

The City's Risk Profile at Mid-Year 2022

The City has identified eight strategic risks to the organization, the Principal Corporate Risks (PCRs). This attachment presents The City's Risk Profile, an integrated view of The City's top risks, including any changes in the ratings and information on Future Focused Calgary: 2035 Trends.

The update consists of:

- Part 1: Setting the Context – Key Risk Areas
- Part 2: The City's Risk Profile Overview
- Part 3: Principal Corporate Risks
- Appendix 1: The City's Risk Matrix
- Appendix 2: Definitions of the Future Focus Calgary Trends

Part 1: Setting the Context – Key Risk Areas

Risk management helps the organization prepare for an uncertain future. As The City focuses on enhancing our resilience to maintain service delivery to Calgarians, we monitor and manage risk to avoid undesirable impacts. This allows us to be better positioned to capitalize on opportunities as they present themselves. Our cross-corporate risk review revealed three prominent areas of risk that permeate through the Principal Corporate Risks: (1) *Corporate Capacity*, (2) *Supply Chain/Inflation Volatility*, and (3) *Social Cohesion*.

Corporate Capacity – the ability to hire and retain talent with the specific skills or expertise needed. The increased focus on this risk is linked to uncertainty around future limitations on budget/resource adjustments and an increase in the volume, velocity, and complexity of work being completed. City-wide commitments (such as The City's response to climate change, anti-racism, equity, realignment, and the development of the 2023-2026 Service Plans and Budgets), factor into this.

Supply Chain/Inflation Volatility – changes in costs and our ability to procure supplies and contracts. There are concerns related to the possibility that Calgary will continue to experience high inflation, elevated energy prices and supply chain disruptions despite the economic recovery and growth in 2021 and 2022.

Social Cohesion – civil unrest and divisions amongst people in Calgary. Incidents occurring at public demonstrations may impact The City's operations and deteriorate our ability to maintain trust and engagement in diverse communities. This risk is complex and corresponds to heightened calls for The City to address social inequalities through new strategies and service delivery.

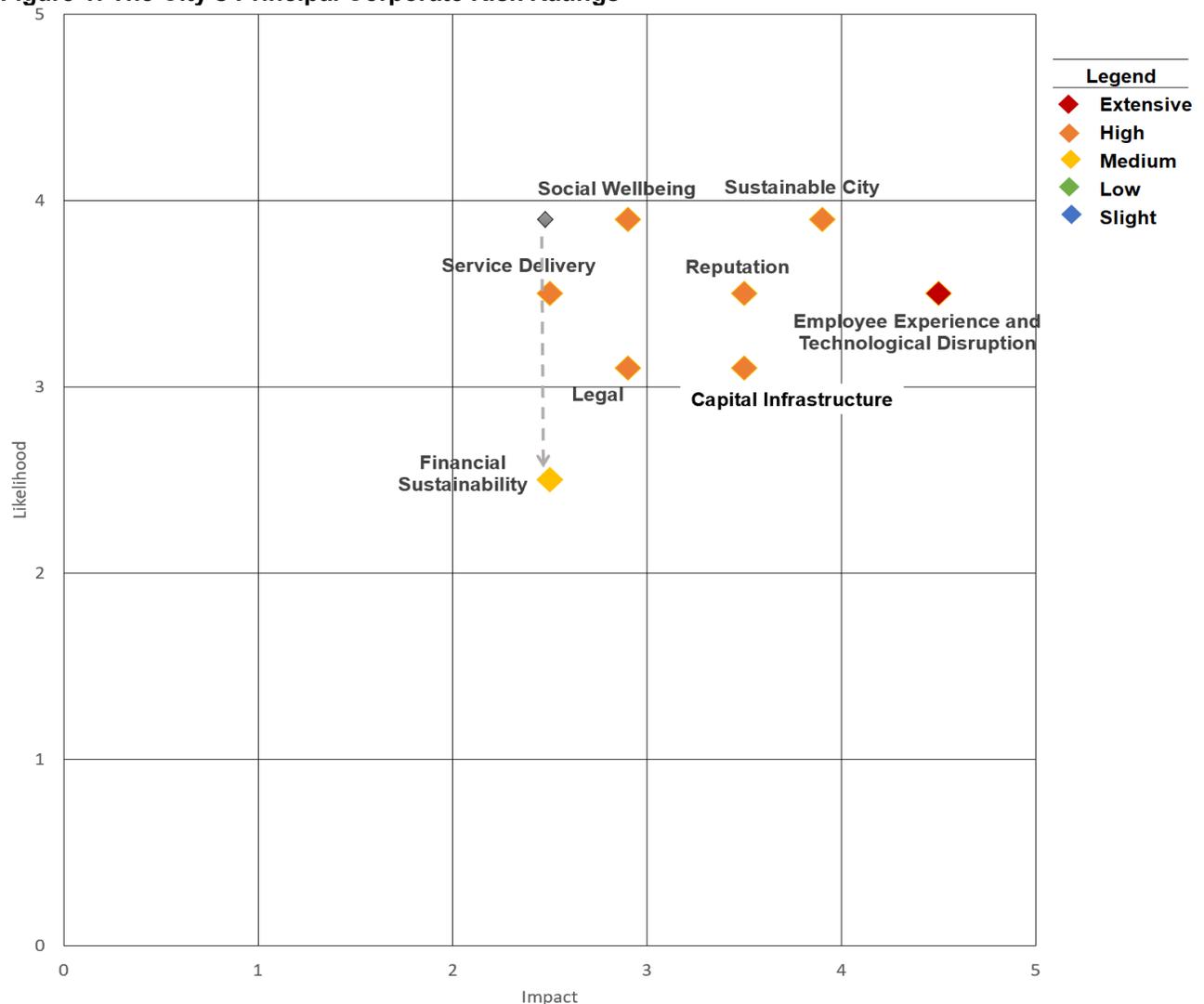
The City continues to monitor, prepare for, and respond to these risk areas as they can affect more specific exposures or the efficacy of our risk response strategies, which we monitor through the update on the eight Principal Corporate Risks outlined in detail in Part 3 of this attachment.

The City also researches trends and anticipates how the needs of our citizens can change in the short to medium term. Since the onset of the COVID-19 pandemic, risk reports have included trends and critical uncertainties. This gives a better sense of future possibilities, reduces the chance of being caught by surprise, and helps adapt to the future that is emerging. Understanding trends is part of risk-based decision-making and is essential to helping formulate robust service plans and budgets.

Part 2: The City’s Risk Profile Overview

Figure 1 presents the rating of the PCRs, as made up by their likelihood and potential impact. This table is based on information collected from a variety of sources: (1) the mid-year Corporate Risk Review process, (2) discussions with subject matter experts, (3) a review of The City’s response strategies, (4) other risk reporting, (5) discussion with Audit Committee members, Council members, and external auditors through our Lunch and Learn (2022 May 18) (6) a discussion and review by the Executive Leadership Team (ELT). The mid-year Corporate Risk Review is itself informed by the service risk registers and PCR Evidence-Based information collected to incorporate specific data, response strategies, and future state information.

Figure 1: The City’s Principal Corporate Risk Ratings



The table below highlights the one Principal Corporate risk that has a change in rating since the last report to the Audit Committee in 2022 January.

PCR	Changes in rating	Justification
Financial Sustainability Risk	From “High” to “Medium”	Risk response strategies to this risk are effective. Risk has shown up less frequently, and with lower ratings amongst services.

Part 3: The Principal Corporate Risks (alphabetical listing)

Risk	Owner	Rating
Capital Infrastructure Risk	GM, Infrastructure Services	High

Definition

Competing priorities and limited funding may cause capital infrastructure to be delayed, experience decreased levels of service, degrade in performance, or fail. In order to protect public safety, this means that service continuity may be impacted for Calgarians.

Context

Overall, The City’s \$100.4 billion dollars’ worth of assets are safe and serve Calgarians well. If an asset poses a risk to the public, the asset is immediately taken out of service. Understanding asset condition and service levels fosters informed decisions on the timing of interventions to improve or maintain levels of service at a desired standard and to avoid failures. In challenging economic times, difficult decisions on service levels must be made to meet budgetary constraints and these decisions must also be understood from a risk perspective. Services have flagged concerns due to a funding gap between infrastructure conditions and available budgets. The City’s \$7.2B infrastructure gap cannot be managed solely through increased investment. Service lines are exploring short and long-term strategies to improve service and asset management maturity and resiliency, such as asset valuation and monetization.

Council’s Strategic Direction 2023-2026 guiding principles alignment: *Invest in infrastructure.*

What we’re watching

The condition and criticality of assets	Measures serve as an input to allow services to prioritize management plan activities.
10-year infrastructure gap	The City has a \$7.2B infrastructure gap for this timeframe.

Future Focus Calgary trends related to this risk

- *Unpredictable Municipal Funding:* Budget shortfalls, widening infrastructure gap, and potential reduced service levels. Unpredictable funding challenges long range planning, strategic investment and economies of scale. The trend toward funding with restrictive criteria or deadlines could result in grant-eligible investments put forward ahead of critical investments.
- *Green Energy Revolution & the Low Carbon Economy:* Increased pressure on capital prioritization (competition to fund investments), risk of not meeting long term corporate and climate objectives, and potential replacement of fleet or other tangible capital assets ahead of lifecycle estimates.
- *Deglobalization + Local Supply Chains:* City projects may not be completed on time and/or on budget. To offset, build in greater contingencies, increase project management due diligence, and seek local supplies.
- *A Housing Crisis:* Housing affordability puts stress on City services and housing supply may need to be prioritized ahead of other capital investments.

Response

Current

- Asset Management Strategy is in place alongside the Corporate Asset Management Program to guide the use and maintenance of corporate assets more efficiently.
- The Corporate Asset Management Plan is a tool that supports the service planning and budget process including a strategic approach to asset management, analysis and planning related to infrastructure risk and mitigation strategies.
- Practices are aligned with international standards such as ISO 55000 and the development of internal, made-in-Calgary-for-Calgary corporate standards and frameworks.

Upcoming

- Prioritize spending based on managing risk and service levels.
- Achieve regulatory compliance, utilize managed competition to reduce costs, divest surplus assets and utilize new technology.
- Support business units to further develop and improve levels of service understanding and reporting, infrastructure risk evaluation, improvement in data management and to support initiatives to integrate asset management practices into core business.

Risk	Owner	Rating
Employee Experience and Technological Disruption Risk	GM, People, Innovation and Collaboration Services	Extensive

Definition

The City’s corporate culture must be able to respond to internal/external factors when it comes to human and technological resources required for the delivery of services to residents and businesses. There is a risk that the organization is not making strategic investments today to prepare us to meet future demands, leverage emerging trends and technologies, and ensure resilience in our operations.

Context

This risk is composed of two parts, the first is employee experience which incorporates employee engagement, health, safety, and wellness. The second is related to technology disruptions, including cyber-attacks. While the different components can be analyzed separately, when looked at holistically, we see that risk related to employee experience and technology were the most frequently identified by services and had the highest percentage of “high” and “extensive” ratings. Services have flagged the challenge of acquiring and retaining resources related to certain areas of expertise. Others have noted risks related to attrition and turnover. These risks are impacted by multiple factors such as: an aging workforce, capacity concerns, and the pace of change (including the realignment). Administration is weighing options in how to update and adjust response strategies to this risk. The City’s increased reliance on technology adds exposure when combined with the potential for novel cyberattacks, for more information on the technology risks to The City, see Attachment 3.

Council’s Strategic Direction 2023-2026 guiding principles alignment: *Deliver the right services*

What We’re Watching

Threat protection for email	Thousands of emails that could threaten City data have been blocked in Q1, 2022.
Demand for hybrid work enabling technology	IT calls and technology usage demonstrate increased need for IT to support hybrid work.
Social disorder activities	Since 2021, the numbers of social disorder activities have increased at City sites.

Future Focus Calgary trends related to this risk

The risk owner and team are reviewing these trends and considering the potential impacts:

- *Work from Anywhere*
- *Remote Service Delivery*
- *New Cyber Security Threats*
- *The Leaving Culture*
- *Net Migration Shifts*
- *Anti-Racism Commitments*

Response

Current

- Tracking and analyzing cyber-attacks. Completing cyber security updates on devices and cyber security training.
- Working with Service Owners to focus on interacting with residents and business in a different way - embracing the outside in perspective.
- Conducted surveys and implemented support for employees

Upcoming

- Determine how to be competitive in the job market for positions that are hard to retain and/or hire.
- Recommending further action to support our corporate culture, equity, accommodation, inclusion, diversity, and belonging.
- Elevate the risk tolerance of the organization so that the way of requesting services and interacting with the organization meets the constantly changing desires of the residents and businesses who interact with The City.
- Focus on using the data that is collected in the organization and begin to capture additional 'data' that will support decision making in the organization. Invest in Meta Data.

Risk	Owner	Rating
Financial Sustainability Risk	GM, Corporate Planning and Financial Services	Medium

Definition

The City is unable to maintain strong financial capacity over time. It could manifest as a sudden financial constraint – lower revenues or higher expenses. It arises from external forces and shocks, such as reduced funding from other orders of government or higher than anticipated expenses due to higher population growth or inflation. Generally, this risk increases if the variability in the broader economic context for our operations triggers a significant shift in any revenue or expense category. These shifts would require thoughtful offsetting measures, including spending decisions to maintain financial capacity.

Context

Financial risk has shown up less frequently, and with lower ratings amongst services. Price inflation is affecting costs, and this risk could increase if inflation continues to surpass forecasts. At the same time, user fee revenues have declined due to the COVID-19 pandemic and its effects. The property tax remains a stable source of revenue. While there are no changes to existing delays and cutbacks to provincial grants, The City is looking to participate in discussions for long-term capital funding beyond 2024-2025 for the Local Government Fiscal Framework.

Council’s Strategic Direction 2023-2026 guiding principles alignment: *Finance our future*

What we’re watching

Inflation rate	Inflation has increased throughout 2022.
Debt Service Limit	With current expected expenditures, we will approach our debt service limit in 2029, though that peak is expected to be brief.
Property tax	We are monitoring the ability of Calgarians to pay property taxes, which appears to be strong.

Future Focus Calgary trends related to this risk

- Unpredictable Municipal Funding:* Property tax has remained a stable and reliable source of revenue despite the economic uncertainty, though shifts in the distribution of tax have been felt acutely by some non-residential taxpayers. The City will need to monitor the recovery of user fee revenue from the recent pandemic-related lows and is in the process of examining the feasibility and advisability of other revenue opportunities.
- Digital Economy Shift:* The shift to digital services and remote work may prolong the recovery of certain real estate sectors with the office sector (both suburban and downtown) being the most impacted in the short term. The prolonged recovery will also mean that tax shifts that occurred over the past seven years (generally from offices to retail and industrial) will persist. The City is investigating solutions to these tax shift issues including assessment subclasses (not currently feasible under the current legislative framework) and further redistribution of taxes from non-residential taxpayers and to residential taxpayers.
- Oil and Gas Demand & Price Volatility*
A particular concern related to oil & gas price volatility is the impact of prices on fuel expenses. The City employs a multi-pronged purchasing approach including hedging, long-term contracts, and fuel diversification to protect against dramatic increases in fuel

expenses. Higher oil prices have historically resulted in an influx of investment and jobs into Calgary, but it appears as though that may be muted this time as profits from oil & gas productions are being distributed to shareholders rather being reinvested in new development.

Response

Current

- Financial sustainability & resilience is described in the 2021-2032 Long Range Financial Plan.
- We are also actively managing The City's debt financing, including longer term projections and the Corporate Borrowing Strategy.
- Strategies and tactics are used in Administration's preparation of both the four-year service plans and budgets, and annual adjustments to them.
- In the past five years, The City has limited operating expenditures resulting in expenditure growth that is less than population and inflation growth. We sought provincial and federal support to help with the effects of the pandemic.

Upcoming

- Manage service changes in line with financial capacity while seeking efficiencies.
- Explore additional revenue opportunities.
- Leverage unfilled vacancies to sustain financial capacity.
- Use reserves where prudent.
- Make appropriate changes to the level of capital investment.

Risk	Owner	Rating
Legal Risk	City Solicitor	High

Definition

Comprehensive business processes, along with intentional and informed decision making are necessary for the Corporation to meet legal compliance requirements and otherwise conduct city business within corporate risk tolerance. This requires the provision of timely professional advice, the absence of which could result in financial losses or unnecessary business, legal or reputational risk for The City.

Context

The corporate, political, and societal landscape has changed, resulting in new and more complex business and legal issues facing the Corporation. It is necessary for the Corporation to ensure the appropriate resources are in place to effectively identify, respond to and manage these risks. Additionally, given the ongoing increase of misinformation in the public realm and seemingly elevated public tension across Canada, The City’s historic approach to reconciling divergent views and finding common ground between opposing groups may no longer be as attainable as it once was, leading to an increase in formal legal matters.

Council’s Strategic Direction 2023-2026 guiding principles alignment: *Deliver the right services*

What we’re watching

Compliance risk	Risk is trending up amongst services since January 2022
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Future Focus Calgary trends related to this risk

The risk owner and team are reviewing the following trends and considering the potential impacts:

- *Government & Expert Distrust*
- *New Cyber Security Threats*
- *Surveillance Tech*

Response

Current

- Continue to communicate, inform, and interact with internal customers about the importance of engaging Legal Services early and often.
- Continue to be nimble and agile to the shifting nature of legal needs.

Upcoming

- Build strong relationships with clients to understand their risk understanding.
- Define legal risk appetite at an individual risk and organization-wide level prioritizing and focusing resources on risk management activities effectively.
- Assess legal risk using a robust framework informed by data and scenario planning to ensure legal risk is being managed within Corporate risk tolerance.
- Continue attendance in governance/decision-making meetings (Council, ELT, SMT, CMT).
- Review the data to identify trends and drivers.
- Provide cross training for staff.
- Participate in the decision making/strategy setting meetings related to risk tolerance.
- Support corporate communication strategies.

Risk Reputation Risk	Owner City Manager	Rating High
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Definition

Residents, businesses, and strategic partners need to trust that The City will safely and effectively manage its resources and deliver valued services in an efficient, timely, fair, and equitable manner. Loss of confidence in our municipal government and local leadership will create problems in recruiting and retaining staff, negatively impact Administration’s working relationship with Council and other orders of government and may adversely impact residents’ quality of life and their perception of Calgary being a great place to make a living and make a life. Gaining a better understanding of trust and reputation will help The City with long-term planning and strategy, bring new business and investment to the city, and build confidence around citizen accessibility, equity, transparency, and engagement.

Context

Reputation is perception, and a weakening reputation may be having a negative impact on The City. Research suggests that Calgarians’ views of The City’s reputation may be influenced by their perception of collaboration between Council and Administration, their interactions with The City, their experiences with City services, and the perceived value they receive for their tax dollars. There has been a slight downward trend of residents who say they “trust The City”. Many services noted the increased expectations as a concern for The City’s reputation.

Council’s Strategic Direction 2023-2026 guiding principles alignment: *Strengthen relationships with Calgarians*

What we’re watching

Calgarian’s trust in The City	There is a slight downward trend of residents who say they “trust The City”.
Calgarians who agree Council and City Administration work collaboratively	This trend is stable since 2020, sitting just below 70%.

Future Focus Calgary trends related to this risk

- *Unpredictable Municipal Funding:* Where reductions in service levels occur, it will necessitate a comprehensive proactive communication and customer service strategy targeted at both City employees and the public segment receiving the impacted service. Customer service will be required to explain the reasons for reduced services to customers while residents will need to have their expectations changed as a result of reduction in service. Public and civic partner engagement will also need to be increased or targeted to specific communities to create greater awareness of service impacts for all stakeholders.
- *Government and Expert Distrust:* Government and expert distrust has a significant impact on the ability of decision makers to accept risk and become more innovative. Consequently, decision makers could become more risk adverse and less willing to adopt innovative but risky solutions. A proactive communications strategy explaining the rationale behind potentially risky decisions will be required.

Response

Current

- Focus on better understanding drivers of trust and perceptions of reputation.

- Implement the Rethink to Thrive to foster a business-friendly mindset, optimize financial sustainability, and enhance collaboration and innovation.
- Implement the Advocacy Strategy with other orders of government and municipal associations with a specific focus on Regional Strategy.
- Manage relationships with civic partners, business leaders, and community leaders.

Upcoming

- Continue to build trust with the new Mayor and Council.
- Explore having a consolidated, concentrated approach to reputation measurement to have data for senior administration to inform proactive risk, issue, and reputation management.
- Work closely with City Partners to build reputation and trust equity with businesses and residents across Calgary.
- Use key drivers of trust, work to build strategies, and plans that foster the values of collaboration, transparency, openness, and giving residents opportunities to offer input.
- Continue collaboration with Community Associations and advance Community Services Investment Program to address systemic concerns.

Risk	Owner	Rating
Social Wellbeing Risk	GM, Community Services	High

Definition

Changing social and economic conditions that benefit some more than others are contributing to differing social needs. Due to the model of shared responsibility between government and community to fill these needs, The City is under greater pressure to fill funding and service gaps when there is lack of capacity in various community organizations. This risk can lead to increased social and economic inequities, social unrest and divisiveness requiring The City to develop different approaches and investments in the delivery of programs and services.

Context

Certain strategic partners are experiencing financial constraints amid demands for services. There remains a need for affordable housing for those experiencing vulnerability, as well as mental health support. Since the pandemic, the quarterly opioid death rate has doubled compared to the pre-pandemic rate while Q4 2021 recorded the highest quarterly opioid death numbers since available published data (Q1 2016). Rising inflation impacts certain groups and people more than others, especially those living on fixed or low incomes.

This risk was identified less frequently amongst services; however, certain acute challenges were present related to the ability to respond to the complexity and needs within communities in Calgary.

Council’s Strategic Direction 2023-2026 alignment: *Build strong communities*

What we’re watching

Calgarians mental health	The mental health of Calgarians continues to be a concern with 55 per cent of residents surveyed in 2022 January reporting that their mental health has worsened in the last month.
Impacts of the opioid crises	The quarterly opioid death rate has doubled compared to the pre-pandemic rate.
Food insecurity	1 in 8 Alberta households experienced food insecurity in 2020 and this number is likely higher now.

Future Focus Calgary trends related to this risk

The risk owner and team are reviewing the following trends and considering the potential impacts:

- *New funding models for the charitable sector*
- *A Housing Crisis*
- *Citizen Unrest*
- *All for All*
- *Government and Expert distrust*
- *Pandemic PTS & Societal Long-COVID*
- *Anti-racism commitments*

Response

To mitigate these risks and negative impacts, The City is committed to advancing the principles of social wellbeing; thereby targeting investments and developing different approaches for the equitable delivery of programs and services.

Current

- Focus on understanding and removing barriers to programs and services through the Equity portfolio and the Anti-Racism and Indigenous Relations Office Programs.
- Implement Calgary's Mental Health and Addiction Strategy.
- Work with the Calgary Police Service to implement The Community Safety Investment Framework and continue its funding into 2022.
- Administered \$8.4M in funds to 74 non-profit organizations to support Calgarians with basic needs, including food security gaps.

Upcoming

- Advance the maturity of the corporate equity portfolio and lay the foundation for embedding equity into The City's services, investment decisions, and organizational culture.
- Invest in preventive social services to stop societal issues/problems before they begin.
- Continue to advocate for sustained funding to social programs through Intergovernmental & Corporate Strategy and Family and Community Support Services Alberta.
- Monitor the risk of loss time due to psychological health and safety of our employees and the potential for staffing shortages internally within The City as well as with our partners.
- Continue to monitor socio-economic trends, City administrative data such as applications to Fair Entry and changes in financial assistance programs from other orders of government.

Risk	Owner	Rating
Service Delivery	GM, Operational Services	High

Definition

There is a risk that the quality of public-facing City services will decline over time. This stems from a range of factors, including interrelated risks to service inputs (systems & processes, tools, infrastructure, people & culture), environmental factors (e.g., extreme weather, cyber threats, public behaviour), and a performance gap (inability to meet citizen/business expectations).

Context

The continued impact of the pandemic on certain services’ revenue or demands continues to magnify the impact of other service interruptions and delays. Integration between departments due to the realignment and supporting staff through transition will be critical. Imminent risks include: challenges attracting, retaining, and developing people and critical skillsets; constrained funding that does not keep pace with growth or lifecycle needs; and remote work and growing demand for digital ‘personalized services’ may alter service and employee needs beyond the pandemic.

Council’s Strategic Direction 2023-2026 alignment: *Deliver the right services*

What we’re watching

Public transit ridership	Ridership for Public Transit is currently at approximately 51% of the pre-COVID levels.
Demand for specialized transit	Service demand has improved considerably in specialized transit, with trips at approximately 72% of the pre-pandemic levels currently.
Parking transactions	Overall parking transactions are up 30% in the first quarter when compared to the previous year. Year-to-date parking transactions are still 20% below pre-Covid counts.

Future Focus Calgary trends related to this risk

- *City on Demand*: Remote work and fluctuating service demands and digital ‘personalized services’ needs magnify the impact on revenue and service interruptions and delays.
- *Lagging Transit Ridership*: Residents may avoid use of public transit unless it is the only available transit option to their destinations given fears related to social distancing and virus spread.
- *Infrastructure Investment Constraints*: Competing capital priorities for new infrastructure can adversely affect allocations for asset lifecycle requirements. Approval of new infrastructure impacts future asset/lifecycle budgets.
- *Future-Focused Workforce*: Evolving and anticipated impacts of the Great Resignation specifically as it related to attracting and retaining skilled labour and retraining for future skills (i.e., electrification).
- *Deglobalization + Local Supply Chains*: Global supply chain disruptions and lack of local manufacturing capabilities may result in a focus on local supply chains as well as inflation due to higher production costs.

Response**Current**

- Monitor and adjust services to accommodate changes to ensure optimal staffing levels and minimize revenue shortfalls.
- Implement a range of climate change actions to build climate resilience into decision making, implement measures to mitigate future climate disasters, and pilot alternative fuel vehicles to reduce emissions.

Upcoming

- Capitalize on efficiencies from the organizational realignment.
- Work with HR to develop nimble strategies to address current and emerging workforce challenges (e.g., attract, retain, and develop), and foster a safe and healthy culture to maintain service delivery.
- Ensure accurate operating cost of capital (including associated lifecycle needs) estimates are budgeted for future service plans and budgets and considered when approving new capital requests.

Risk	Owner	Rating
Sustainable City Risk	GM, Planning and Development	High

Definition

Economic, social, and environmental sustainability are critical for the City of Calgary. Significant contributing factors to this risk are variability in population growth, economic activity, and environmental trends, all of which are being impacted by climate change. Impacts from this risk are also likely to be experienced to different degrees spatially within the city and more severely by marginalized groups. There are associated long-term and wide-ranging risk considerations for not creating a sustainable city including financial, operational, social, environmental, regulatory and reputational impacts.

Context

Administration must balance the economic, social and environmental needs of its citizens, by ensuring climate-related risks are mitigated and striving to improve the quality of life for citizens. For example, encouraging more sustainable transportation choices including access to the Primary Transit Network has emissions reduction and economic benefits. Progress has been made on implementing the Climate Resilience Strategy; however, greenhouse gas emissions are not being reduced at a rate necessary to see meaningful change, which poses an increasing risk to our economy, environment, people, and City reputation. There are significant economic opportunities associated with developing and implementing greener technologies in Calgary. This risk has increased in frequency and ratings at the service level since our last risk report.

Council’s Strategic Direction 2023-2026 alignment: *Build strong communities*

What we’re watching

Population growth	We’ve seen a population growth of 12.4% from 2006-2021
Greenhouse gas emissions	Progress has been made on implementing the Climate Resilience Strategy, however, greenhouse gas emissions are not being reduced at a rate necessary to see meaningful change

Future Focus Calgary trends related to this risk

- *Deglobalization + Local Supply Chains*: Could slow down regulatory review of permits and construction completions. Sites may remain vacant or in phases of construction for longer periods of time. Vacant/partial construction sites impact neighborhoods potentially driving bylaw enforcement response activity.
- *Electrification of Everything*: Potential increased permit volume and pressure on regulatory expertise.
- *Evolving food systems*: Need to ensure development regulations support opportunity and accessibility to food system solutions (i.e., Transportation corridors use, garden area amenity spaces).
- *Green Energy Revolution & the Low Carbon Economy*: Municipality must be responsive to legislative change supporting low carbon & green energy. Staff training and process review may be required.

Response

Current

- Prepare and adhere to strategic growth policies that address sustainable growth, climate change mitigation and adaptation (e.g., Municipal Development Plan (MDP)/Calgary Transportation Plan (CTP) updates, Growth and Development Climate Framework).
- Implemented portions of the Next Generation Planning Initiatives including Local Area Plans, Main Streets Program and Off-Site Levy Bylaw review. These initiatives define sustainable growth at the local level and support its implementation with funding tools.
- Continue to implement Citywide Growth Strategy.
- Implement the Downtown Strategy.
- Continue to implement the Climate Resilience Strategy, where over 200 of the 244 actions identified in 2018 are either completed or underway.
- Update the Climate Resilience Strategy and its Mitigation and Adaptation Action Plans by Q2 2022.

Upcoming

- Review and report on the core indicators of the MDP and CTP in 2022, ensuring economic, social, environmental, equity and climate considerations are reflected.
- Regularly report to Council on emerging and changing trends in relevant performance measures and indicators through the annual Growth Strategy Monitoring Report and earlier if required. Ensure discussion covers alignment to approved policy (e.g., MDP/CTP and Climate Resilience Strategy) as well as economic and financial impacts.
- Implement the upcoming Next Generation Planning Initiatives. The upcoming work will include: City Wide Growth Strategy for established, industrial and new community areas (which will lead to sustainable growth investments in budgets); Main Streets Program (which will lead to great places and spaces where people can live and work with a smaller ecological impact); and continue to prepare modern Local Area Plans (which will lead to broadly supported land use plans that guide sustainable development).
- Further the implementation of the Downtown Strategy.

Appendix 1: The City's Risk Matrix

Calgary		Risk Matrix						
Likelihood	Level	Probability*	Impact					
			1 Negligible	2 Minor	3 Moderate	4 Significant	5 Severe	
	5 Almost Certain	90% and greater	Medium	High	High	Extensive	Extensive	
	4 Likely	65-89%	Low	Medium	High	High	Extensive	
	3 Possible	35-64%	Low	Low	Medium	High	High	
	2 Unlikely	11-34%	Slight	Low	Low	Medium	High	
	1 Rare	10% and less	Slight	Slight	Low	Low	Medium	
*Probability of occurrence in a given year								
			<p>1 Negligible Minimal impact. Still able to achieve objectives without disruption.</p> <p>2 Minor Coping strategies required - able to be addressed with existing plans and resources.</p> <p>3 Moderate Some challenges on ability to achieve objectives. Some delay. Some aspects of objectives are only met in part.</p> <p>4 Significant Difficulties to achieve objectives. Delays or notable aspects of objectives not completed.</p> <p>5 Severe Unable to meet objectives due to serious, extended disruption.</p>					
Impact Category			Workforce	<ul style="list-style-type: none"> Minor injury or first aid treatment. Low turnover; easy to hire people with required skills in a timely fashion. 	<ul style="list-style-type: none"> Injury requiring treatment by medical practitioner and/or lost time from workplace. Minor psychological impact. Some turnover; some difficulty in hiring people with required skills in a timely fashion. 	<ul style="list-style-type: none"> Major injury or psychological illness/hospitalization. High turnover; small delays in ability to hire people with required skills in some areas of the organization. 	<ul style="list-style-type: none"> Permanent, or multiple major, injuries or psychological illness. High turnover; notable delays in ability to hire people with required skills in some areas of the organization. 	<ul style="list-style-type: none"> Conditions that could result in fatality(ies). Very high turnover; unable to hire for extended periods of time people with required skills in many areas of the organization.
			Technology	<ul style="list-style-type: none"> Non-critical system faces minor interruption. Compromise of unrestricted information otherwise available in the public domain. 	<ul style="list-style-type: none"> Non-critical system faces significant interruption. Minor compromise of protected information sensitive to internal or sub-unit interests. 	<ul style="list-style-type: none"> Critical system faces minor interruption. Compromise of protected information sensitive to the organization's operations. 	<ul style="list-style-type: none"> Critical system faces significant interruption. Compromise of restricted information sensitive to organizational interests. 	<ul style="list-style-type: none"> Irreparable widespread damage to critical system(s). Compromise of restricted information with major, ongoing impact.
			External	<ul style="list-style-type: none"> Immediately reversible damage. Minimal flood damage in an isolated area. 	<ul style="list-style-type: none"> Short-term reversible damage. Minimal flood damage in more than one area. 	<ul style="list-style-type: none"> Long-term reversible damage. Major flood damage in an isolated area. 	<ul style="list-style-type: none"> Limited irreversible damage. Major flood damage in more than one area. 	<ul style="list-style-type: none"> Widespread irreversible damage. Massive flood damage in multiple areas throughout the city.
			Financial	<ul style="list-style-type: none"> Financial impact is within expected variance and preemptively accounted for. 	<ul style="list-style-type: none"> Financial impact is expected and planned for with minor adjustments needed. 	<ul style="list-style-type: none"> Financial impact is greater than planned for, some delay, reduction in scope or alternate funding is required. 	<ul style="list-style-type: none"> A large unplanned financial impact. Significant delays or adjustments to scope are required. Some alternate funding may be achieved. 	<ul style="list-style-type: none"> Unplanned financial impact that results in indefinite delays or cancellation of work. Alternate funding is not able to be acquired.
			Strategic	<ul style="list-style-type: none"> A strategic goal within the organization is slightly impacted. Reputation to internal stakeholders may be slightly impacted. 	<ul style="list-style-type: none"> Strategic goal within the organization requires some adjustment. Reputation to key internal stakeholders is adversely impacted. 	<ul style="list-style-type: none"> An organizational-wide strategic goal is compromised. Reputation to internal and some external stakeholders may result in some loss of confidence and trust in the organization. 	<ul style="list-style-type: none"> Unable to deliver on an organizational-wide strategic goal for a sustained period of time. Reputation sustains extended, substantial damage to confidence and trust. 	<ul style="list-style-type: none"> Unable to deliver on an organizational-wide strategic goal indefinitely. Reputation extended, substantial damage to confidence and trust which is irreparable.
			Operational	<ul style="list-style-type: none"> Minimal impact on non-core operations. The impact can be dealt with by routine operations. 	<ul style="list-style-type: none"> Some impact on organizational capability in terms of delays, systems quality but able to be dealt with at operational level. 	<ul style="list-style-type: none"> Impact on the organization resulting in reduced performance such that targets are not met. 	<ul style="list-style-type: none"> Some unavailability of critical skills/people. Breakdown of key activities leading to reduction in performance. 	<ul style="list-style-type: none"> Protracted unavailability of critical skills/people. Critical failure(s) preventing core activities from being performed.

Appendix 2: Future Focus Calgary Trends Definition

The following list contains the full descriptions of the Future Focused Calgary: 2035 Trends that have the potential to impact Calgary over the next 10-15 years. The trends were selected based on their broad relevance to Calgary businesses, communities and City services by the “FYI Calgary Scan Club” (which includes strategists and leaders in every City department) as part of the Resilient Calgary strategy “Future Focused Calgary” cross-cutting theme.

All for All: Addressing increased societal challenges related to economic, social and racial inequality, mental health and climate change may result in a new social landscape and need to work together through grassroots and multi-government levels.

Anti-Racism Commitments: Protests and riots globally in response to anti-Black and anti-Indigenous racism is pushing for a new awareness of white privilege and the ways institutions, organizations, and citizens need to actively work to address systemic racism.

City on Demand: Online service delivery has increased resulting in rising customer expectations for digital City services, service customization and personalization. The ability for governments to effectively respond and meet new “Amazon level” service demands will be tied to reputation.

Deglobalization + Local Supply Chains: Global supply chain disruptions and lack of local manufacturing capabilities may result in a focus on local supply chains as well as inflation due to higher production costs.

Differential Climate Impacts: Cities continue to be at risk of long-term climate change such as increased average temperatures and changes in precipitation, along with acute events such as flooding, drought, forest fires, extreme heat, and other climate related extreme weather events.

Electrification of Everything: Not only about the increasing adoption of electric vehicles (EVs) electrification is broadening to other electrification as well. This could expand the concept of City/ENMAX infrastructure to include renewable energy capture, storage, charging networks.

Evolving food systems: Supply chain disruptions and growing food insecurity may result in lasting changes to localized food production, distribution chains and community food security. As dietary choices and expectations for different food sources evolve, options may evolve.

Green Energy Revolution & the Low Carbon Economy: Private sector actions coupled with net zero targets at the federal and municipal levels and carbon accounting at the municipal level will result in greater investment in both renewable energy and a low carbon economy transition.

Government & Expert Distrust: The rise of conspiracy theories and misinformation along with the devaluing of scientific analysis and data may result in increased distrust, social unrest, and a decreased ability for Council to make and implement decisions effectively. Incorporating divergent views and finding common ground may challenge The City’s typical responses to legal compliance.

A Housing Crisis: The pandemic and values toward capital investment has intensified pre-existing challenges for not only senior housing facilities and shelter systems but housing access and affordability for a broader population as well.

The Leaving Culture: Young populations leaving Alberta and the Great Resignation could result in challenges in keeping youth and talent in Alberta. Governments may respond with a new narrative of the Great Retention and youthful cities to attract and retain talent and youth.

Net Migration Shifts: Migration may grow both as a response to labour shortages and due to increased climate and geo-political refugees. As net migration increases issues with racism and xenophobia may increase in communities. This could require governments to re-think their labour force strategies and services needed to better accommodate new populations and build capacity.

New Cyber Security Threats: With an increase in remote work, online engagement, digital services, and the threat of cyber-attacks, cyber threats will increase in complexity. New demographic groups (e.g., children, seniors) increasingly need to access services online, but may lack experience to manage security concerns. Similarly, not all smaller businesses are equipped to develop secure online systems. The City should consider the broader implications to City programs and services including vulnerable populations.

New Funding Models for the Charitable Sector: Reductions in philanthropic giving, weakened trust in how charities manage donations and fickle attention on which issues receive funding may result in a gap in charitable services, particularly for basic needs. This may increase demand for governments to fill in the service gaps and for charities to find new models to raise revenues.

Pandemic PTS & Societal Long-COVID: Populations may experience increased mental health and other challenges exasperated by memories of grief, anxiety, depression and societal and at times family and friend divisiveness on how to respond as experienced during COVID-19's waves of outbreaks. This may be exacerbated by long-term impacts from developmental interruptions experienced by children and young adults and long-term societal impacts from those experiencing long-COVID.

Remote Service Delivery: Within city government, digital government programs are being accelerated to provide remote service delivery. Changes to performance management may emerge as approaches to remote-work management evolve.

Stagflation: Inflation without job growth could lead to massive economic challenges and unaffordability for a larger segment of our population. A subdued expectation of growth could result in a realization that prolonged economic growth is no longer assured. This is having a profound impact on the non-profit sector.

Surveillance Tech: Deployment of surveillance technology, including facial recognition software and biomonitoring of wastewater without consent, has raised many concerns that may require increased security, consideration of data bias and the involvement of multi-levels of government. Balancing business need with the legal requirement to secure and protect information is a key consideration for The City.

Unpredictable Municipal Funding: Structural changes in municipal real estate (with a decline in commercial real property values) will constrain revenues from property taxes and changes to service demand in some areas will reduce revenues from service fees. Increased provincial and federal deficits and changes to the City Charter result in reduced municipal transfer payments.

Work from Anywhere: Due to long-term remote work policies, work may occur anywhere resulting in geographically distributed virtual teams as well as large pockets of underutilized commercial real estate available to repurpose for other uses.