

**Planning & Development Report to  
SPC on Utilities and Corporate Services  
2018 September 12**

**ISC: UNRESTRICTED  
UCS2018-1020**

**One Calgary 2019-2022. A Healthy and Green City – Service Plan Previews**

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**EXECUTIVE SUMMARY**

Making life better every day for Calgarians is our common purpose. The City of Calgary delivers on this purpose by being a service and results-driven, accountable and resilient municipal government, placing citizens, customers and communities at the forefront of our plans, decisions and actions.

The 2019-2022 plan and budget is being developed in an environment of constrained resources, including both operational and capital funding, when compared to previous business plan and budget cycles that were approved during more positive economic times. Administration continues to work to integrate operating and capital budgets and balance the next four-year service plan and budget within the indicative tax rate set by City Council on 2018 April 25.

In times of constrained resources, it is important to maximize service value and return on investment and provide a strategic focus for the next four-year plan and budget cycle, building on direction from City Council, citizens, communities and customers.

On 2018 September 12 Utilities and Corporate Services Committee will be presented with the preliminary results of this work with regards to the citizen priority “A Healthy and Green City” and the City services that have been grouped under this priority. These services are an integral part of the overall corporate strategy that forms the comprehensive One Calgary 2019-2022 service plan and budget.

Please note that services have been grouped according to the Council directives and priorities that they align closest with. In some cases, the alignment may appear as somewhat artificial. The services were grouped in this manner to improve the presentation to Committee and so as not to overwhelm each Committee session. This approach allows for a more in-depth and structured conversation with Committee on a limited amount of services, as opposed to discussing all City services at once. It is also acknowledged that there is overlap between services and various priorities; more services than appear under each priority contribute to that priority and the respective Council Directives.

**ADMINISTRATION RECOMMENDATION:**

That the Utilities and Corporate Services Committee:

- (1) Receive this Report for information.

**PREVIOUS COUNCIL DIRECTION / POLICY**

Please note that, for legibility purposes, only previous Council direction from the last three months are listed below.

On 2018 April 23 (PFC2018-0445), Council approved The City’s Strategic Plan Principles, which introduce a set of five overarching principles and associated value dimensions for One Calgary which will guide the development of the 2019-2022 service plans and budgets.

On 2018 April 25 (C2018-0489) Council approved the indicative property tax rate and the indicative rates for the Waste & Recycling service. At the same meeting, Council referred the decision on indicative rates for Water Utilities (Water, Wastewater and Stormwater) to the 2018 June 18 Strategic Council Meeting.

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On 2018 May 16 (C2018-0586) Council approved the long-term tax support rates, and the deferral of long-term tax support rates for Appeals and Tribunals to the 2019 service plans and budgets adjustment process.

On 2018 June 18 (C2018-0755) Council approved the application “Improving Budget Transparency” to the Council Innovation Fund. Also, on 2018 June 18 (C2018-0787) Council approved indicative rates for the Water Utility (Water, Wastewater, and Stormwater).

On 2018 July 30 (C2018-0900) Council discussed Administration recommendation regarding the New Community Growth Strategy and approved (a) as part of One Calgary 2019-2022 four year service plan and budget, a property tax rate increase of up to 0.75% in 2019 to fund the capital and direct incremental operating budgets necessary to support development of 14 new communities; (b) approve, as part of One Calgary 2019-2022 four year service plan and budget, a water utility rate increase of up to 0.5% per year to fund the specific capital budget necessary to support development of these communities; (c) confirm its intention to provide, through 2023 and future years’ capital and operating budgets, the necessary public infrastructure and services to serve and support these communities; and (d) in 2022, use the Fiscal Sustainability Reserve (FSR), to a maximum of \$4 Million, to fund the cost of capital for the New Community Growth Strategy included in the One Calgary 2019-2022 budget, if required; and (e) use the capacity that is created from the use of the FSR to fund, on a one time basis, the shortfall in operating cost in 2022 attributable to South Shepard.

**BACKGROUND**

2018 September 12 Utilities and Corporate Services Committee is the fourth meeting of a series of successive conversations throughout September to support City Council’s expressed desire to be strategic about resource decisions for the 2019-2022 plan and budget. Acknowledging that we are still eight weeks away from tabling the 2019-2022 plan and budget in November, these conversations are not designed for Council members to make final decisions. Rather, Council will receive comprehensive information on The City’s 61 services and will be asked to provide feedback which will be used to determine required changes to finalize the 2019-2022 service plans and budgets.

On 2018 September 4 One Calgary presented to the Priorities and Finance Committee both the One Calgary 2019-2022 corporate introduction to service plan previews (PFC2018-0974) and the preview of the services for the “A Well-Run City” citizen priority (PFC2018-1023). This was followed by the preview of services for “A Prosperous City” at the Community and Protective Services Committee (CPS2018-1018) on 2018 September 5, and the preview of the services that contribute to “A City That Moves” to the Standing Policy Committee on Transportation & Transit (TT2018-1019) on September 6.

At the 2018 September 12 Utilities and Corporate Services Committee the service plan preview is continued with the services grouped under the citizen priority “A Healthy and Green City”. As for the previously presented services Administration seeks to gather intel from Committee members if the overall focus of the services responds appropriately to the aspiration of the citizen priority, and whether the intended emphasis and the preliminary service levels for each of the services meet the expectations set by Council Directives, the City’s long-term plans and policies, and by Calgarians.

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### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

#### **Citizen priority “A Healthy and Green City”.**

The aspiration for this citizen priority is described as follows:

*“Calgary is a leader in caring about the health of the environment and promotes resilient neighbourhoods where residents connect with one another and can live active, healthy lifestyles.”*

City Council provided the following directives for this priority:

(H1) Calgary needs to address climate change in a way that engages Calgarians, resonates with the majority, and doesn't alienate people. We need to lever incentives that focus on the economic benefits of addressing climate change (such as business diversification, job creation, opportunities for small businesses and all Calgarians) and align The City's climate change strategies with other orders of government and industry initiatives.

(H2) Calgary and The City should become nationally and internationally competitive by embracing a low carbon economy, fostering alternative energies and developing strategies to reduce adverse impacts and vulnerabilities resulting from climate change.

(H3) Integrated watershed management is essential to protect public health and the environment, while strengthening our resiliency to a changing climate. Calgary must develop our communities with a focus on achieving future water security and a sustainable water supply. Accordingly, watershed management must be integrated into our land use policies, plans and decisions. Accomplishing sustainable, effective watershed management within Calgary and the region will also require working collaboratively with other orders of government, adjacent municipalities, residents, landowners, developers, businesses, and the First Nations.

(H4) We must also develop strategies to create communities that support healthy lifestyles and interaction amongst residents (walkability, pedestrian, bike and public transit connections) to reduce and prevent social isolation. Partnerships with community groups, not-for-profits and businesses will encourage the development of public meeting places that can be used by Calgarians of all ages, abilities and during all seasons.

(H5) We need to continue to implement a range of accessible and affordable recreational programs and opportunities that encourage active daily living. Continuous investment in indoor and outdoor recreation facilities that address the changing needs of Calgarians will be important to support healthy lifestyles for all.

(H6) Finally, we must continue to make parks and green spaces a priority and proactively seek to increase green space in neighbourhoods.

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### **Service plan previews**

Council will be presented with a preview of the following services that most closely align with this priority:

- Environmental Management
- Parks & Open Spaces
- Recreation Opportunities
- Stormwater Management
- Urban Forestry
- Waste & Recycling
- Wastewater Collection & Treatment
- Water Treatment & Supply

The services under the citizen priority of “A Healthy and Green City” deliver on The City’s environmental goals and support active and healthy lifestyles for all Calgarians. Citizens experience the value these services provide during every day life, whether they enjoy leisure time at The City’s recreation facilities or many parks and open spaces; benefit from garbage collection and recycling efforts; or have access to high quality drinking water. Accordingly, many of the services are highly important to citizens, and a strong majority believes The City should invest more in these services (Parks and Open Spaces, Stormwater Management, Urban Forestry, and Environmental Management).

Attachment 1 includes the draft of the first two pages of the 2019-2022 service plans and budgets for each service. The information contained in these two pages includes a description of each service and its customers, the value proposition for the service in question, some key measures such as benchmarks, key highlights and performance measures, and context for the service such as the Council directive(s) the service relates to, research & engagement results, and risks.

Council will be presented information about the intended emphasis for each service and a preliminary assessment of the service level as part of the report presentation. This information is still being finalized and could therefore not be included in this report. It is important to highlight that “service emphasis” needs to be understood in the broader context of One Calgary. Focus and emphasis can be achieved in different ways, only one of which is actual monetary investment. Other opportunities include collaboration and support between services (many-to-many relationships), efficiencies and effectiveness that provide a more focussed approach to service delivery (concentrate on what matters most to citizens) or a reprofiling of how a service is delivered.

For the services within the “healthy and green” priority, the service plans for 2019-22 generally represent a maintenance of the levels of service that Calgarians have come to expect. The service plans for almost all services in this priority area consider actions to improve the efficiency and effectiveness of the services. This allows service levels to be maintained under increasingly constrained resources. There will be a change in service level for both Environmental Management and Urban Forestry. Environmental management will see an increased focus on climate change because of Council’s direction. Urban Forestry will see a decline in the level of service because of the reduced level of investment, with a focus on protecting existing trees over planting new.

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### **Stakeholder Engagement, Research and Communication**

The work of One Calgary involves service leaders from across the organization and engaged with service owners for all 61 services lines on a regular basis. Results from the One Calgary public engagement and market research conducted throughout the program were used to guide the development of the 2019-2022 service plans and budgets to date. Communication about the process in general and specific aspects were provided to service owners, City staff and the public on a regular basis.

### **Strategic Alignment**

The One Calgary program implements The City's strategic plan "Three Conversations, One Calgary" and follows Council's Five Strategic Plan Principles (PFC2018-0445). The program directly addresses the commitment to service-based plans and budgets and contributes to Council's Five Guidelines to Administration approved by Council on 2018 February 28 (C2018-0201): integrated service delivery, engaged leadership, trust and confidence, investment and value, and cooperative alliances.

### **Social, Environmental, Economic (External)**

The One Calgary 2019-2022 service plans and budget consider the social, environmental and economic environment during the business planning and budgeting process. The plans and budget will be developed using a results-based performance framework. This includes information on how each City service contributes to quality of life for Calgarians and their aspirations for the community.

### **Financial Capacity**

Operating and capital budgets have been integrated under the umbrella of One Calgary.

#### ***Current and Future Operating Budget:***

The service levels that will be recommended in November for the 2019-2022 service plans and budgets will be expected to be attainable within the indicative tax rate range set by Council on 2018 April 25. Due to ongoing work to balance the operating and capital budgets, specific budget information will not be provided during the September service plan previews.

#### ***Current and Future Capital Budget:***

Infrastructure Calgary is currently reviewing capital investment requests and working to optimize the capital funding resources available for the 2019-2022 plan and budget cycle. Given the reduced funding available, there will be less reinvestment in existing infrastructure over the next four years, resulting in a decline in the condition of some assets and a potential increase in the long-term risk to service. The recommended capital budget will be presented to Council in November.

### **Risk Assessment**

The One Calgary 2019-2022 service plans and budget must be considered in the context of realistic external changes that can have a significant impact on The City's financial capacity. The areas of focus and strategies captured within this report and the attached material should

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be seen as part of a long-range plan with focus on a four-year increment. It will be important to ensure sufficient contingency and resiliency within the next four-year plans and budget for The City to react to changes due to a potential new provincial government, ever-fluctuating natural resources prices and other external factors.

The Principle Corporate Risks most impacted are reputation risk; operations & process risk; and legal and compliance risk. Overall, The City's risk profile will increase moderately which means current risk management strategies and processes in place are expected to be able to cope with this increase. Re-prioritization and modified response techniques may be required following The City's regular, biannual risk reviews.

**REASON(S) FOR RECOMMENDATION(S):**

The September 2018 preview of service plans allow Administration to gather feedback from City Council that will be used to guide the finalization of the One Calgary 2019-2022 service plans and budgets which will be tabled for approval in November. As such no decision is required from Council during this preview.

**ATTACHMENT(S)**

1. Attachment 1 – First two pages of each of the One Calgary 2019-2022 service plans and budget pages for A Healthy and Green City
2. Administration's Presentation