

# Background and Previous Council Direction

## Background

On 2023 December 19, Council directed Administration (C2023-1180) to:

1. Postpone Confidential Report C2023-1180, Potential Changes to Local Access Fees – Budget Implications and Calgarian Impacts, C2023-1180, until The City of Calgary receives further clarity from the Government of Alberta about the future of the Regulated Rate Option (RRO)
2. If no clarity is received from the Government of Alberta with respect to Recommendation #1 above, resume Item 6.1.2, Potential Changes to Local Access Fees – Budget Implications and Calgarian Impacts C2023-1180, at the 2024 March 18 Strategic Meeting of Council;
3. Direct Administration to prepare a public release based on non-market sensitive information from the Confidential Attachments linked to Confidential Report Potential Changes to Local Access Fees – Budget Implications and Calgarian Impacts, C2023-1180;
4. Provide Administration with any further questions of clarification or requests for information on this item, with a 2024 January 19 deadline for those submissions;
5. Direct that the Closed Meeting Discussions, Confidential Report, and Confidential Attachments be held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed no later than 2026 December 31; and
6. Direct that, notwithstanding Recommendation 5, the Closed Meeting Discussions, Confidential Report, and Confidential Attachments be released to Corporate Planning and Performance, to be shared with Administration, only where required, to support next steps.

## Previous Council Direction

The list below details recent reports, conversations and decisions conducted on Local Access Fees in reverse chronological order.

Date	Report Number	Title	Description
2023 December 19	2023-1180	Potential Changes to Local Access Fees – Budget Implications and Calgarian Impacts	<p>A facilitated discussion on LAF was conducted with Council, and the following recommendations were approved:</p> <ol style="list-style-type: none"> <li>1. Postpone Confidential Report C2023-1180, Potential Changes to Local Access Fees – Budget Implications and Calgarian Impacts, C2023-1180, until The City of Calgary receives further clarity from the Government of Alberta about the future of the Regulated Rate Option (RRO)</li> <li>2. If no clarity is received from the Government of Alberta with respect to Recommendation #1 above, resume Item 6.1.2, Potential Changes to Local Access Fees – Budget Implications and Calgarian Impacts C2023-1180, at the 2024 March 18 Strategic Meeting of Council;</li> <li>3. Direct Administration to prepare a public release based on non-market sensitive information from the Confidential Attachments linked to Confidential Report Potential Changes to Local</li> </ol>

			<p>Access Fees – Budget Implications and Calgarian Impacts, C2023-1180;</p> <ol style="list-style-type: none"> <li>4. Provide Administration with any further questions of clarification or requests for information on this item, with a 2024 January 19 deadline for those submissions;</li> <li>5. Direct that the Closed Meeting Discussions, Confidential Report, and Confidential Attachments be held confidential pursuant to Section 24 (Advice from officials) of the <i>Freedom of Information and Protection of Privacy Act</i>, to be reviewed no later than 2026 December 31; and</li> <li>6. Direct that, notwithstanding Recommendation 5, the Closed Meeting Discussions, Confidential Report, and Confidential Attachments be released to Corporate Planning and Performance, to be shared with Administration, only where required, to support next steps.</li> </ol>
2023 November 7; 2023 November 20-22	C2023-1148	2023 November Adjustments to the 2023-2026 Service Plans and Budgets	During the 2023 November Adjustments to the 2023-2026 Service Plans and Budgets, Council members discussed the anticipated research and analysis of the Local Access Fee (LAF) methodology on the revenue stream reliability and reduction of volatility that would have positive impacts on Calgarians. Council approved a one-time \$10 million support package to provide emergency support to Calgarians experiencing vulnerabilities. Council also approved an increase franchise fee revenue (which also includes Local Access Fees) of \$15 million funding ongoing operating investments.
2023 October 3	C2023-1042	The History, Prior Research and Spending of Local Access Fees	A briefing was given on the history, prior research and spending of local access fees.
2023 September 26	C2023-0960	Municipal Fiscal Gap	This report identifies a persistent municipal fiscal gap because of the fundamental design of the fiscal model of all orders of government. It presents potential new revenue tools that have the potential, in the future, to contribute to improving municipal finance sustainability. An evaluation criteria framework on revenue options is proposed in this report to support values-based decision-making of Council.
2023 September 12	C2023-0959	The Impact of Local Access Fees on Affordability	A verbal report was provided to Council.

2023 March 21	C2023-0324	Approaches for Determining Local Access Fees	A confidential presentation at a Strategic Session of Council outlined The City's approach to LAF.
2023 January 31	EC2023-0077	Approaches for Determining Local Access Fees	A confidential presentation to the Executive Committee that outlined The City's approach to LAF.
2017 April 13	GP2017-0301	Renewal of The City of Calgary – ENMAX Franchise Fee Agreement	The most recent comprehensive review of the LAF methodology utilized for electricity, brought before the Gas, Power and Telecommunications Committee as a <b>confidential</b> report. The Committee discussed the methodologies of calculating the Franchise Fees used in Alberta and the consequences of using one methodology compared to alternatives. Council endorsed the continuation of using the current franchise fee rate and gross revenue methodology. The report also included six appendices that compared franchise fee methodologies, outlined municipal revenue implications, and outlined the agreement with ENMAX. The ENMAX franchise fee agreement was later approved by the Alberta Utilities Commission and is effective for 2018 to 2037.