

**One Calgary Report to  
Special Meeting of Council  
2018 September 25**

**ISC: UNRESTRICTED  
C2018-1080**

## **2019-2022 One Calgary Service Plan Preview: Summary and Next Steps**

### **EXECUTIVE SUMMARY**

As part of a continued effort toward better demonstrating value to Calgarians, The City of Calgary is moving to service-based plans and budgets and a more collaborative, integrated and strategic approach to the planning and budgeting process. This includes ongoing opportunities for Council members and Calgarians to provide input into The City's draft 2019-2022 service plans and budgets before they are tabled for approval in 2018 November.

Building on the shift to a corporate view of infrastructure and capital investment, Infrastructure Calgary has produced refined numbers that identify a larger investment gap, as well as an overview of the process to identify capital priorities. New capital investment currently being discussed by Administration, with some previously identified exceptions, will be approximately \$2.34B which represents a significant reduction from the previous business cycle. In addition, capital funding constraints are also a factor impacting investment and the amount of unrestricted capital available is insufficient to meet the essential capital need identified by Service Owners. Further work will be undertaken to incorporate feedback and prepare budget recommendations after the discussion ensuing from this report and presentation.

A summary of "what we heard" at the 2018 September 04-17 Service Plan Previews identifies the 12 main insights gained by Administration and notes the service specific feedback received and feedback on the service planning and budgeting approach. This information is provided so that Council can review Administration's analysis and conclusions and confirm that this should guide Administration to finalize their proposed plan and budget for 2019-22. The valuable insights from input on 47 service plan previews and 18 Civic Partner business plans and budgets will be consolidated with feedback received on September 25 regarding 14 "enabling services". This will then inform the proposed service plans and budgets that Council receives in November.

The financial update summarizes the financial strategy directly tied to the service plan previews and is achievable within the approved indicative tax rate. This is to support Council's and citizens' service needs while leaving some capacity available for Council to direct further investment decisions. A significant level of investment for one-time budget is also proposed in the financial update section driven by many factors to be further discussed in this report. The operating savings achieved during the Action Plan business cycle are proposed to be used to fund these one-time requests which consist of funding for Snow and Ice Control (SNIC) for the 2019-2020 winter season in addition to the already approved one-time budget for the 2018 to 2019 winter season. Further, potential investments received as input from the September 04-17 committee meetings, as well as potential investments earlier identified to Council, are articulated and proposed for further discussion in Attachment 4.

Building on the public feedback Administration heard at Service Plan Previews in September, Attachment 5 details the summary of all research and engagement provided to City over the past year through a service delivery lens, a plan to summarize all engagement and research for Council at its October 11 Strategic Meeting and a proposal recommended for approval to conduct focus groups, pop-up engagement and online engagement in October. This next phase of engagement and research will be reported back to Council on November 14 to aid in budget deliberations.

This report concludes with an outlook to the months of October and November, identifying a potential and proposed Council discussion opportunity on October 11, information provision,

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communication and engagement timing, and summary plans and expectations for the November 14 and November 26-30 Council meetings.

Council's 2019-2022 One Calgary service plan and budget deliberations are planned to take place during the 2018 November 26-30 week.

**ADMINISTRATION RECOMMENDATION:**

That Council:

1. Receive this report for information.
2. Direct Administration to proceed with the citizen research and engagement proposal identified in Attachment 5, pages 3-4.

**PREVIOUS COUNCIL DIRECTION / POLICY**

At each of the six 2018 September 04-17 Standing Policy Committee meetings, there were individual reports that introduced the service plan previews and civic partner service plans and budgets. Below is a summary of the committee meetings, reports and services that were presented.

Meeting Date	Committee	Report Number	One Calgary 2019-2022 Services
2018 September 04	Priorities & Finance Committee	PFC2018-0974 – A Well-Run City	<ol style="list-style-type: none"> <li>1. Appeals &amp; Tribunals</li> <li>2. Citizen Information &amp; Services</li> <li>3. Citizen Engagement &amp; Insights</li> <li>4. City Auditor's Office</li> <li>5. Corporate Governance</li> <li>6. Council &amp; Committee Support</li> <li>7. Executive Leadership</li> <li>8. Mayor &amp; Council</li> </ol>
2018 September 05	Community & Protective Services	CPS2018-1018 – A Prosperous City	<ol style="list-style-type: none"> <li>1. Affordable Housing</li> <li>2. Arts &amp; Culture</li> <li>3. Business Licensing</li> <li>4. Community Strategies</li> <li>5. Economic Development &amp; Tourism</li> <li>6. Land Development &amp; Sales</li> <li>7. Library Services</li> <li>8. Social Programs</li> </ol>
2018 September 06	Transportation & Transit	TT2018-1019 – A City That Moves	<ol style="list-style-type: none"> <li>1. Parking</li> <li>2. Public Transit</li> <li>3. Sidewalks &amp; Pathways</li> <li>4. Specialized Transit</li> <li>5. Streets</li> <li>6. Taxi, Limousine &amp; Vehicles-for-Hire</li> </ol>

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Meeting Date	Committee	Report Number	One Calgary 2019-2022 Services
2018 September 12	Utilities & Corporate Services	UCS2018-1020 – A Healthy & Green City	<ol style="list-style-type: none"> <li>1. Environmental Management</li> <li>2. Parks &amp; Open Spaces</li> <li>3. Recreation Opportunities</li> <li>4. Stormwater Management</li> <li>5. Urban Forestry</li> <li>6. Waste &amp; Recycling</li> <li>7. Wastewater Collection &amp; Treatment</li> <li>8. Water Treatment &amp; Supply</li> </ol>
2018 September 13	Planning & Urban Development	PUD2018-1021 – A City of Safe & Inspiring Neighbourhoods	<ol style="list-style-type: none"> <li>1. Building Safety</li> <li>2. Bylaw Education &amp; Compliance</li> <li>3. Calgary 9-1-1</li> <li>4. City Cemeteries</li> <li>5. City Planning &amp; Policy</li> <li>6. Development Approvals</li> <li>7. Emergency Management &amp; Business Continuity</li> <li>8. Fire &amp; Emergency Response</li> <li>9. Fire Inspection &amp; Enforcement</li> <li>10. Fire Inspection Education</li> <li>11. Neighbourhood Support</li> <li>12. Pet Ownership &amp; Licensing</li> <li>13. Police Services</li> </ol>
2018 September 17	Priorities & Finance Committee	PFC2018-1038 – One Calgary Civic Partners	<ol style="list-style-type: none"> <li>1. Calgary Public Library Board</li> <li>2. Aero Space Museum Association of Calgary (The Hangar Flight Museum)</li> <li>3. The Fort Calgary Preservation Society</li> <li>4. The Calgary Zoological Society</li> <li>5. Heritage Park Society</li> <li>6. Calgary Science Centre Society (TELUS Spark)</li> <li>7. Calgary Economic Development Ltd.</li> <li>8. Tourism Calgary</li> <li>9. Calgary Technologies Inc.</li> <li>10. Calgary Centre for Performing Arts (Arts Commons)</li> <li>11. Calgary Convention Centre Authority (Calgary TELUS Convention Centre)</li> <li>12. Calgary Arts Development Authority Ltd.</li> <li>13. Parks Foundation, Calgary</li> </ol>

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Meeting Date	Committee	Report Number	One Calgary 2019-2022 Services
			14. Calgary Sports Council Society (Sport Calgary) 15. Lindsay Park Sports Society (Repsol Sport Centre) 16. Nose Creek Sports and Recreation Association (Vivo) 17. Calgary Heritage Authority 18. Silvera for Seniors
2018 September 17	Priorities & Finance Committee	PFC2018-0974 – A Well-Run City (tabled items from 2018 September 4)	1. Municipal Elections 2. Property Assessment 3. Records Management, Access & Privacy 4. Taxation

Each of the above reports was received for information by each committee. The detailed facilitator feedback, input and guidance, documented as part of the facilitated discussions, is provided in Attachment 3. This information reflects the discussion documented and does not reflect official committee direction.

There have been numerous prior reports and direction provided by Council related to the 2019-2022 Service Plans and Budgets. For report brevity, this direction is consolidated in Attachment 6.

**BACKGROUND**

During the past year, Council and Administration, and with the input of Calgary citizens, have been undertaking the work to prepare for 2019-2022 service plans and budgets, which Administration will propose and recommend to Council in 2018 November. New to the 2019-2022 business cycle is a move to a “service-based” approach, which provides a more customer centric and transparent view of The City’s plans and budgets, the integration of operating and capital budgets within those service plans and budgets, and the further integration of results-based accountability methodology. When coupled with The City’s new cultural norms, these changes are planned to support improved service value for citizens, communities and customers during 2019-2022.

Key work and deliverables during the past year include:

- Citizen research and engagement (throughout the past year).
- Citizen priorities and Council directives (2018 January/February).
- Strategic plan principles (2018 April).
- Indicative property tax rates (2018 April).
- Long-term tax support rates (2018 May).

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- Indicative utility rates (2018 June).
- Capital funding availability (2018 July).
- New community growth decisions and funding (2018 July).

This work and deliverables was used to guide Administration, during the past few months, in the development of 61 service plans and budgets, and 18 civic partner business plans and budgets. The result of this work was presented, with the exception of 14 “enabling services”, during the course of six Council committee meetings between 2018 September 04-17. The remaining 14 “enabling services” are included on today’s meeting agenda, as part of Report C2018-1024.

The purpose of the September 04-17 service plan preview presentations provided, through the Council committee forum, an opportunity for Council members and citizens to preview and provide input, feedback and guidance on the 2019-2022 service plan previews prepared by Administration, and civic partner’s business plans and budgets. In turn, this will further inform Administration as its work continues toward the preparation of recommended 2019-2022 service plans and budgets, scheduled to be made available to Council and the public on 2018 November 14, with Council’s 2019-2022 service plan and budget deliberations scheduled for 2018 November 26-30.

**INVESTIGATION: ALTERNATIVES AND ANALYSIS**

With the September 04-17 service plan preview process largely complete (with the exception of 14 enabling services at time of writing this report), this report continues the 2019-2022 service plan and budget process, with the following:

1. Infrastructure Calgary Capital Update (2019-2022)
2. September 04-17 Service Plan Previews – Summary of “what we heard”
3. Financial update
4. Upcoming planned engagement, research and communication
5. Next steps

To follow is discussion on each of these five areas.

**1. Infrastructure Calgary Capital Update (2019-2022)**

Over the last two years, Infrastructure Calgary has shifted the organization to a corporate portfolio view of The City’s infrastructure investment and introduced a capital investment management process to facilitate capital planning and execution. The process aligns with a service-based approach to planning and budgeting. All capital requests for the 2019-2022 cycle have been aligned to services and evaluated against corporate prioritization criteria. This approach helps optimize The City’s investment, especially in a constrained capital environment, adds organizational resilience, and increases value to citizens.

Previously, Administration had advised Council that there had been approximately \$7.5B in capital requests and approximately \$3.0B in potential funding identified, leaving a gap of approximately \$4.5B. Those numbers have been refined with the gap getting larger. Currently, the new capital investment being discussed by Administration for 2019-2022, excluding Green

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Line, actively developing communities, new communities and 2018 capital amounts carried forward, will be approximately \$2.384B. Further work is required to prepare the comprehensive budget recommendations, including consideration of the September 04-17 feedback on the services, and including the discussion on the services which will be presented to Council after this report is discussed.

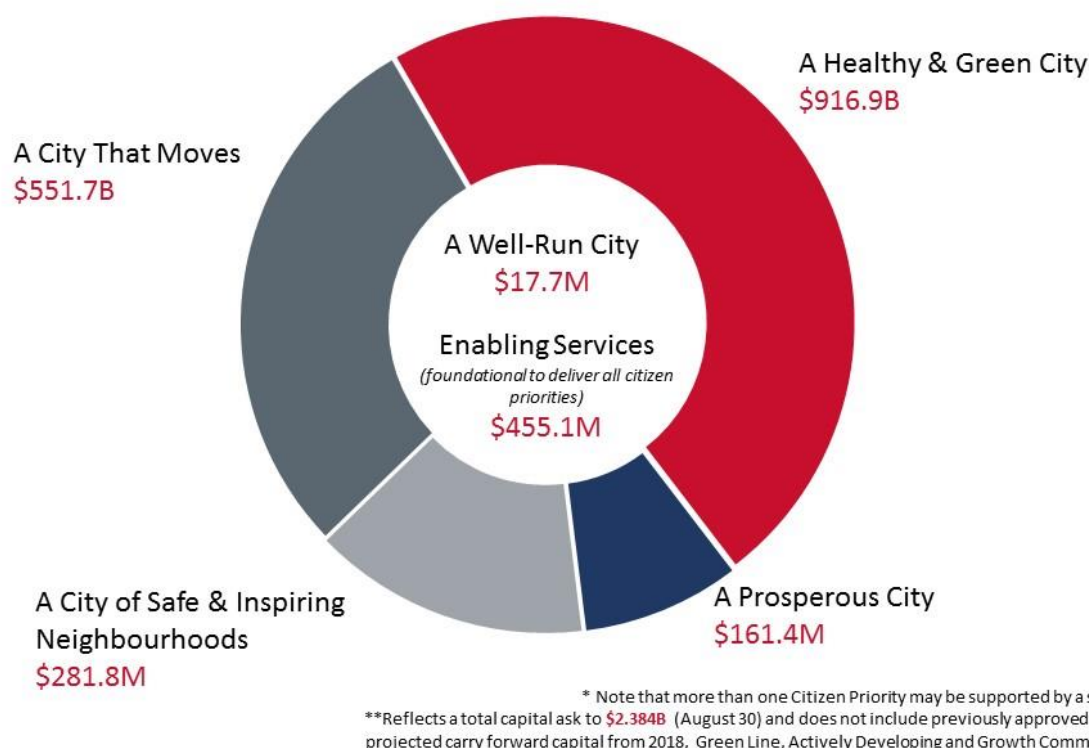
While The City remains in a fortunate capital funding situation compared to many other municipalities, and a significant investment will be made in the community, capital funding is more constrained for the upcoming cycle. Given the constraints, Infrastructure Calgary has worked with Service Owners to refine the 2019-2022 capital budget requests, with a focus on identifying and optimizing funding to cover essential capital requests. Essential capital is defined as the capital investments needed to meet legal, regulatory, health and safety requirements, critical infrastructure, critical asset risk mitigation and minimize service delivery costs. Concurrently, Infrastructure Calgary has been reviewing funding sources and availability to support essential capital recommendations. At this time, the amount of unrestricted capital available is insufficient to meet the entire essential capital need identified by Service Owners.

The identification of capital investments has been through the work of departments to take Citizen Priorities, Council Directives and long term strategic direction, citizen engagement and Council input to create infrastructure investment plans (IIPs). The September 25 capital presentation to Council will provide an overview of the process used by each department. These lists became the foundation for the corporate infrastructure investment plan and from there, the corporate prioritization and coordination process facilitated by Infrastructure Calgary, took place.

Capital recommendations and funding information remains in progress. The September SPC and PFC meetings provided Service Owners and Infrastructure Calgary an important opportunity to hear from Council and the community about investments that are important to them. This information is being considered as the capital investment recommendations are being finalized. Infrastructure Calgary will be continuing capital discussions with Council later during an additional Council meeting currently being planned for October 11, also during 2018 November's budget deliberations, and other discussion opportunities. As part of the presentation of this report, a summary of new capital recommendations to date, and how they align to Citizen Priority areas, will be provided. Currently the recommended investment is likely to be close to this summary graphic (see Figure 1):

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Figure 1: Summary of 2019-2022 New Capital Requests by Citizen Priorities (In progress)



While essential funding requests are driving the capital recommendations, it is acknowledged that Council may want to identify different community needs.

### 2. September 04-17 Service Plan Previews – Summary of “what we heard”

Between 2018 September 04 and 17 members of the public, Council and Administration embarked on a new process. During six Committee meetings, members of Council received and discussed 47 service plan previews (out of the 61 services in total), 18 Civic Partner business plans and budgets (Attachment 7), and 67 presentations from members of the public (Attachment 8).

The remaining 14 services (The City’s enabling services) will be presented on 2018 September 25, as part of Report C2018-1024.

The service plan preview created a wealth of valuable insights and feedback for Administration. The results will be used to further inform Administration in the preparation of proposed 2019-2022 service plans and budgets. In general, Administration concluded that most services are

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largely meeting expectations. However, there were some areas identified that were either not meeting expectations or require further discussion.

Administration gained twelve main insights, which give shape and context to the specific feedback provided. These were:

- Adopt an integrated approach to city building
- Citizen engagement
- Climate change resilience
- Collaborating across services
- Consider our role in social programs and prevention
- Desirability and livability of communities
- Focus on leveraging partnerships, including community associations, Civic Partners and other levels of government
- Increase the tree canopy
- Invest in established area redevelopment (including but not limited to Main Streets)
- Leveraging technology
- Rethink arts, culture and economic development
- Support housing affordability

Where the theme is related to a purpose or outcome (Adopt an integrated approach to city building; Climate change resilience; Desirability and livability of communities) Administration will review the overall response across all 61-service plans and budgets to ensure our proposals provide a robust, integrated and significant step forward in the next four years. Administration will similarly look at the enablers that were most frequently mentioned (Citizen engagement; Leveraging partnerships, including community associations, Civic Partners and other levels of government; Leveraging technology; Collaborating across services) to ensure our proposal makes sufficient use of these levers to improve service efficiency, effectiveness and sustainability.

In some cases, the feedback was more specific. Attachment 1 lists the most prominent issues and services so that Council may consider whether to continue discussions on those services at this September 25 meeting, schedule further discussion prior to November budget deliberations (Administration is proposing Council hold a 2018 October 11 meeting), and/or continue discussions during the 2019-22 business cycle. The wealth of other feedback received by each service, and what action they propose to take as a result, is summarized, by individual service, in Attachment 2.

Administration is providing this analysis and information to support a facilitated conversation with City Council on 2018 September 25, and/or a subsequent meeting, so that **Council can review Administration's analysis and conclusions regarding the input, feedback and guidance** received from Council members during the September 04-17 service plan previews and confirm this should guide Administration to finalize their proposed plan and budget for 2019-2022.



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For reference, the full text of the “facilitator’s notes” captured during the Committee meetings is also provided in Attachment 3, including an introductory overview of key themes prepared by the facilitation team.

#### *Feedback on the service planning and budgeting approach*

In addition to feedback on the proposed service plans, members of Council and the public provided Administration with feedback on how to improve the work being undertaken in the lead-up to Administration’s 2018 November service plan and budget proposals. This included such things as: noting the Business Units primarily responsible for the delivery of each service, better connecting service plan strategies with service drivers, incorporating long-term policy and plans in the service plan and budget document, and the importance of leveraging other funding sources in budget recommendations. In addition, Council’s desire to define sub-services and have more in-depth discussion around them during the 2019-2022 cycle was noted.

Finally, the feedback on the preview process itself (which was already refined from Committee to Committee meeting) was documented. This will support further improvement if a similar process is included for future business cycles.

### **3. Financial update**

Administration’s approach to developing the 2019-2022 service plan and budget maximizes our capacity to deliver on Council’s and citizens’ expectations. This includes:

- a 2019 budget starting point equivalent to 2018 base budget funding less one-time budget, which allowed over \$90 million in capacity to be reallocated among services
- integration of operating and capital planning,
- prioritization of funding to align investments by service,
- optimizing funding source eligibility to capital plans,
- targeting ongoing efficiencies, and
- a citizen centric focus that supports improved effectiveness within and across services.

In April, Council approved indicative tax rates of:

- 2.65% to 3.45% for 2019; and
- 2.5% to 3% annually for 2020-2022.

This included, for the first time, specifically identified tax increases dedicated to growth communities. These rates, even at the top end of the range, are significantly lower than indicative rates in past cycles, which ranged between 4% and almost 10% and averaged 5.5%.

The plans presented by Service Owners during the Service Plan Preview are achievable within the indicative rate range, with some capacity available for Council to direct further investment decisions, mainly in the years 2021 and 2022 (see table below). These plans were developed based on a rigorous process that began with considering citizen priorities and Council directives. Significant new investments were made in a number of key services, with some examples being:

- Affordable Housing
- Arts & Culture

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- Economic Development & Tourism
- Facility Management
- Police Services
- Public Transit
- Recreation Opportunities
- Sidewalks & Pathways
- Specialized Transit
- Streets

While the operating budget lever targeted investment to specific services that best responded to citizen priorities and Council directives, the other levers (effectiveness and efficiency) were also employed to ensure that the plans as developed deliver value to citizens. As part of the development process, almost \$40 million in efficiencies were identified that allowed many services to prepare plans that included little or no new investment with minimal impacts on service levels. Administration is committed to finding approximately another \$20 million in efficiencies throughout the 2019-2022 cycle.

The draft service plans and budgets fall within the approved indicative tax rate while maintaining expected service levels. A significant level of investment of one-time budget is also proposed for some services. This is driven by several factors:

- Customary one-time initiatives;
- Higher maintenance required due to reduced capital funding; and
- To allow the Service Owners time to implement efficiency strategies in order to reduce reliance on tax rate increases and to understand the impacts of the changing economic environment.

These one-time budget items include \$9 million for Snow and Ice Control (SNIC) for the 2019 and 2020 season which when combined with the previously approved one-time budget for 2018 and 2019 season will provide two winter seasons of enhanced SNIC service for Sidewalks and Pathways. Following the two seasons, an effectiveness review will be conducted to provide Council with recommendations for future service changes.

Throughout the Action Plan business cycle, Administration has intentionally managed resources and has found operating savings of over \$100 million that has been contributed to the Budget Savings Account (BSA) Reserve. These savings, of which \$60 million is currently available in 2018, are expected to continue through the next business cycle Administration will continue to find these savings, in order to utilize them to respond to the impacts of the changing economic conditions that are expected for the next business cycle (2019 -2022). Administration is proposing to utilize the BSA reserve to fund one-time budget for 2019 – 2022 up to \$78 million (see table below). This will allow capacity to remain in the Fiscal Stability Reserve (FSR) for flexibility in response to future needs. Administration will continue to monitor these one-time investments and advise Council of any “bow wave” impacts as they are identified.

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The table below summarizes the current financial status based on the proposed service plans and budgets. This does not reflect any changes based on feedback during the September Service Plan Review.

	2019	2020	2021	2022	Total
<b>Indicative tax rate as approved – April 25, 2018</b>	2.95% – 3.45%	2.5% – 3.0%			
<b>Proposed combined tax rate</b>	Top of range	Mid-range	Bottom of range	Bottom of range	
<b>Remaining capacity per Proposed tax rate</b>	-	Up to \$4.0M	Up to \$7M	Up to \$14M	Up to \$25M in base funding
<b>One-time funding Proposed</b>	\$17M	\$28M	\$18M	\$15M	\$78M Proposed to fund from BSA

The feedback received to date at the Service Plan Preview for the most part confirms Administration's proposal for our draft 2019-2022 service plan and budget while working within the approved indicative tax rate. The proposal focused on the strategy of what to do less of, more of, and stop doing, while finding efficiencies to absorb cost increases and prioritization of current resources to maintain expected service levels within our financial capacity.

However, Administration did receive feedback from Council for additional investments that may require funding beyond what is included in the Service Plan Preview. These potential investments (see Attachment 4) must be prioritized through further dialogue with Council to determine if the highest priority investments can be funded within our available funding capacity or if additional investment decisions are required. Eight issue areas were identified through the September 04-17 service plan previews:

1. Better Citizen engagement
2. Civic Partners
3. Continue Main Streets implementation
4. Funding strategy for established communities
5. Maintain 4 car train service
6. Maintain or enhance tree canopy investments
7. Resolve more missing pedestrian and pathway links
8. Sustainable funding strategy for Low Income Transit

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Council's options for funding these unfunded investments include:

- Increasing the recommended tax rate closer to the top of the range in each year (mainly in 2021 and 2022)
- Increasing the tax rate above the indicative rates
- Using one-time funding to bridge any gaps (not recommended due to the "bow wave" created)
- Redirecting proposed funding from other services (likely with service level impacts)

The investments identified through the Service Plan Preview are in addition to the unfunded initiatives identified for Council on 2018 September 4:

1. Affordable Housing
2. Arts Commons
3. BMO Convention Centre
4. Event Centre
5. Fieldhouse
6. Green Line (operating budget)
7. 2026 Olympic and Paralympic Winter Games
8. Snow and Ice Control – Enhanced Sidewalks
9. Additional resources to support growth strategy review and update.

Funding requirements for these initiatives in this list have not been included in this report or in the proposed plans presented during the service plan previews.

### **4. Upcoming planned engagement, research & communication**

The City has hundreds of conversations every year through a variety of engagement channels and those conversations are about some aspect of service delivery to citizens. Over the past year, Administration's approach to engagement in the One Calgary process has been to leverage that existing feedback, not only as an input to Council, but also to inform Service Owners as they developed their service lines and supplemented that with new engagement and research as needed. Full details of the overall engagement and research process to date can be found in Attachment 5.

During the September 04-17 period, committee meetings were opened to the public to enable citizens to come and share their thoughts on previews of each service line's plan, organized by Council Priority. The September 04-17 process identified a need for citizen input and engagement to continue. Based on this feedback, Administration has developed a plan and proposal, found in Attachment 5, pages 3-4. The total cost of focus groups, pop-up and online engagement is \$85,000. Should Council approve the proposed plan, these costs would be partially funded through existing budgets and the remaining \$35,000 to be funded by corporate costs.

Highlights of the above plan and proposal are to:

- **Produce a roll-up of all City research and engagement over the past year with a focus on service delivery:** A roll-up document of key themes around citizen values and aspirations will be created out of more than 275,000 pieces of research and engagement

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input gathered across all City engagement and research initiatives since September 2017. This report will be presented to Council on October 11 (proposed meeting).

- **Engage in service line conversations with citizens in October:** engagement and research would continue by having targeted conversations with citizens about service line plans through:
  - **Focus groups:** In October, Administration will conduct five focus groups with a representative mix of 25 randomly recruited citizens per session. Each session will look at a different Council Priority and the focus groups will provide their feedback and input on the service line one-pagers in that priority.
  - **Pop-up engagement:** pop-up style engagement in every ward of Calgary in October 2018. These engagements would happen at locations intended to provide maximum exposure and opportunity for citizens to participate. At these pop-up engagements, citizens will be able to provide input on any of the public facing service line one pagers. To ensure maximum effectiveness, however, each ward's open house will be targeted to prioritize content that matters most to the citizens in that ward based on previous research.
  - **Online engagement:** Online engagement will be conducted on [The City's Engage portal](#) and will mirror the pop-up engagement detailed above.
- A report back on this phase would be provided to Council on November 14.

Administration will promote these opportunities as well as the opportunity to participate during the November Council budget deliberations to increase Calgarians' awareness about the 2019-2022 service plan and budget and drive greater input into the One Calgary process.

Administration is recommending that Council approve the proposal found in Attachment 5, pages 3-4. A request for Council's direction to do this is found in recommendation 2 of this report.

### **5. Next steps**

There are two months before Council begins their 2019-2022 One Calgary service plan and budget deliberations. Provided below are highlights for each month, as well as additional actions following Council's approval, and during 2019-2022.

#### *2018 October*

As highlights for Council, there are three noteworthy areas:

1. Presentation of a roll-up of all City research and engagement over the past year with a focus on service delivery as presented in sub-section four of this investigation section.
2. Discussing with Council areas and services where service level and funding issues continue, as well as confirming those service plans and budgets that are meeting expectations. Administration is proposing an October 11 special Council meeting for this purpose.
3. Administration continues to evaluate and refine its service plan and budget proposals. In order to be ready for the 2018 November 14 date, when Council and the public will be provided with the 2019-2022 One Calgary service plan and budget proposals, Administration must finalize this work by 2018 October 23, with a number of earlier activity-based deadlines.

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As highlights for Council, there are seven noteworthy areas:

1. Citizen communications will promote the 2019-2022 One Calgary service plan and budget availability on November 14, as well as the opportunity to appear before Council at the start of the November 26-30 deliberations period. Messaging will be provided to ward offices.
2. *What we Heard* from focus group, pop-up engagement and online engagement conducted in October will be made available to Council.
3. Proposed off-site levy bylaw amendments, for new community growth utility and transportation infrastructure, and 2019-2022 proposed utility rates, are planned to be brought to Council in November, in advance of Council's November 26-30 2019-2022 service plan and budget deliberations.
4. The proposed 2019-2022 One Calgary service plan and budget will be provided at the November 14 Council meeting and made available publicly.
5. Information, and query opportunities, for citizens and Council will be provided between November 14 and 23.
6. Members of the public will be able to provide input to the proposed 2019-2022 One Calgary service in advance of November 26 (email, on-line, letter). Starting November 26, the public will be able to present directly to Council.
7. Following the November 26 public submissions, Council will undertake their deliberations. Council will be asked to approve the 2019-2022 One Calgary service plan and budget, including any amendments.

Once the 2019-2022 One Calgary service plan and budget is approved, the information will be built out in a user-friendly way online and promoted to citizens. This will include citizen communications, an updated "tax calculator", by service, ongoing monitoring, accountability and reporting, and the annual adjustment processes built into the four-year cycle.

**Stakeholder Engagement, Research and Communication**

Citizen input is a critically important part of determining The City's focus for the 2019-2022 service plan and budget. The One Calgary citizen engagement strategy is woven throughout the development of the 2019-2022 service plan and budget and has included multiple touchpoints with citizens over the course of 2018.

The Service Plan Previews conducted in September included an opportunity for members of the public to speak directly to Council members about what is most important to them in 2019-2022. In total, we heard 67 presentations from members of the public at the Service Plan Preview meetings, and Attachment 8 compiles all public submission written materials and speaking notes that were submitted at the six Committee meetings, allowing all members of Council to receive this input.

Citizens will have another opportunity to provide input on the proposed 2019-2022 service plans and budgets at a public hearing during the November deliberations. As part of the Service Plan Previews, we also heard from members of Council that additional public engagement is needed. Attachment 5, pages 3-4, outlines Administration's recommendation for further engagement and research.

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## **2019-2022 One Calgary Service Plan Preview: Summary and Next Steps**

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### **Strategic Alignment**

The One Calgary program implements The City's "Three Conversations, One Calgary" framework 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: integrated service delivery, engaged leadership, trust and confidence, investment and value, and cooperative alliances (C2018-0201).

The draft One Calgary 2019-2022 service plans presented during the September Service Plan Preview includes strategies that advance all of the Citizen Priorities and Council Directives and contribute to multiple directives where similar outcomes are sought. In addition, the recommendation includes several strategies to help advance The City's long-term plans and policies.

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

Social, environmental and economic guidance is provided through city policies, and the Citizen Priorities and Council Directives, all of which guide Administration in developing and proposing the 2019-2022 One Calgary services plan and budget. During the September 04-17 service plan preview discussions, committee members provided input on social, environmental and economic issues. This input will be used to inform proposed 2019-2022 service plans and budgets.

### **Financial Capacity**

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

The Service Plans presented during the September Service Plan Preview are achievable within the indicative rate ranges approved by Council on 2018 April 25. One-time funding of almost \$78 million over the 2019-2022 cycle has also been identified. Funding for these one-time items is expected to come from the BSA. Funding the operating items contained in Attachment 4 is beyond what is available within the approved indicative tax rate.

Should Council approve the proposed engagement plan as outlined in section four, these costs would be partially funded through existing budgets and the remaining \$35,000 to be funded by corporate costs.

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

The City remains in a fortunate capital funding situation compared to many other municipalities. While capital is more constrained this cycle compared to previous cycles, The City is still making a significant investment in the community. The amount of unrestricted capital available is insufficient to meet the entire "essential" capital need identified by Service Owners. The future capital environment is uncertain – revenue sharing with the province and federal infrastructure funding is still being determined. The capital update outlined in this report proposes funding for new "essential" projects within the current projected capital funding capacity. Capital recommendation and funding information remains in progress and is considered draft at this time. A comprehensive capital overview will occur 2018 October 11 pending Council approval of the October meeting proposal.

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### **Risk Assessment**

The risks associated with preparing and approving four-year plans and budgets include directional alignment risk, risk of not meeting service delivery expectations, financial risks, and changes in circumstances that take place during the four-year business cycle.

This report represents one part of the process in addressing directional alignment and expectations risk. By having ongoing dialogue with Council and Council committee's, and inviting the public to participate in that dialogue, proposed service plans and budgets can be better informed.

Financial risks are being addressed by providing Council with information, as early as it is available, about financial resource availability and capacity to meet 2019-2022 operating and capital service demands. During the 2019-2022 period, ongoing accountability and reporting processes maintain currency with actual expenditures and revenues, as compared to budget.

Included in the financial risks are risks associated to funding level changes resulting from negotiations with the Province on the Fiscal Framework. Funding levels that are lower than expected will result in the need to revise the capital budget. Administration will continue to advise Council as negotiations proceed.

Changes in circumstances, such as the economy, are addressed through monitoring and reporting processes, and the "adjustment" provision that is built into The City's multi-year cycle.

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

This report has two recommendations.

1. The "receive for information" recommendation is intended to address Council's receipt of all the information obtained through the September 04-17 committee discussions, the further information, analysis and conclusions provided in this report, as well as enable a process, during the discussion of this report, for input, feedback and guidance in regard to 2019-2022 One Calgary service plans and budgets.
2. A second recommendation is intended to confirm that Council concurs with the proposed engagement and communications approach that could be undertaken in 2018 October and November.

### **ATTACHMENT(S)**

1. Services for further discussion
2. Feedback by individual service
3. Facilitator notes
4. Potential areas for additional investment
5. Engagement
6. Previous Council Direction
7. Civic Partner presentations
8. Public submissions