



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 realignment¹, 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.

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

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.

For Council Approval

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)
Arts and Culture				
Public Art Program	SAVE	350	-	350
Community Strategies				
Indigenous Relations Office	New Investment	(480)	-	(480)
Equity Action and Resourcing Plan	New Investment	-	(1,948)	(1,948)
Total Community Strategies				(2,428)
Economic Development & Tourism				
Supporting our Relationship with Civic Partners, Wholly-Owned Subsidiaries (WOS) & Business Improvement Areas (BIAs)	New Investment	(747)	(15)	(762)
Realignment Initiative	New Investment	-	(510)	(510)
Total Economic Development & Tourism				(1,272)
A Prosperous City Total				(3,350)

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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)
Community Strategies			
Equity Action and Resourcing Plan	New Investment	(1,948)	(1,948)

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)
Building Safety				
Additional year one investment in the Resilient Roofing Rebate Program (RRRP)	New Investment	-	(3,250)	(3,250)
Bylaw Education and Compliance				
Bylaw Enforcement	SAVE	115	-	115
City Planning & Policy				
Bolster Growth Funding and Investment	New Investment	(860)	-	(860)

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)
Fire & Emergency Response				
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)
Total Fire & Emergency Response				(3,042)
A City of Safe and Inspiring Neighbourhoods Total				(7,037)

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)
Fire & Emergency Response		
Lease of Fire Stations (Livingston, Belvedere) - 9 Years	New Investment	(3,465)

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)
Streets				
Corporate-Wide Route Planning	SAVE	280	-	280
A City That Moves Total				280

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)
Parks & Open Spaces				
2022 Parks and Open Spaces Pandemic Recovery Program	New Investment	-	(1,750)	(1,750)
Realignment Initiative	New Investment	(304)	(6)	(310)
Total Parks & Open Spaces				(2,060)
Recreation Opportunities				
Digital Service Enablement	SAVE	110	-	110
Reservoir Safety Funding Model	SAVE	374	-	374
Realignment Initiative	New Investment	(331)	(6)	(337)
Total Recreation Opportunities				147
Waste and Recycling Services				
Absorption of tax support into user fees	Other	6,500	-	6,500
A Healthy and Green City Total				4,587

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)
Corporate Governance				
Data Sales	SAVE	19	-	19
Government Relations	New Investment	(152)	-	(152)
Total Corporate Governance				(133)
Data Analytics and Information Access				
Data Sales	SAVE	28	-	28
Innovation Flexible Partner Model Growth	New Investment	(905)	-	(905)
Total Data Analytics and Information Access				(877)

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)
Executive Leadership				
Executive Leadership Service Line Service Improvements	New Investment	(497)	(12)	(509)
Realignment Initiative	New Investment	(1,980)	(44)	(2,024)
Total Executive Leadership				(2,533)
Facility Management				
Manchester Shuttle Service	SAVE	138	-	138
Financial Support				
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)
Total Financial Support				(2,330)

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)
Municipal Elections				
Civic Census Discontinuation (School Board)	SAVE	(5)	-	(5)
Elections Calgary Capacity Increase	New Investment	(400)	-	(400)
Total Municipal Elections				(405)
Organizational Health, Safety & Wellness				
Employee Safety Investment & Long-Term Cost Reduction	New Investment	(1,489)	-	(1,489)
Procurement & Warehousing				
Realignment Initiative	New Investment	(635)	(16)	(651)
Property Assessment				
Digital Service Enablement	SAVE	20	-	20
Records Management, Access & Privacy				
Privacy Program Strategic Plan - Reducing Implementation Time	New Investment	-	(132)	(132)

A Well-Run City Total	(8,392)
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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)
Corporate Costs & Debt Servicing*				
Budget Modernization	SAVE	28,700	(300)	28,400
Category Management and Strategic Sourcing	SAVE	2,448	(900)	1,548
Contract Compliance	SAVE	1,100	4,300	5,400
Energy Budgeting	SAVE	339	(145)	194
Fleet Operator Management	SAVE	214	-	214
Fleet Utilization	SAVE	473	-	473
Learning and Development	SAVE	202	-	202
Reduced External Consulting	SAVE	250	-	250

* 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)
Corporate Costs & Debt Servicing *				
Centralized and Consistent Fuel Budgeting	SAVE	920	-	920
Employee Kilometrage Expensing	SAVE	720	(50)	670
Inventory Transformation - Calgary Transit	SAVE	443	(74)	369
External Counsel	SAVE	65	-	65
Data Sales	SAVE	900		900
Financial Reserves Optimization	SAVE	15,000	-	15,000
Adjustment for inflationary pressure	New Investment	(5,000)		(5,000)
Total Corporate Costs & Debt Servicing				49,605
Common Revenues				
Investment Income	Other	5,000		5,000
Corporate Programs Total				54,605

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