

## **The City of Calgary**

### **Leading through Economic Uncertainty**

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Calgary has a strong economy, a skilled workforce and is currently anticipated to continue to grow. Calgary's economy fluctuates because it is dominated by the energy sector. The current reduction in oil prices has led to an immediate reduction of capital expenditures in Alberta and recent layoff of employees in the energy sector. Economic impacts are spreading to Calgary firms supplying the energy sector in 2015.

Over the past several decades, Calgary has experienced steady and consistent growth. Through 2015, our community will continue to grow. The current job environment is stronger than expected with 14,000 new jobs reported for Alberta in the month of January (second only to Quebec) compared with a total of 35,000 new jobs in Canada. The impact of low oil prices has yet to be fully experienced and it is a time of economic uncertainty. Calgary needs a plan for a longer period for a price recovery and to adjust accordingly. The time to plan is now.

Moving forward, Calgary will continue to succeed as a prosperous City with top world talent in our workforce. The City of Calgary is in a solid financial position to adjust to economic changes and respond to a downturn with careful consideration and prudence, while also strategically preparing for economic recovery.

We will focus our efforts to take action on our City's challenges and opportunities in the short and long-term. In the short term, we need to monitor our economy closely and understand the impacts on business, citizens and our City government. We will continue to work with partners to invest in existing economic strategies as well as prepare for any adjustments as required. We will explore ideas that focus on retaining productive people, businesses, incomes, jobs, and investment projects in Calgary. City Administration will focus on finding savings and undertaking strategic investments in infrastructure to position Calgary for recovery while capturing top value for municipal contracts and focusing on strategic job creation.

The City has a strong financial standing that enables us to respond to the cyclical nature of the economy with careful consideration in 2015. Our goal in 2015 will be to maintain service levels for citizens. We will review our revenue sources that are vulnerable to economic changes, reductions in provincial and grant funding, lower franchise fees, and reduced assessment growth. In the third quarter of 2015, we will look at what is necessary for adjustments going forward into 2016 and beyond, in order to respond to economic changes.

Focussing on the long-term, we will continue to support the implementation of the Economic Strategy for Calgary and work with our partners such as industry, the provincial and federal governments, non-profits, and civic partners such as Calgary Economic Development, The Calgary Regional Partnership, and the Chamber of Commerce. We will do this to build local economic strategies which align with long-term drivers, including: the expansion of the economic base; fostering small business development and other future sources of employment; and enterprise and innovation so that Calgary will continue to be an economic engine within Canada.

The following are six key strategies will be used as lead The City through economic uncertainty by responding to the downturn and prepare for recovery.

### **RESPONDING TO AN ECONOMIC DOWNTURN**

1. **Continue to provide service delivery to Calgarians** – from roads maintenance, waste collection, and transit, to providing clean water, parks maintenance, police service, fire protection, and social support services.

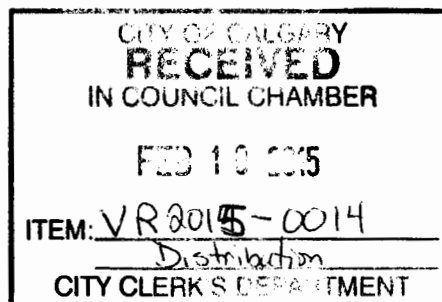
**Strategy Lead:** Corporate-Wide

<b>Key Actions</b>	<b>Lead Department</b>
Move ahead with the strategic actions and services outlined in <i>Action Plan 2015-2018</i> .	Corporate-Wide
Evaluate <i>Action Plan</i> progress at the 2015 mid-year review and consider opportunities to adjust plans to respond to the downturn and prepare for recovery as part of 2016 budget adjustments.	Corporate-Wide

2. **Focus on ensuring value for money in service delivery.** The City is committed to monitoring spending, and continuously finding ways to ensure value for Citizen dollars invested in services and infrastructure.

**Strategy Lead:** Chief Financial Officer's Department

<b>Key Actions</b>	<b>Lead Department</b>
<b>NEW:</b> Create an Investment/Budget Savings Account.	Chief Financial Officer's Department
Review opportunities for workforce planning to support the investment savings account.	Corporate -Wide
Complete and implement Zero-Based Reviews.	Corporate -Wide
Explore opportunities to review potential savings for costs of service delivery, including the opportunity to take advantage of lower interest rates and lower prices for commodities for purchases, as well as evaluating the costs and benefits of further hedging.	Chief Financial Officer's Department
Continue to proceed with City audits for ongoing improvement in efficiency and effectiveness.	City Auditor



3. **Monitor, understand and respond to changes in City finances.** The goal in 2015 will be to maintain service levels for citizens. We will continue to monitor and review the economic situation for impacts to City finances while looking for opportunities to mitigate impacts or make adjustments to our business plan, as required.

**Strategy Lead: Build Calgary**

<b>Key Actions</b>	<b>Department Lead</b>
<b>NEW:</b> Review 2015 City funding projections in response to a new economic reality (reduced assessment growth, lower franchise fees, and changes to provincial and federal grants).	Chief Financial Officer's Department
<b>NEW:</b> Initiate and communicate with Council and the Administrative Leadership Team on the regular monitoring of economic conditions, including: investigation of opportunities to collaborate with other municipalities; best practices research; and the creation of economic condition scenarios.	Build Calgary
Undertake discussions with the provincial and federal government on priority projects for Calgary and respond to federal and provincial budget announcements by preparing for 2016 budget adjustments.	Build Calgary
Move ahead with the new relationship with the Province of Alberta – Municipal Government Act Amendments and City Charter.	Build Calgary

4. **Proceed with strategic infrastructure investment,** including the opportunity to catch up with recent growth of over 100,000 Calgarians over the last three years and recovery from the 2013 flood. The City will fill infrastructure gaps and invest in infrastructure that creates employment and prepares for future growth.

**Strategy Lead: Build Calgary**

<b>Key Actions</b>	<b>Lead Department</b>
Review The City's capital budget to prioritize and move forward on key projects that create jobs in the short and long term.	Build Calgary
Leverage purchasing and tendering opportunities to ensure Calgarians receive the best value for money.	Chief Financial Officer's Department
Review the planning process and pilot new approaches in key strategic areas on alternative approval processes for projects that support these six strategies and align with the strategic economic plan of The City.	Planning, Development and Assessment
Undertake the strategic use of long-term debt and/or interim liquidity financing to take advantage of lower prices and availability of workforce to deliver key projects.	Chief Financial Officer's Department
Consider resourcing strategies for enhancing capacity to ensure the timely delivery of infrastructure projects (i.e. contract project managers).	Corporate-Wide

## **PREPARING FOR ECONOMIC RECOVERY**

5. **Work with local partners and government to understand what is required in the short term** to ensure that Calgary retains productive people, businesses, incomes, jobs and investment projects, while preparing for economic recovery.

### **Strategy Lead: Build Calgary**

<b>Key Actions</b>	<b>Department Lead</b>
<b>NEW:</b> Initiate an <b>Open for Business</b> Strategy that targets investment in Calgary and provide opportunities for a skilled workforce and economic multipliers with a focus on the long-term benefit for city investment.	Build Calgary
Work collaboratively with the federal and provincial governments and private sector on key initiatives.	Corporate - Wide
Seek opportunities for an increased supply of rental and affordable housing to improve supply during current cycle and find cost advantages for construction.	Corporate Services

6. **Create a more resilient local economy with a focus on the long-term.** Calgary is a place for businesses to start, grow and thrive. To support this, The City of Calgary will continue to focus on that through our industrial land programs, leveraging surplus city-owned land, implementation of the Calgary Economic Development Strategy, and exploration of new opportunities with our partners for economic prosperity.

### **Strategy Lead: Build Calgary**

<b>Key Actions</b>	<b>Lead</b>
Continue to invest in and support the implementation of the Calgary Economic Development Strategy through partnerships with civic partners, post-secondary Institutions, private sector and the community.	Community Services and Protective Services
Prepare strategic land holdings surrounding Transit-Oriented Development areas for mixed-use development opportunities.	Corporate Services
Continue to implement the City of Calgary Industrial Land Strategy.	Corporate Services
Continue to support the Calgary Poverty Reduction Initiative to create opportunities for all Calgarians.	Community Services and Protective Services
Work with the Calgary Regional Partnership to build local economic strategies that leverage talent and businesses to ensure that the Calgary region continues to be an economic engine for Canada.	Build Calgary, Planning Development & Assessment