2017 toward the Municipal Development Plan and Calgary Transportation Plan core indicators.
- Enhance file tracking and support for files that go to Calgary Planning Commission for decision.
- Manage files proactively on complex projects.
- Deliver the 13 areas of focus in the process improvement work plan.
- Increase employee support through training and development.
- Work to migrate more customers to online services.

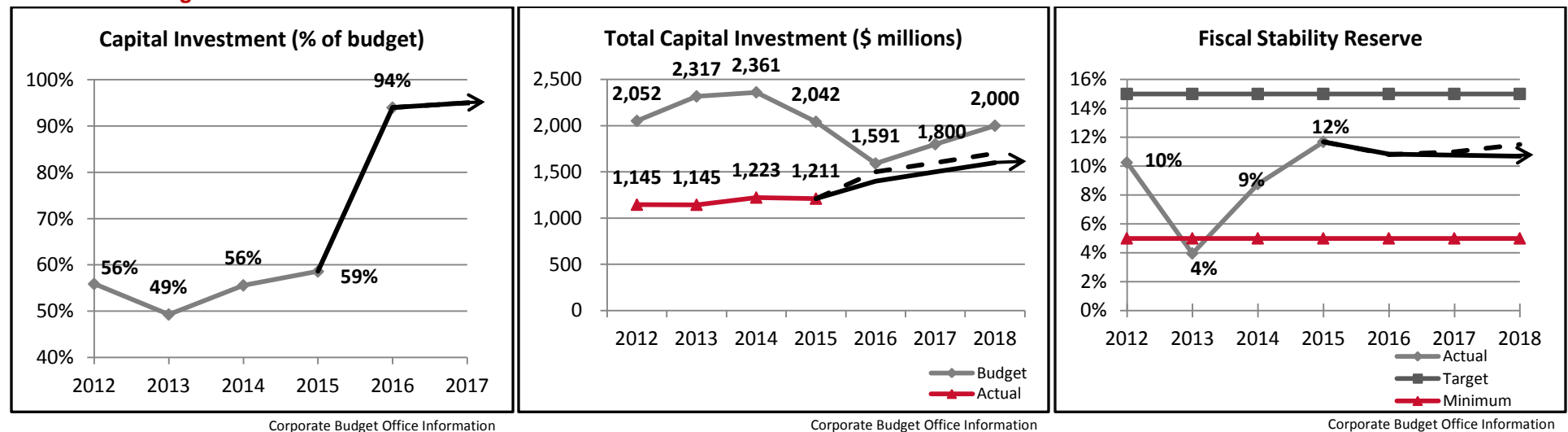
5. Strengthen the Corporation's financial position

This area focuses on addressing immediate financial pressures and long-term financial needs, creating an infrastructure investment strategy that identifies City priorities to fund essential infrastructure and close the infrastructure gap, and secure provincial funding commitments through the City Charter negotiations and MGA review.

Recent accomplishments

- Received unanimous Council approval on the 2015-2018 Action Plan mid-cycle adjustments, reducing the tax rate and providing targeted initiatives to respond to areas of greatest need.
- Continued negotiating a new City Charter fiscal framework with the Province.
- Recast the 2016 capital budget to better estimate capital investment cash flows and project delivery.
- Updated the budget reporting policy to allow for more efficient management of capital investments.
- Effectively managed the Fiscal Stability Reserve to help maintain service levels due to the current downturn in the economy.
- Identified funding for new or currently unfunded capital projects that aligns with the Council-approved Capital Investment Plan.
- Received the Government Financial Officers Association (GFOA) award for reporting excellence for our 2015 annual financial report.
- Enhanced capital project delivery capacity and increased the capital investment rate by accelerating Capital for Economic Resiliency (ACER) program initiatives.
- Maintained AA+ credit rating.

How are we doing?



The story behind the numbers

Action Plan 2015-2018 was approved during a time of economic prosperity, however shortly after it was approved, in November 2014, the local economy shifted downward. Through prudent financial management, a healthy fiscal stability reserve balance has allowed The City to lower property tax rates and maintain service levels to citizens while maintaining an AA+ credit rating.

Through Infrastructure Calgary, The City has been working to address the needs of Calgarians by increasing the quality and velocity of capital investment through its Capital Infrastructure Investment Strategy. The newly approved Capital Investment Plan reflects a shifted strategic approach to investment and value, including leveraging from the private sector and other levels of government in an effort to invest in capital to create jobs and deliver value to Calgarians. Although the balance in the FSR is forecasted to decline, The City intends to manage the reserve in order to turn the curve back to the 2015 levels. This will ensure that it is available when it is needed again.

What we propose to do

- Continue to identify funding that can be used for new or currently unfunded projects that align with the Council approved Capital Investment Plan.
- Continue to find efficiencies while increasing the investment rate of the approved capital budget.
- Recast the 2017 and 2018 capital budgets to better estimate capital investment cash flows.
- Reposition capital projects to align with and realize the Capital Investment Plan.
- Maintain and enhance external partnerships to leverage capital investment.
- Continue negotiations with the Province on the City Charter, with approval in 2017.
- Continue to use prudent financial practices to maintain a strong liquidity and financial position.

Progress Summary

Administration has made significant advancements toward improving the Leadership Strategic Plan's five focus areas. This report has provided information on the accomplishments and progress that has been made to-date and identified areas where more work will happen over 2017.

Overall, work on the LSP has contributed to an improved focus on delivering value for citizens and strengthening The City's leadership culture. This focus has resulted in continued high satisfaction rates amongst Calgarians and strong engagement scores with employees, along with several other notable accomplishments.

AA+

Standard & Poors (S&P) reaffirmed Calgary's AA+ credit rating. The rating is one of the best among Canadian municipalities.
(S&P, 2016)

79%

of Calgarians are satisfied with the level and quality of City programs and services.
(Citizen Satisfaction Survey, 2016)

94%

of Calgarians agree that City employees are courteous, helpful and knowledgeable.
(Citizen Satisfaction Survey, 2016)

\$55 million

in ongoing annual savings through The City's Zero-Based-Review (ZBR) program (2013-2016) contributes to keeping taxes and fees lower, improving our customer service and maximizing our service value.
(ZBR Program Report, 2016)

87%

score in our safety audit
(Corporate-wide safety audit score (COR), 2016)

80%

of Calgarians are satisfied with the overall level and quality of customer service at The City.
(Citizen Satisfaction Survey, 2016)

75%

employee work engagement, driven by culture, remains high and impacts operational performance and customer service.
(Corporate Employee Survey, 2016)