



# One Calgary

2019-2022 Service Plans and Budgets



## 2022 Adjustments Operating Adjustments Package For Approval

2021 November 8



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## Introduction

This document is the approval document for budget adjustments arising from the Solutions for Achieving Value and Excellence (SAVE) business cases, new investments, and other adjustments. The adjustments are grouped primarily by the Citizen Priorities and service lines established in the One Calgary 2019-2022 Service Plans and Budgets.

- The Solutions for Achieving Value and Excellence (SAVE) program has an overall financial impact of \$56.1 million in operating budget reductions in 2022 (described in Attachment 4), comprising \$53.2 million in base savings (including \$1 million in base revenue) and **\$2.8 million in one-time savings (consisting of \$4.3 million in one-time savings less \$1.5 million in one-time implementation costs)**, that require Council approval.
- Other tax rate reduction opportunities requiring Council approval are a \$6.5 million reduction in property tax-support for 2022 from Waste & Recycling Services (WRS). This reduction will be accomplished by leveraging the Waste & Recycling Services sustainment reserve, refining revenue and expenditure projections, and shifting historically tax-supported program overhead costs to self-supported fees; and a \$5 million revenue budget increase from investment income.
- Proposed new investments (described in Attachment 5), which originate from a combination of previous Council direction and Administration recommendations, as well as the impact of corporate realignment<sup>1</sup>, require \$16 million in base and \$10.9 million in one-time funding.

**These changes result in an overall \$48.8 million base reduction and a \$8.1 million one-time increase to the 2022 net operating budget.**

The table on the next page further breaks out the adjustments by base (permanent) and/or one-time impacts by Citizen Priority.

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<sup>1</sup> The terms “realignment” and “realignment investments” refer to ongoing and planned initiatives to transform and modernize the organization as part of Administration’s Rethink to Thrive strategy. This transformation strengthens internal collaboration, changing and improving processes to better serve Calgarians.

## Overview of 2022 Budget Adjustments by Citizen Priority

All figures are in \$000s.

**Positive numbers:** Reduction to net operating budget (Savings / Additional Revenue).

**Negative numbers:** Increase in net operating budget (Additional costs / Loss of Revenue).

Citizen Priority <sup>1</sup>	SAVE Program		New Investments				Other	Total
	Base	One-Time	Service Increase <sup>2</sup>		Realignment <sup>2</sup>		Base	Net Budget
			Base	One-Time <sup>3</sup>	Base	One-Time <sup>3</sup>		
<b>A Prosperous City</b>	350	-	(1,227)	(1,963)	-	(510)	-	<b>(3,350)</b>
<b>A City of Safe and Inspiring Neighbourhoods</b>	158	-	(860)	(6,335)	-	-	-	(7,037)
<b>A City that Moves</b>	280	-	-	-	-	-	-	280
<b>A Healthy and Green City</b>	484	-	-	(1,750)	(635)	(12)	6,500	4,587
<b>A Well-Run City</b>	200	-	(5,017)	(294)	(3,212)	(69)	-	(8,392)
<b>Corporate Programs</b>	51,774	<b>2,831</b>	(5,000)	-	-	-	5,000	<b>54,605</b>
<b>Grand Total</b>	<b>53,246</b>	<b>2,831</b>	<b>(12,104)</b>	<b>(10,342)</b>	<b>(3,847)</b>	<b>(591)</b>	<b>11,500</b>	<b>40,693</b>

**Note 1:** All savings and investments are shown in their respective Citizen Priorities unless held corporately. Some of the savings shown in Corporate Programs will be distributed to service budgets as the cross-corporate business cases are implemented.

**Note 2:** Service increase consist of various investments some of which were directed by Council and are proposed to help citizens, businesses, and Administration adapt to Calgary's rapidly changing environment. The Realignment investments refer to ongoing and planned initiatives to transform and modernize the organization as part of Administration's Rethink to Thrive strategy. This transformation strengthens internal collaboration, changing and improving processes to better serve Calgarians.

**Note 3:** \$7.8 million of one-time investments are funded by the Fiscal Stability Reserve and Budget Savings Account Merged Reserve and \$3.1 million are funded by temporary savings from growth budgets.

**Note 4: SAVE Reserve impacts - The following are one-time savings identified in the Public Art Program and Financial Reserves Optimization business cases that do not result in budget adjustments but are proposed releases from reserves:**

Reserve	2022 (\$000s)
Public Art Reserve	3,200
Revolving Fund Reserve for General Land Purchases	2,200

**These funds will be transferred to the Fiscal Stability Reserve and Budget Savings Account Merged Reserve.**

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## A Prosperous City

### List of Net Budget Adjustments by Business Case

**Positive numbers:** Reduction to net operating budget (Savings / Additional Revenue).

**Negative numbers:** Increase in net operating budget (Additional costs / Loss of Revenue).

Service and Adjustment Name	Type	Financial Request - Base (000s)	Financial Request - One-Time (000s)	2022 Net Operating Budget Impact of Package (000s)
<b>Arts and Culture</b>				
Public Art Program	SAVE	350	-	<b>350</b>
<b>Community Strategies</b>				
Indigenous Relations Office	New Investment	(480)	-	<b>(480)</b>
Equity Action and Resourcing Plan	New Investment	-	(1,948)	<b>(1,948)</b>
<b>Total Community Strategies</b>				<b>(2,428)</b>
<b>Economic Development &amp; Tourism</b>				
Supporting our Relationship with Civic Partners, Wholly-Owned Subsidiaries (WOS) & Business Improvement Areas (BIAs)	New Investment	(747)	(15)	<b>(762)</b>
Realignment Initiative	New Investment	-	(510)	<b>(510)</b>
<b>Total Economic Development &amp; Tourism</b>				<b>(1,272)</b>
<b>A Prosperous City Total</b>				<b>(3,350)</b>

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## A Prosperous City (continued)

List of Net Budget Adjustments by Business Case for approval beyond 2022 (impacts are incremental not cumulative)

**Positive numbers:** Reduction to net operating budget (Savings / Additional Revenue).

**Negative numbers:** Increase in net operating budget (Additional costs / Loss of Revenue).

Service and Adjustment Name	Type	2023 One-time Net Operating Budget Impact of Package (000s)	2024 One-time Net Operating Budget Impact of Package (000s)
<b>Community Strategies</b>			
Equity Action and Resourcing Plan	New Investment	<b>(1,948)</b>	<b>(1,948)</b>

## A City of Safe and Inspiring Neighbourhoods

### List of Net Budget Adjustments by Business Case

**Positive numbers:** Reduction to net operating budget (Savings / Additional Revenue).

**Negative numbers:** Increase in net operating budget (Additional costs / Loss of Revenue).

Service and Adjustment Name	Type	Financial Request - Base (000s)	Financial Request - One-Time (000s)	2022 Net Operating Budget Impact of Package (000s)
<b>Building Safety</b>				
Additional year one investment in the Resilient Roofing Rebate Program (RRRP)	New Investment	-	(3,250)	<b>(3,250)</b>
<b>Bylaw Education and Compliance</b>				
Bylaw Enforcement	SAVE	115	-	<b>115</b>
<b>City Planning &amp; Policy</b>				
Bolster Growth Funding and Investment	New Investment	(860)	-	<b>(860)</b>



## A City of Safe and Inspiring Neighbourhoods (continued)

Service and Adjustment Name	Type	Financial Request - Base (000s)	Financial Request - One-Time (000s)	2022 Net Operating Budget Impact of Package (000s)
<b>Fire &amp; Emergency Response</b>				
Insource Maintenance of Fire Department Light Fleet	SAVE	4	-	4
Value-Added Fitness/ Nutrition Services for Firefighters	SAVE	39	-	39
Calgary Fire Department Officer Development Program	New Investment	-	(2,700)	(2,700)
Lease of Fire Stations (Livingston, Belvedere)	New Investment	-	(385)	(385)
<b>Total Fire &amp; Emergency Response</b>				<b>(3,042)</b>
<b>A City of Safe and Inspiring Neighbourhoods Total</b>				<b>(7,037)</b>

*List of Net Budget Adjustments by Business Case for approval beyond 2022 (impacts are incremental not cumulative)*

Service and Adjustment Name	Type	Total One-time Net Operating Budget Impact of Package 2023 – 2031 (000s)
<b>Fire &amp; Emergency Response</b>		
Lease of Fire Stations (Livingston, Belvedere) - 9 Years	New Investment	<b>(3,465)</b>

## A City That Moves

### List of Net Budget Adjustments by Business Case

**Positive numbers:** Reduction to net operating budget (Savings / Additional Revenue).

**Negative numbers:** Increase in net operating budget (Additional costs / Loss of Revenue).

Service and Adjustment Name	Type	Financial Request - Base (000s)	Financial Request - One-Time (000s)	2022 Net Operating Budget Impact of Package (000s)
<b>Streets</b>				
Corporate-Wide Route Planning	SAVE	280	-	<b>280</b>
<b>A City That Moves Total</b>				<b>280</b>

## A Healthy and Green City

### List of Net Budget Adjustments by Business Case

**Positive numbers:** Reduction to net operating budget (Savings / Additional Revenue).

**Negative numbers:** Increase in net operating budget (Additional costs / Loss of Revenue).

Service and Adjustment Name	Type	Financial Request - Base (000s)	Financial Request - One-Time (000s)	2022 Net Operating Budget Impact of Package (000s)
<b>Parks &amp; Open Spaces</b>				
2022 Parks and Open Spaces Pandemic Recovery Program	New Investment	-	(1,750)	(1,750)
Realignment Initiative	New Investment	(304)	(6)	(310)
<b>Total Parks &amp; Open Spaces</b>				<b>(2,060)</b>
<b>Recreation Opportunities</b>				
Digital Service Enablement	SAVE	110	-	110
Reservoir Safety Funding Model	SAVE	374	-	374
Realignment Initiative	New Investment	(331)	(6)	(337)
<b>Total Recreation Opportunities</b>				<b>147</b>
<b>Waste and Recycling Services</b>				
Absorption of tax support into user fees	Other	6,500	-	6,500
<b>A Healthy and Green City Total</b>				<b>4,587</b>

## A Well-Run City

### List of Net Budget Adjustments by Business Case

**Positive numbers:** Reduction to net operating budget (Savings / Additional Revenue).

**Negative numbers:** Increase in net operating budget (Additional costs / Loss of Revenue).

Service and Adjustment Name	Type	Financial Request - Base (000s)	Financial Request - One-Time (000s)	2022 Net Operating Budget Impact of Package (000s)
<b>Corporate Governance</b>				
Data Sales	SAVE	19	-	19
Government Relations	New Investment	(152)	-	(152)
<b>Total Corporate Governance</b>				<b>(133)</b>
<b>Data Analytics and Information Access</b>				
Data Sales	SAVE	28	-	28
Innovation Flexible Partner Model Growth	New Investment	(905)	-	(905)
<b>Total Data Analytics and Information Access</b>				<b>(877)</b>

## A Well-Run City (continued)

### List of Net Budget Adjustments by Business Case

**Positive numbers:** Reduction to net operating budget (Savings / Additional Revenue).

**Negative numbers:** Increase in net operating budget (Additional costs / Loss of Revenue).

Service and Adjustment Name	Type	Financial Request - Base (000s)	Financial Request - One-Time (000s)	2022 Net Operating Budget Impact of Package (000s)
<b>Executive Leadership</b>				
Executive Leadership Service Line Service Improvements	New Investment	(497)	(12)	(509)
Realignment Initiative	New Investment	(1,980)	(44)	(2,024)
<b>Total Executive Leadership</b>				<b>(2,533)</b>
<b>Facility Management</b>				
Manchester Shuttle Service	SAVE	138	-	138
<b>Financial Support</b>				
Finance Reporting and Analysis New Investment	New Investment	(1,070)	-	(1,070)
Long Range Financial Plan (LRFP) Implementation Plan	New Investment	-	(150)	(150)
Tangible Capital Assets and Financial Support New Investments	New Investment	(504)	-	(504)
Realignment Initiative	New Investment	(597)	(9)	(606)
<b>Total Financial Support</b>				<b>(2,330)</b>

## A Well-Run City (continued)

### List of Net Budget Adjustments by Business Case

**Positive numbers:** Reduction to net operating budget (Savings / Additional Revenue).

**Negative numbers:** Increase in net operating budget (Additional costs / Loss of Revenue).

Service and Adjustment Name	Type	Financial Request - Base (000s)	Financial Request - One-Time (000s)	2022 Net Operating Budget Impact of Package (000s)
<b>Municipal Elections</b>				
Civic Census Discontinuation (School Board)	SAVE	(5)	-	(5)
Elections Calgary Capacity Increase	New Investment	(400)	-	(400)
<b>Total Municipal Elections</b>				<b>(405)</b>
<b>Organizational Health, Safety &amp; Wellness</b>				
<b>Employee Safety Investment &amp; Long-Term Cost Reduction</b>	New Investment	(1,489)	-	<b>(1,489)</b>
<b>Procurement &amp; Warehousing</b>				
Realignment Initiative	New Investment	(635)	(16)	<b>(651)</b>
<b>Property Assessment</b>				
Digital Service Enablement	SAVE	20	-	<b>20</b>
<b>Records Management, Access &amp; Privacy</b>				
Privacy Program Strategic Plan - Reducing Implementation Time	New Investment	-	(132)	<b>(132)</b>

<b>A Well-Run City Total</b>	<b>(8,392)</b>
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## Corporate Programs

### List of Net Budget Adjustments by Business Case

**Positive numbers:** Reduction to net operating budget (Savings / Additional Revenue).

**Negative numbers:** Increase in net operating budget (Additional costs / Loss of Revenue).

Service and Adjustment Name	Type	Financial Request - Base (000s)	Financial Request - One-Time (000s)	2022 Net Operating Budget Impact of Package (000s)
<b>Corporate Costs &amp; Debt Servicing*</b>				
Budget Modernization	SAVE	28,700	(300)	<b>28,400</b>
Category Management and Strategic Sourcing	SAVE	2,448	(900)	<b>1,548</b>
Contract Compliance	SAVE	1,100	4,300	<b>5,400</b>
Energy Budgeting	SAVE	339	(145)	<b>194</b>
Fleet Operator Management	SAVE	214	-	<b>214</b>
Fleet Utilization	SAVE	473	-	<b>473</b>
Learning and Development	SAVE	202	-	<b>202</b>
Reduced External Consulting	SAVE	250	-	<b>250</b>

\* Includes business cases where savings and costs are held centrally in Corporate Programs until they can be accurately allocated to services during implementation

## Corporate Programs (continued)

### List of Net Budget Adjustments by Business Case

**Positive numbers:** Reduction to net operating budget (Savings / Additional Revenue).

**Negative numbers:** Increase in net operating budget (Additional costs / Loss of Revenue).

Service and Adjustment Name	Type	Financial Request - Base (000s)	Financial Request - One-Time (000s)	2022 Net Operating Budget Impact of Package (000s)
<b>Corporate Costs &amp; Debt Servicing *</b>				
Centralized and Consistent Fuel Budgeting	SAVE	920	-	<b>920</b>
Employee Kilometrage Expensing	SAVE	720	(50)	<b>670</b>
Inventory Transformation - Calgary Transit	SAVE	443	(74)	<b>369</b>
External Counsel	SAVE	65	-	<b>65</b>
Data Sales	SAVE	900		<b>900</b>
Financial Reserves Optimization	SAVE	15,000	-	<b>15,000</b>
Adjustment for inflationary pressure	New Investment	(5,000)		<b>(5,000)</b>
<b>Total Corporate Costs &amp; Debt Servicing</b>				<b>49,605</b>
<b>Common Revenues</b>				
Investment Income	Other	5,000		<b>5,000</b>
<b>Corporate Programs Total</b>				<b>54,605</b>

\* Includes business cases where savings and costs are held centrally in Corporate Programs until they can be accurately allocated to services during implementation.