

## Item 6.3 One Calgary 2019-2022 – Corporate Introduction to Service Plan Previews

Priorities & Finance Committee (PFC2018-0974)

September 4, 2018

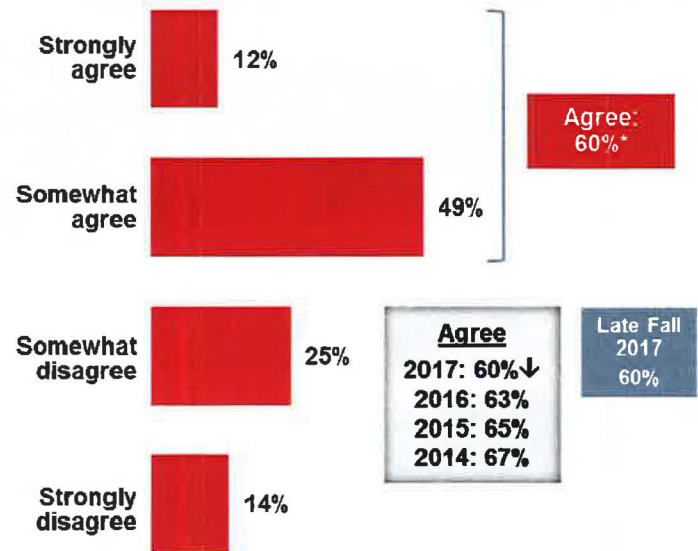
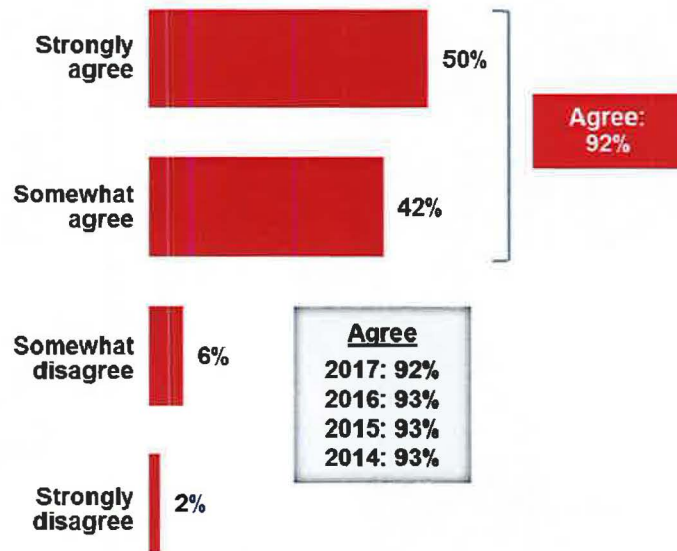


# Increasing transparency for citizens

CITY OF CALGARY  
**RECEIVED**  
 IN COUNCIL CHAMBER PFC2018-0974  
 ATTACHMENT 1  
 SEP 04 2018  
 ITEM: 6.3  
PFC2018-0974  
 CITY CLERK'S DEPARTMENT

*I am interested in knowing how my property tax dollars are invested in various City services*

*The City does a good job of providing citizens with information about how their property tax dollars are invested in various City services*

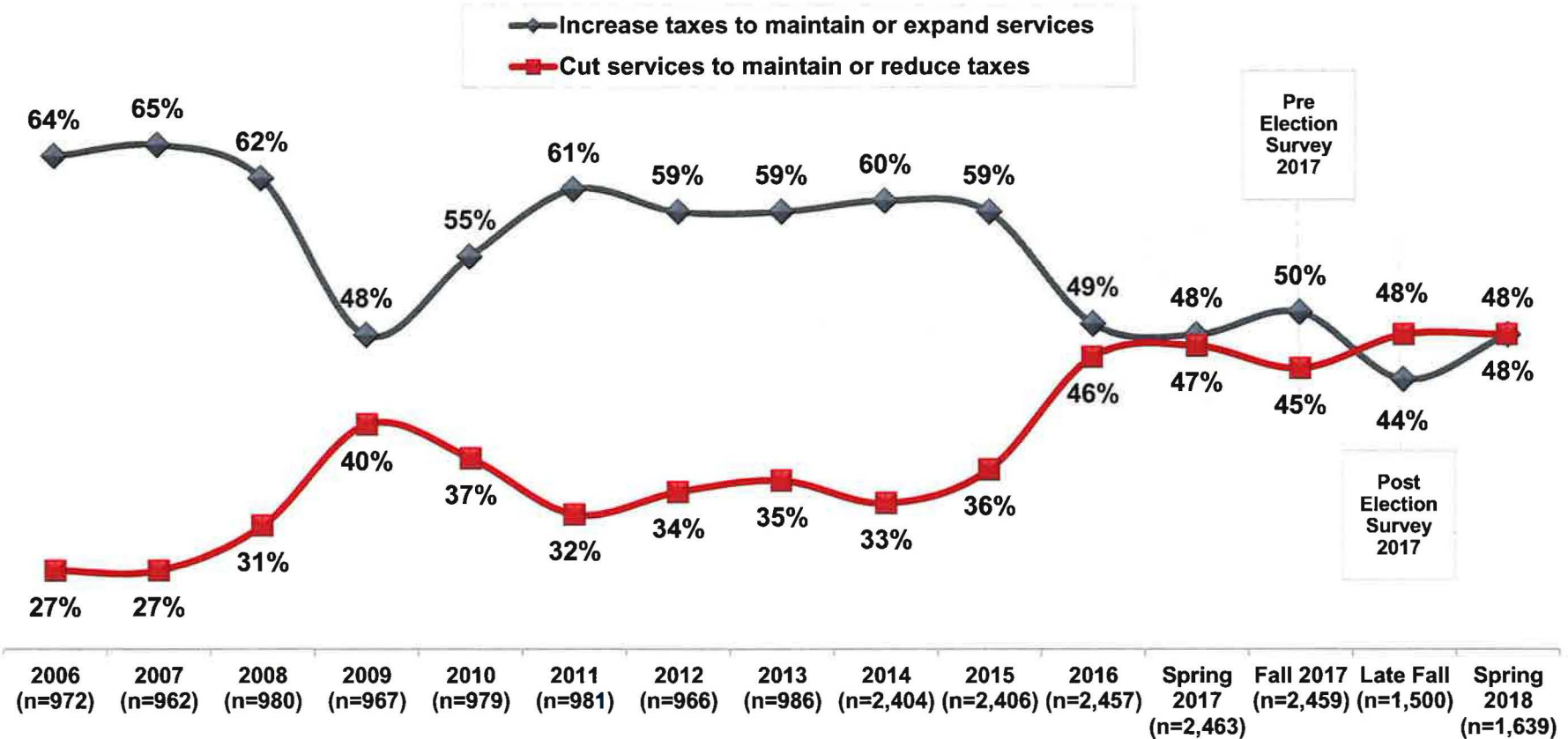


\*Rounding

Please indicate if you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each of the following statements.  
 Base: Valid respondents (n=2,488 / n=2,464)



# Tracking Balancing Taxation and Service Delivery Levels: Increase Taxes versus Cut Services



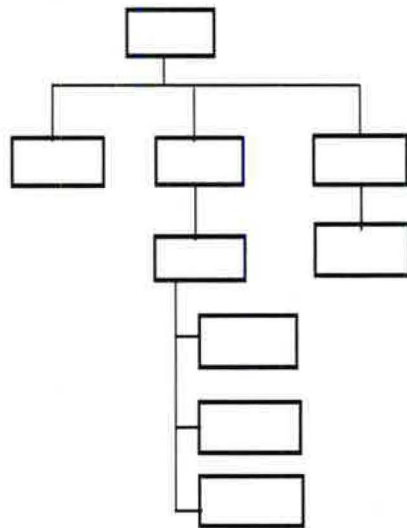
Municipal property taxes are the primary way to pay for services and programs provided by The City of Calgary. Due to the increased cost of maintaining current service levels and infrastructure, The City must balance taxation and service delivery levels. To deal with this situation, which of the following four options would you most like The City to pursue?

Base: Valid respondents

\*Rounding

## Focusing our plans and budgets on what matters most to citizens

Intentional shift in focus from **how** we do things and **who** does them, to **what** services citizens are receiving and **why**

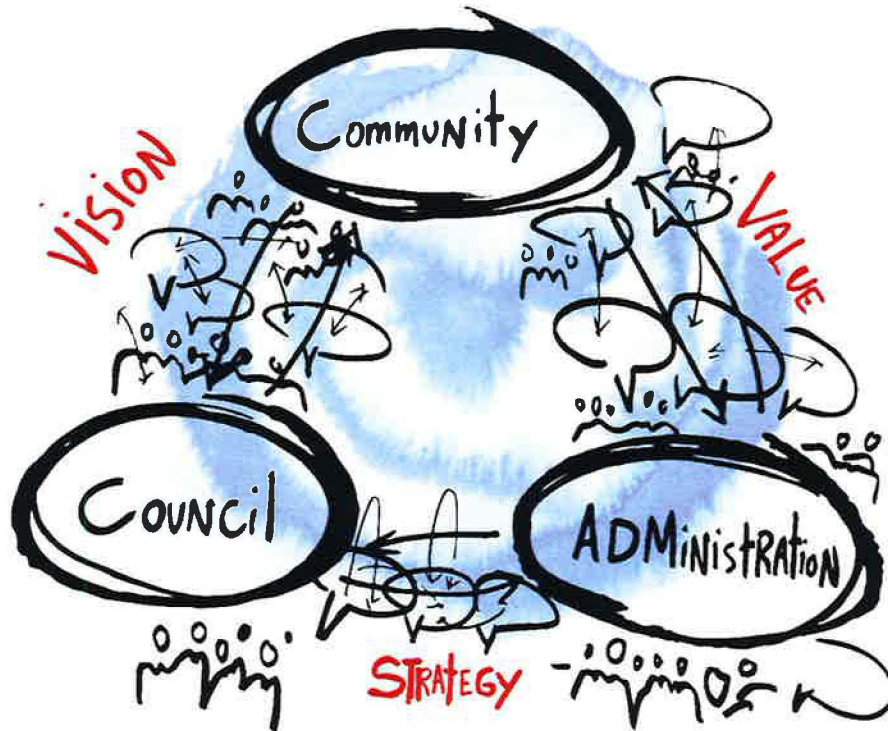


### Organizational Focus:

E.g. **Two business units:** Roads, Parks

### Service Focus:

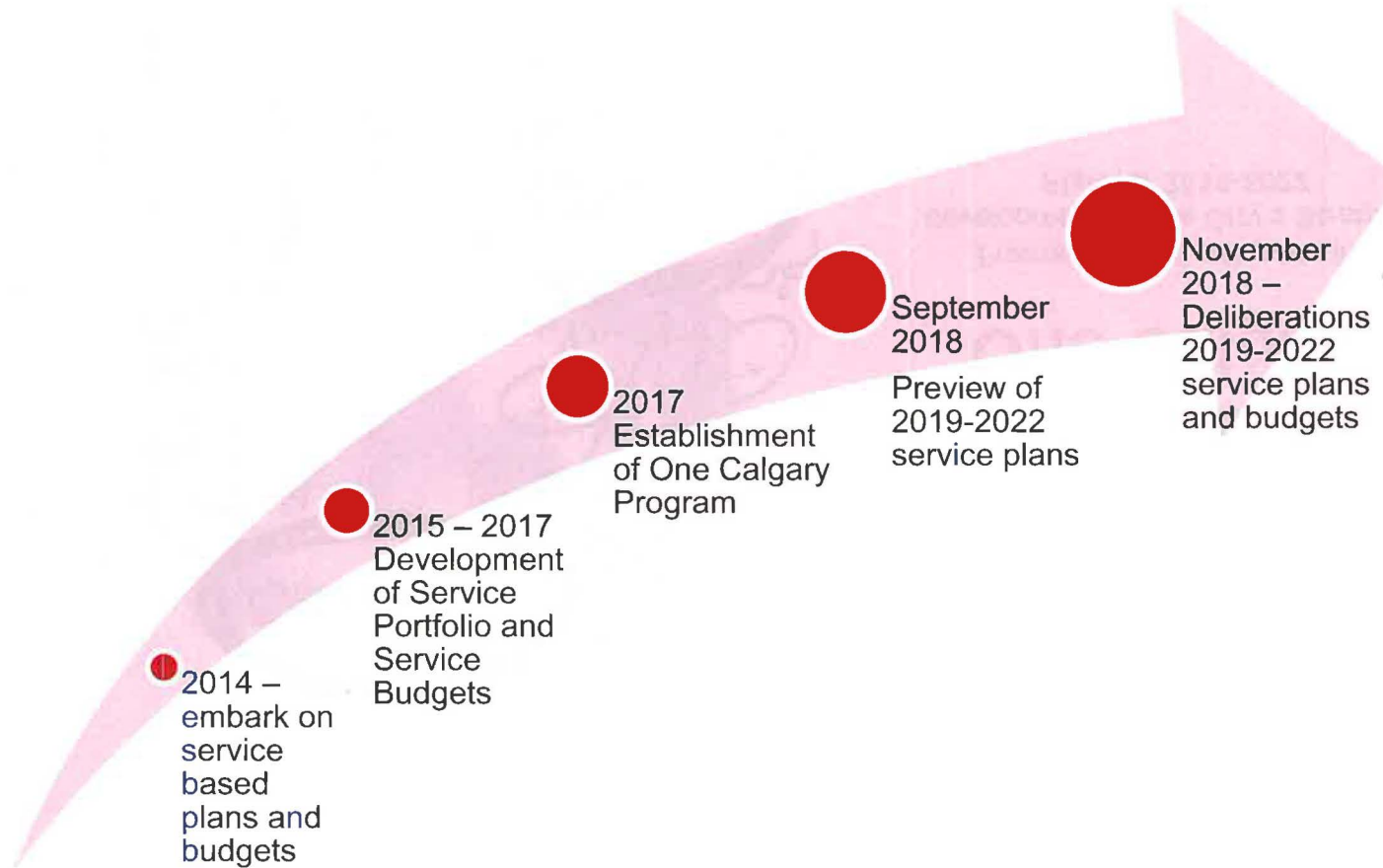
E.g. **One service:** Sidewalks & Pathways



## Three Conversations, One Calgary

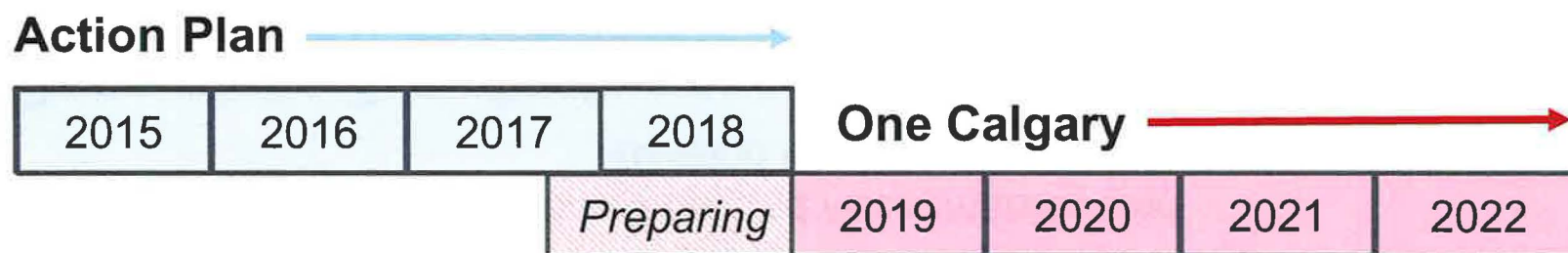
Framework that will guide the  
development of The City's Strategic  
Plan for 2019-2022

# Journey to service-based plans and budgets



# From Action Plan to One Calgary

Moving to service-based plans and budgets

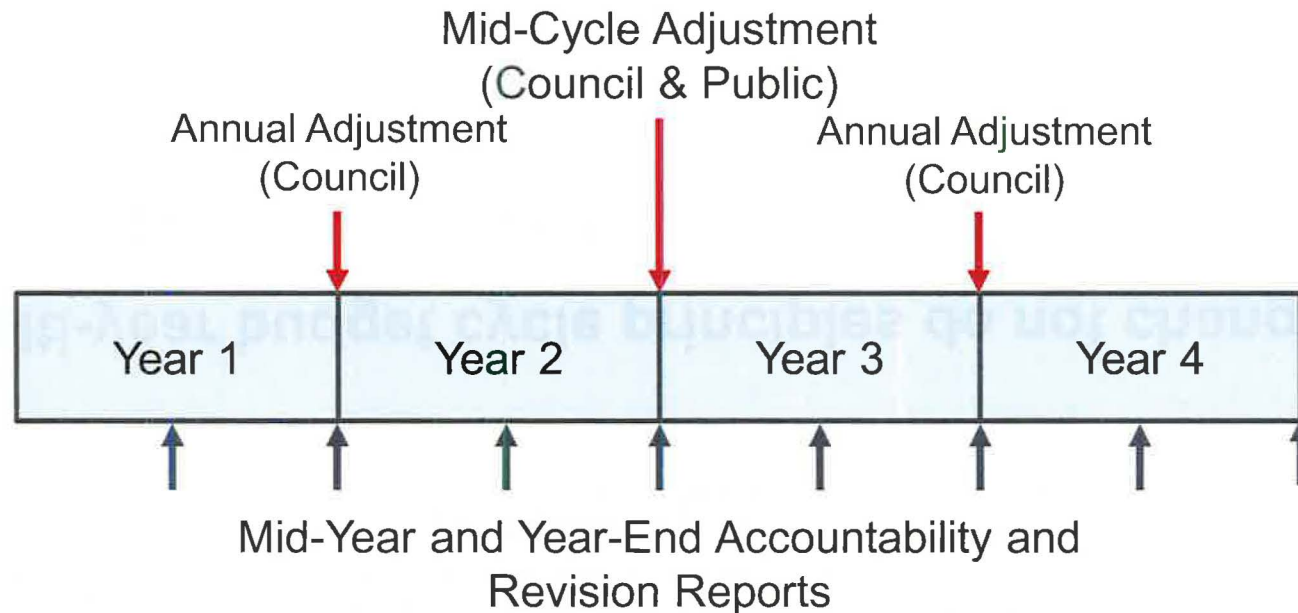


**Multi-year budget cycle principles do not change**

- Approval, monitoring, reporting, adjustment



## The Four Year Cycle



**Once plans & budgets approved, there are opportunities to make changes during:**

- Annual adjustments
- Mid-Cycle adjustment
  - Review plans, revisit Council Priorities, engage citizens



## Innovation Fund Update – Telling the Service Story on Calgary.ca



# Project Phases

## ONE

### Service Plans and Budget 2019-2022

Budget engagement

Budget documents

April 2

**COMPLETED**

## TWO

### Our Strategy

The Story of One Calgary:

Why we're changing

How we're changing

June 18

**COMPLETED**

## THREE

### Our Services

Preview of service lines

August 28

**COMPLETED**

## FOUR

### Our Services

The story of our services

Service-line value dashboards

Tax breakdown tool

December

**TO DO**

Calgary



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# Calgary.ca Service Pages



# Our Services

## FIRE DEPARTMENT

### On the job, for you

Vestibulum vivit interdum nish miclosile, est viverra donec. Class lullamcorper lacus diam ipsum donec. Quis porttor ut, mauns et, luctus morbi interdum, metus accusantium.

## 42 Services

[View all City services](#)



Highlighting our services



# Viewing Service Lines



1 Select service categories

Service category:

2 Service line information



### Affordable Housing

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### Environment

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### Water

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3 View service

[Primary button >](#)

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### Transit

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### Roads

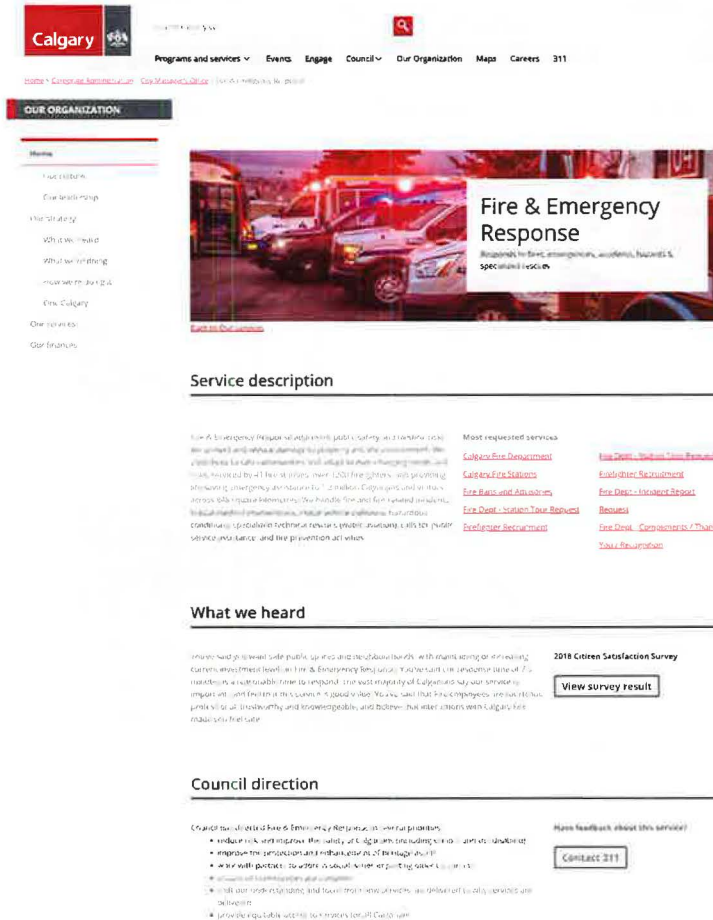
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### Recycling

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# Service line profiles



The screenshot displays the 'Fire & Emergency Response' service line profile on the City of Calgary website. The page features a navigation menu at the top, a 'OUR ORGANIZATION' sidebar, and a main content area with a hero image of fire trucks. The main content includes a 'Service description' section with a text block and a list of 'Most requested services' with links. Below this is a 'What we heard' section with a text block and a '2018 Citizen Satisfaction Survey' link. The 'Council direction' section at the bottom lists several strategic goals for the service line.

## Service description

Fire & Emergency Response delivers public safety and emergency services to protect lives and property from fire, fire-related incidents, and other emergencies. Fire & Emergency Response provides fire suppression, fire investigation, fire safety education, and fire prevention services. Fire & Emergency Response also provides fire investigation, fire safety education, and fire prevention services. Fire & Emergency Response also provides fire investigation, fire safety education, and fire prevention services.

**Most requested services**

- [Calgary Fire Department](#)
- [Calgary Fire Stations](#)
- [Fire Alarm and Dispatch](#)
- [Fire Dept - Vehicle Tour Request](#)
- [Firefighter Recruitment](#)
- [Fire Dept - Truck Show Program](#)
- [Evolutionary Recruitment](#)
- [Fire Dept - Fire Alarm Report](#)
- [Recruits](#)
- [Fire Dept - Community / Thank You / Recognition](#)

## What we heard

2018 Citizen Satisfaction Survey

[View survey result](#)

## Council direction

Have feedback about this service?

[Contact 311](#)

- Reduce risk and improve the safety of Calgary residents and businesses
- Improve the satisfaction and reliability of Fire & Emergency Response
- Use all available resources to reduce the number of emergency calls
- Improve the sustainability and financial health of Fire & Emergency Response
- Provide equitable access to services for all Calgary residents



## Marketing campaign

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- One Calgary is developing a campaign to promote these new, more engaging tools and the information new available to citizens on Calgary.ca
- It will follow the release of the finalized 2019-2022 service plans and budgets and will be live December and January



# Financial Overview and Update





## Population growth will increase in 2019-2022, but still slower than before the downturn

### Economic Projections (April 2018) Updated for 2018 Population numbers

Socio-Economic Indicator	2018	2019	2020	2021	2022	Trend	
Population <sup>1</sup> (000s)	1,259	1,267	1,272	1,285	1,303	1,323	↑
Population Growth (%)	0.9	1.0	1.1	1.4	1.4	↑	
Housing Starts (000s)	4.4	4.1	5.9	8.0	9.6	↑	
Unemployment Rate (%)	7.8	7.3	6.6	6.3	5.9	↓	

1. Population for 2018 has been updated since April 2018 with the 2018 Census data. All projections above will be updated in the fall Economic Outlook.



## The increasing cost of goods and services has an impact on the cost to deliver City services

### Economic Projections (April 2018)

Socio-Economic Indicator	2018	2019	2020	2021	2022	Trend
Calgary Consumer Price Index (CPI)	2.0	2.0	2.0	1.8	2.2	Stable
Municipal Price Index (MPI) (%)	2.4	1.4	2.1	2.0	2.1	Stable
Natural Gas Price (\$Cdn/Gigajoule)	2.4	2.5	2.9	3.1	3.3	↑
Oil Prices - WTI (\$US/barrel)	58.7	57.9	59.7	61.1	62.1	↑
Oil Prices - WCS (\$US/barrel)	40.5	44	48	51.6	52.5	↑



## Indicative Tax Rate Approved for 2019-2022 – Updated for Growth decisions since April 25, 2018

Proposed Rate Range Per Year	2019	2020-2022
Indicative Tax Rate Range without inflation	1.3% to 1.6%	1.3% to 1.6% per year
Indicative Tax Rate Range inflation	0.8% to 1%	0.8% to 1% per year
WRS Financial Policy change	(1.3%) base impact in 2019	---
<b>Total Proposed Indicative Tax Rate Range without Growth</b>	<b>0.8% to 1.3%</b>	<b>2.1% to 2.6% per year</b>
Indicative Rate for Actively Developing Communities *	1.4% base impact in 2019	0.4% per year
Indicative Rate for New Communities*	0.45% to 0.75% base impact in 2019	---
<b>Total Proposed Indicative Tax Rate Range with Growth</b>	<b>2.65% to 3.45%</b> <b>2.95%</b>	<b>2.5% to 3% per year</b>

Indicative tax rate will focus on maintaining service levels as much as possible in services that are aligned to Council's priorities

\* Growth tax rate is based on July 30, 2018 Council decision



## Budget constraints

- The approved indicative tax rate, along with our efficiencies and effectiveness strategies, allow for an operating budget that is mainly focused on maintaining current level of service for most of the services. Anything above this requires more investments decisions.
- Service level reductions in some services are required to balance within the indicative tax rate and some reductions are required in order to be redirected to higher priority services
- Some services will see an overall decrease in their operating budget over the next four years
- Significant Council commitments that have been already made that must be afforded in the non-inflation indicative tax rates (e.g. BRT, CADA, Main Streets impacted the investment decisions)
- Due to a constrained capital budget, not all essential capital asks can be funded. Infrastructure Calgary has worked with the organization to ensure the most essential capital investments are recommended (meet legislative, regulatory, public safety, critical infrastructure etc).



## Funding Direction for Approved New Communities (2019 -2022)\*

Tax Rate Increase Approved	Up to <b>0.75%</b> base increase in 2019
Water Utility Rate Increase Approved	Up to <b>0.5%</b> annual increase
Additional Funding	Up to \$4 million in 2022 to fund the cost of capital
# of Communities Supported	14 communities
Total Infrastructure Capital Investment Supported	\$266 million
Tax-Funded City Share of Capital Investment Supported	\$40 million
Tax- Funded Operating Budget	\$14 million

\*Approved at 2018 Jul 30 Combined Meeting of Council, “New Community Growth Strategy 2018 – Further Review and analysis Directed Through PFC2018-0678”, C2018-0900.

\*\*Only the Direct Incremental Operating Costs are funded from the tax rate



## 27 Actively Developing Communities

Funding Direction for Actively Developing Communities (2019-2022)*	
Indicative Tax Rate Approved	1.4% in 2019 0.4% per year, 2020 - 2022
# of Communities Supported	27 communities
Total Infrastructure Capital Investment Supported	\$119 million
Tax-Funded City Share of Capital Investment Supported	\$58 million
Tax- Funded Operating Budget	\$77 million

\*Approved at 2018 Apr 25 Strategic Meeting of Council, "One Calgary: Setting Indicative Rates for 2019-2022", C2018-0489.

\*\* Only the Direct Incremental Operating Costs are funded from the tax rate



# Unfunded Initiatives potentially impacting 2019-2022 plan and budget

## Unfunded initiatives

- Affordable Housing (partial funding recommended)
- Arts Commons
- BMO Convention Centre
- Event Centre
- Fieldhouse
- Green Line (operating budget)
- 2026 Olympic and Paralympic Winter Games
- Snow and Ice Control – Enhanced Sidewalks
- Additional resources to support growth strategy review and update



Investment desires beyond the set indicative tax rate – currently unfunded



## Optimizing Constrained Capital

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- The capital environment for the 2019-2022 cycle is different than past cycles – **funding sources are more constrained yet demand for capital remains high.**
- **53/61** services with a capital budget request.
- **There is a significant gap between available funding and the capital requested by services.**
- Infrastructure Calgary has been working to prioritize investments and use an allocation process that **optimizes restricted sources and effectively utilizes the 2019-2022 capital funding capacity.**





## Optimizing Constrained Capital cont'd

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- Infrastructure Calgary introduced a corporate capital investment management process that uses an **integrated and coordinated approach to capital planning, prioritization and funding.**
- This approach aligns investments by service, identifies efficiencies and achieves economies of scale, **optimizing funding and value to citizens.**
- Each capital request evaluated against corporate criteria to categorize the investment - **essential**, current or enhanced.
- Confirmed available corporate funding (e.g. corporate reserves, grants, remaining Infrastructure Calgary capacity).
- Compared funding capacity to essential capital asks to determine the potential **funding gap.**



## Optimizing Constrained Capital cont'd

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- **Not all essential capital asks can be funded.**
- Infrastructure Calgary worked with Service Owners to reduce the essential ask. Service owners reviewed and refined their essential ask capital four times.
- **Infrastructure Calgary also facilitated the following:**
  - Conducted data analytics to further categorize essential capital investment (i.e. Legal, Critical Infrastructure).
  - Identified services that are self supported or business cases that could be fully or partially funded by business unit specific funding sources.
- **Need to balance** growth commitments with other investments identified in Citizen Priorities and Council directives, and address the **infrastructure gap.**



# One Calgary – Service Plan Preview



# Cross-corporate service plan strategies

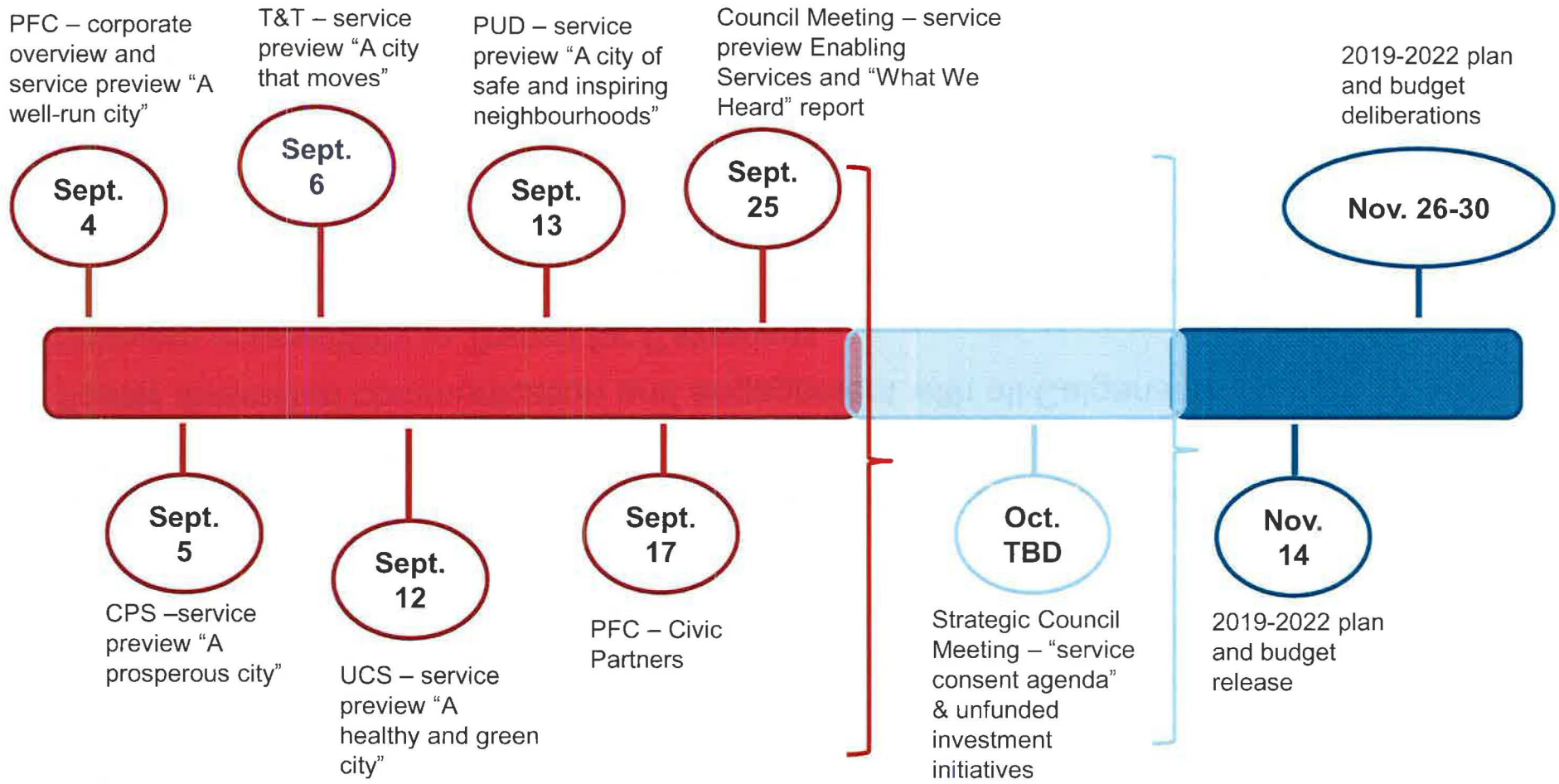




## Cross-corporate service plan strategies

- Build a resilient transportation network
- Build a more resilient and sustainable city
- Develop a dynamic and diversified economy
- Develop strategies to manage greenhouse gas emissions and reduce climate change risks and vulnerabilities
- Foster diversified communication and engagement with all Calgarians
- Increase accessibility to Transit for Calgarians
- Manage growth in a way that achieves the best possible social, environmental and economic outcomes within financial capacities
- Protect historic resources and promote arts and culture
- Provide sufficient supply of affordable housing
- Reduce corporate risks and strengthen safety and insurance
- Strengthen indigenous relations
- Support the delivery of City of Calgary services through enabling services

# Journey from September preview to November deliberations



# September Conversations with Council and Committees

## Corporate Introduction



## Service Plan Previews



## Corporate Conclusion

- ❑ **Sept 4 PFC:** Corporate Introduction to Service Plan Previews

- ❑ **Sept 4 PFC:** A Well-Run City
- ❑ **Sept 5 CPS:** A Prosperous City
- ❑ **Sept 6 T&T:** A City That Moves
- ❑ **Sept 12 UCS:** A Healthy & Green City
- ❑ **Sept 13 PUD:** A City of Safe & Inspiring Neighbourhoods
- ❑ **Sept 17 PFC:** Civic Partners
- ❑ **Sept 25 Council:** Enabling Services

- ❑ **Sept 25 Council:** Summary of input and themes from the Service Plan Previews to support Council in a strategic discussion across all services that provides Administration with guidance to inform the budget process ahead

# Information provided by individual Citizen Priority

## Individual Citizen Priority story

Delivering value and key drivers

## Individual service story

First two pages of service plans and budgets

## Individual service direction of travel

Service emphasis, level and what we propose to do

### A Well-Run City

Calgary has a modern and efficient municipal government that is focused on resilience and continuous improvement to make life better every day for Calgarians by learning from citizens, partners, and others



- Contributing services**
  - Appeals & Tribunals
  - Urban Engagement & Insights
  - Citizen Information & Services
  - City Auditor's Office
  - Corporate Governance
  - Council & Committee Support
  - Executive Leadership
  - Mayor & Council
  - Municipal Elections
  - Property Assessment
  - Records Management, Access & Privacy
  - Taxation

### Emergency Management and Business Continuity

**What we've heard and service outlook**

**2018 Operating Budget**

**2019 Operating Budget**

**2020 Operating Budget**

**2021 Operating Budget**

**2022 Operating Budget**

**2023 Operating Budget**

**2024 Operating Budget**

**2025 Operating Budget**

**2026 Operating Budget**

**2027 Operating Budget**

**2028 Operating Budget**

**2029 Operating Budget**

**2030 Operating Budget**

**2031 Operating Budget**

**2032 Operating Budget**

**2033 Operating Budget**

**2034 Operating Budget**

**2035 Operating Budget**

**2036 Operating Budget**

**2037 Operating Budget**

**2038 Operating Budget**

**2039 Operating Budget**

**2040 Operating Budget**

**2041 Operating Budget**

**2042 Operating Budget**

**2043 Operating Budget**

**2044 Operating Budget**

**2045 Operating Budget**

**2046 Operating Budget**

**2047 Operating Budget**

**2048 Operating Budget**

**2049 Operating Budget**

**2050 Operating Budget**

### Appeals & Tribunals

**Drivers**

- Legislative and regulatory changes
- Cannabis retail and subsidiary suite applications
- Legal challenges to Board decisions

**Key service highlights**

- 3,008 files or writs decisions were rendered
- 4,353 cases and motions, all administrative tribunals

**Intended service emphasis**

Decision Capital Efficiency Effectiveness

**Preliminary service level**

**What we propose to do**

- Provide impartial process for residents to challenge specific City decisions
- Implement the recommendations of the 2016 business process review
- Reduce printing, newspaper advertising and courier use
- Recruited increase in board member working hours to address increasing complexity and volume of files

**What we heard from Calgarians**

Five most important value dimensions of the service are:

- Legislative Compliance
- Responsiveness
- Integrity

Attachment 1 of each Service Plan Preview report



## September preview

First two pages per service

+ direction of travel for each service

The preview pages for 'Emergency Management and Business Continuity' include a 'Current State Service Value' section with four X% metrics and a 'What we've heard and service outlook' section with a 'Service Outlook' table.

The preview page for 'Appeals & Tribunals' features 'Key service highlights' with 3,008 cases and 4,353 cases, 'Intended service emphasis' with a progress bar, and 'What we propose to do' with a list of initiatives.

## November deliberations: Complete service plans and budgets per service for approval

The November deliberations pages include: 'Emergency Management and Business Continuity', 'What we've heard and service outlook', 'How is the Service performing, where we are headed and where do we want to go', 'What do we propose to do', 'What Operating Budget do we need to achieve these results and strategies?', and 'Recommended Capital Investment to Support Service Delivery'.

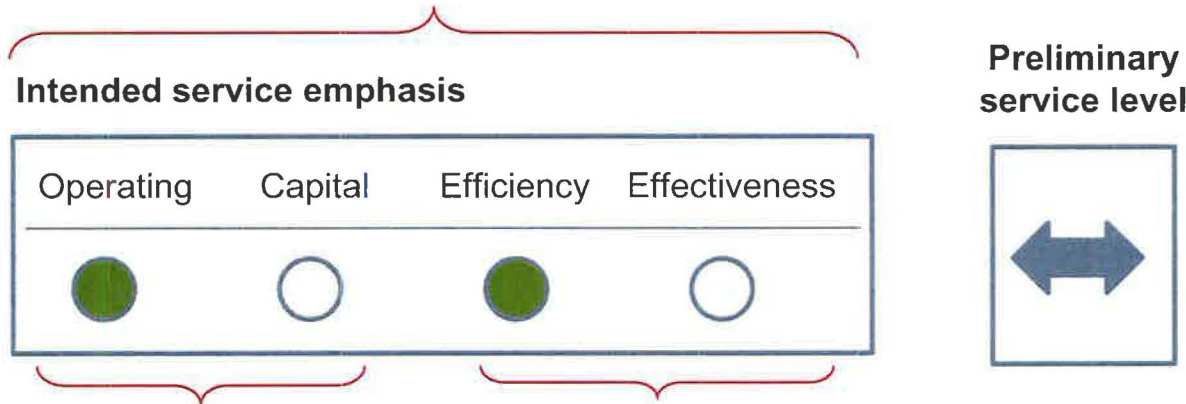
## Drivers

Key drivers that are influencing the proposed service strategies. This could include long-term plans and policy, Council Directives, citizen and customer input, risks, and/or trends.

## Key service highlights

Key measures, benchmarks or highlights that provide additional context about the service.

Highlights which levers have been “turned on” to achieve the intended service level



The impact of the levers identified is shown through the preliminary service level, which may increase, decrease or be maintained.

Green dots indicate preliminary budget recommendations are sufficient to maintain or enhance the service level

Green dots indicate a particular focus or substantial project to improve efficiency or effectiveness of the service

## What we propose to do

Overview of intended strategies for this service in 2019-2022, which provides some high-level context and explanation of the icons above.

## What we heard from Calgarians

Key findings or metrics about what citizens and customers are saying about the service.

## Adjusting these levers to optimize our overall results is the core of the One Calgary process





## Feedback, input and guidance – Facilitated discussion

- All information provided today
- Focus on “direction of travel” information by service
- Three questions:
  - 1) Have we met your expectations?
  - 2) What changes would you like to see?
  - 3) Which changes are most important?

### **ADMINISTRATION RECOMMENDATION:**

That the Priorities and Finance Committee receive this report for information.

### **Planned Administration Follow-Up**

Administration will summarize the input and themes from the Service Plan Preview meetings to support Council on September 25 in a strategic discussion across all services. This will provide Administration with clear guidance to inform the budget process ahead.