

Item 6.2 2019-2022 One Calgary Service Plan Preview: Summary and Next Steps (C2018-1080)

Special Meeting of Council
September 25, 2018



September 25 - Agenda

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One Calgary Service Plan Preview – “Summary and Next Steps”

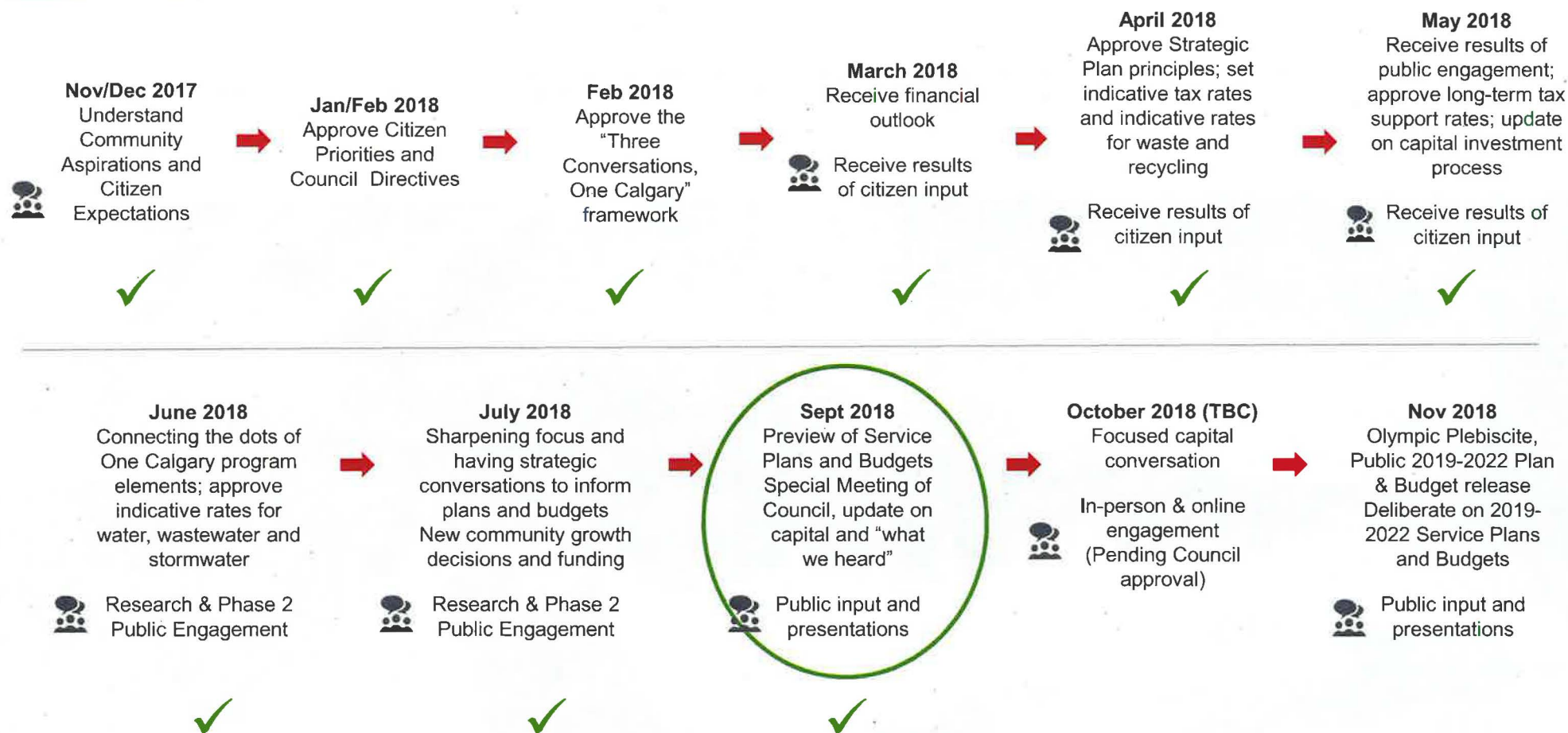
1. Infrastructure Calgary Capital Update (2019-2022)
2. September 04-17 Service Plan Preview: Summary of “What We Heard”
3. Financial Impact of “What We Heard”

Facilitated Discussion

4. One Calgary Public Engagement and Research Strategy
5. Next Steps



Previously on One Calgary...





1. Infrastructure Calgary Capital Update (2019-2022)



2. September 04-17 Service Plan Preview: Summary of “What We Heard”

Service Plan Preview at a glance



6 Committee meetings



47 public-facing services presented

(Note: remaining 14 enabling services will be presented on Sept. 25)



18 Civic Partner presentations

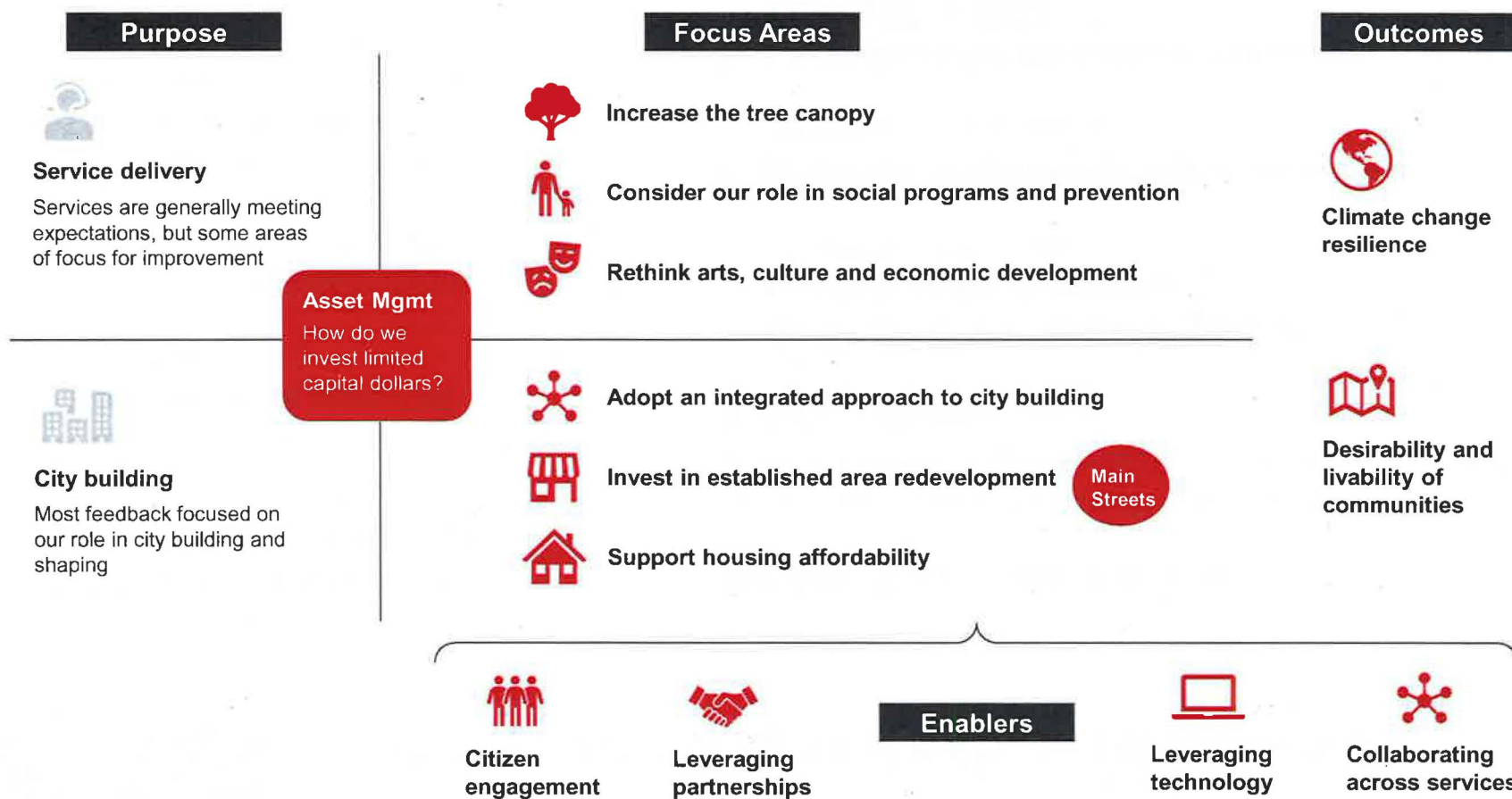


67 presentations from members of the public



Resulted in valuable insights and feedback, which was carefully recorded and heard by service owners and will inform the proposed service plans and budgets that Council receives in November.

What We Heard: 12 main insights





What we are doing next with “what we heard”

No further discussion required before November

- General feedback and minor comments on almost all services
- Feedback summarized in Attachment 2 by service
- Revised service plans presented to Council in November

Further discussion required

Three main types of concern were identified that led Administration to suggest services for further discussion:

1. **Service Plans to better align with Council’s past discussions**
x2 items – Att. 1, pg. 1
2. **Items for potential additional investment**
x8 items – Att. 4, pg. 1
3. **Candidates for discussion or review during 2019-2022**
x8 items – Att. 1, pg. 1

For
discussion by
November

For
discussion
in 2019-2022

3. Financial Impact of “What We Heard”



Administration's approach to developing the 2019-2022 Service Plans and Budgets

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Approach

- A 2019 budget starting point equivalent to 2018 base budget funding less one-time budget,
- integration of operating and capital planning,
- prioritization of funding to align investments by service,
- targeting ongoing efficiencies, and

Outcome to Date

- Service Plan Preview represents service levels that are within the approved indicative tax rate with some capacity for further investments
- Efficiencies of \$40 million were identified with a commitment to find another \$20 million in the next four years
- The impact of operating as a result of the new and previously approved capital has been incorporated into the service plans and budget
- Some services took reductions in order to redirect to higher priority services



Significant Operating Investments in the Service Plan Preview

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



One-Time Budget Proposal 2019-2022

- Total \$78M in one-times:
 - One-time projects
 - Time to implement efficiency strategies/understand impacts of economic conditions
 - Higher maintenance (reduced capital)
- \$49M
- \$29M
- Funding from Budget Savings Account
 - Total savings through Action Plan >\$100M
 - Currently available = \$60M
 - Additional savings through end of 2018 & 2019-2022 cycle
 - Flexibility maintained for FSR
 - Administration will continue to monitor potential “bow wave” impacts

Indicative Tax Rate Update (2019-2022)

	2019	2020	2021	2022	Total
Indicative tax rate as approved – April 25, 2018	2.95% – 3.45%	2.5% – 3.0%			
Proposed combined tax rate	Top of range	Mid-range	Low end	Low end	
Remaining capacity (base) per proposed tax rate	-	Up to \$4.0 Million	Up to \$7.0 Million	Up to \$14.0 Million	Up to \$25.0 Million in base funding (or \$40.0 Million cumulative)
One-time funding	+\$17 Million	+28 Million	+18 Million	+15 Million	\$78 Million from BSA

- Since 2015, Administration has contributed over \$100 million to the Budget Savings Account (BSA) reserve through intentional management of costs
- Administration is committed to efficiency strategies, intentional management of costs, and prioritization of resources
- Administration is proposing to use the projected 2018 BSA available balance to fund one-time budget for 2019-2022

Additional investments identified that may require additional funding for 2019-2022

Unfunded or partially funded initiatives (identified during SPCs up to September 17, 2018)

- Many unfunded or partially funded initiatives were identified during SPCs
- The cost of these initiatives will require some additional time to cost out
- Dialogue with Council around priorities of initiatives identified is required

\$ Costs
TBC

Funding Options


- Redirecting proposed funding from other services (likely with service level impacts)
- Increase the recommended tax rate closer to the top of the range where there is capacity (mainly 2021 and 2022)
- Increase the tax rate increase above the approved indicative rates
- Using one-time funding to bridge any gaps (potential "bow wave" created)
- Explore alternative funding sources such as reserves

Unfunded Initiatives should be prioritized through further dialogue with Council

Unfunded Initiatives potentially impacting 2019-2022 plan and budget (presented & updated on Sept 4, 2018 PFC)

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
- Established Areas Growth and Change Strategy

A large blue right-facing curly bracket groups the list of unfunded initiatives on the left with the explanatory text on the right.

Investment desires
beyond the set indicative
tax rate – currently
unfunded



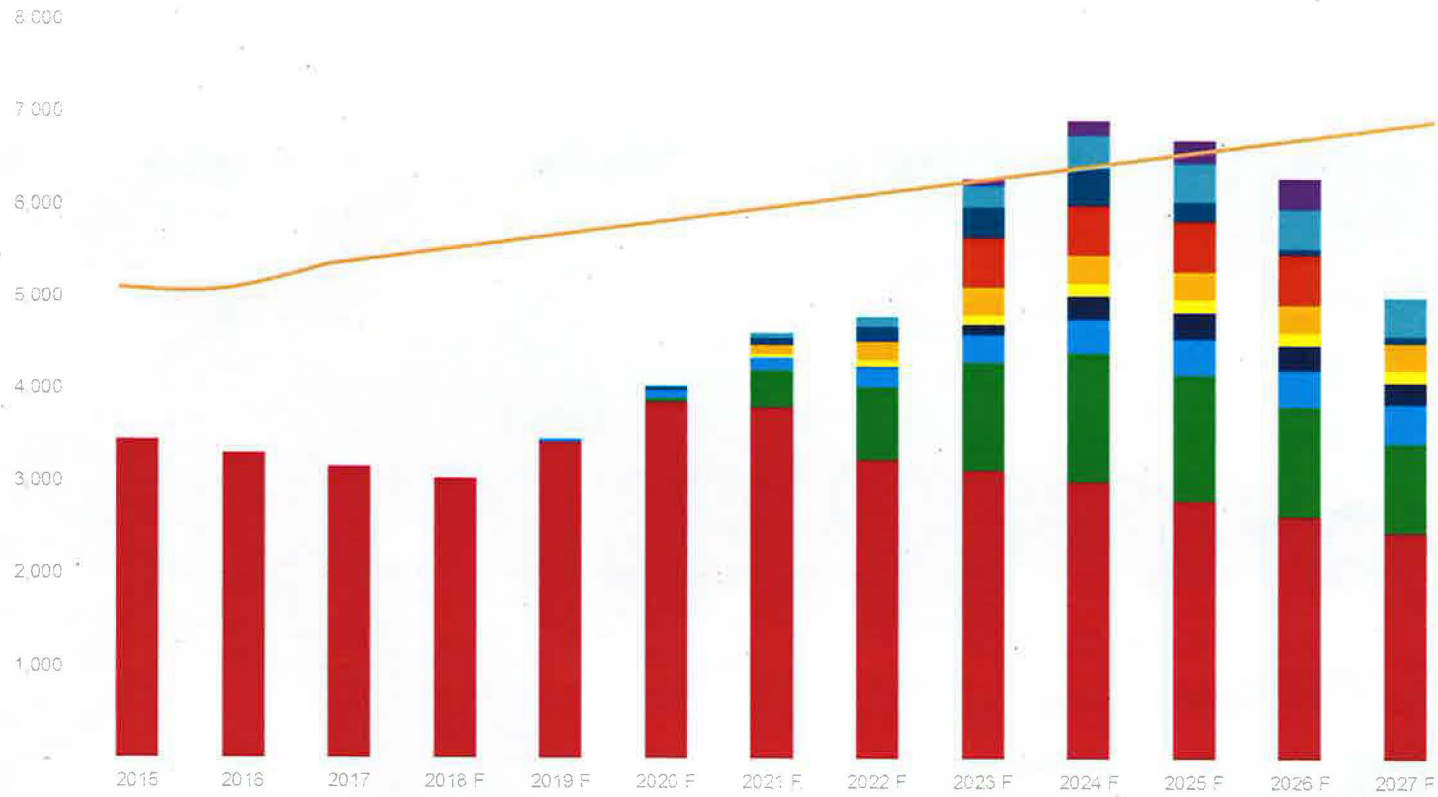
Reserve Balance - \$000s

Reserve	Balance as of Dec 31, 2017	Total Commitments	Infrastructure Calgary	Uncommitted
Fiscal Stability Reserve	573,721	306,165*	-	267,556
Reserve for Future Capital	308,440	268,440	40,000	-
Lifecycle Maintenance and Upgrade Reserve	174,747	122,893	51,854	-
Budget Savings Account	157,334	157,334	-	-
Tax Loss Provision Reserve (operating)	37,398	-	-	37,398
Calgary Building Services Reserve	96,355	71,355	-	25,000
Total	1,347,995	926,187	91,854	329,954

* If the target of 15% is considered committed, then no FSR available



High Debt Scenario



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Facilitated Discussion



Services for further discussion: 3 categories

Service Plans to better align with Council's past discussions in November:

- Arts & Culture
- Economic Development & Tourism

Items for Potential Additional Investment in November:

- Better citizen engagement
- Civic Partners (various issues)
- Continue Main Streets implementation
- Funding strategy for established communities
- Maintain 4 car train service
- Maintain or enhance tree canopy
- Resolve more missing pedestrian and pathway links
- Sustainable funding for Low Income Transit

Candidates for further discussion or review during 2019-2022:

- Arts & Culture delivery model
- Coordinating mental health support for frontline staff (Calgary 911, Police, Fire, Emergency Response, Others?)
- Role of The City in citizen engagement
- City Cemeteries – alternate delivery models (e.g. faith-based organizations, private sector)
- City Planning & Policy – should Planning be organized differently?
- Neighbourhood Support – handling issues at facilities that we own but others operate
- Various services on where we should be on the social programs/prevention spectrum
- Various services on leveraging external expertise (e.g. panels)



4. One Calgary Public Engagement and Research Strategy



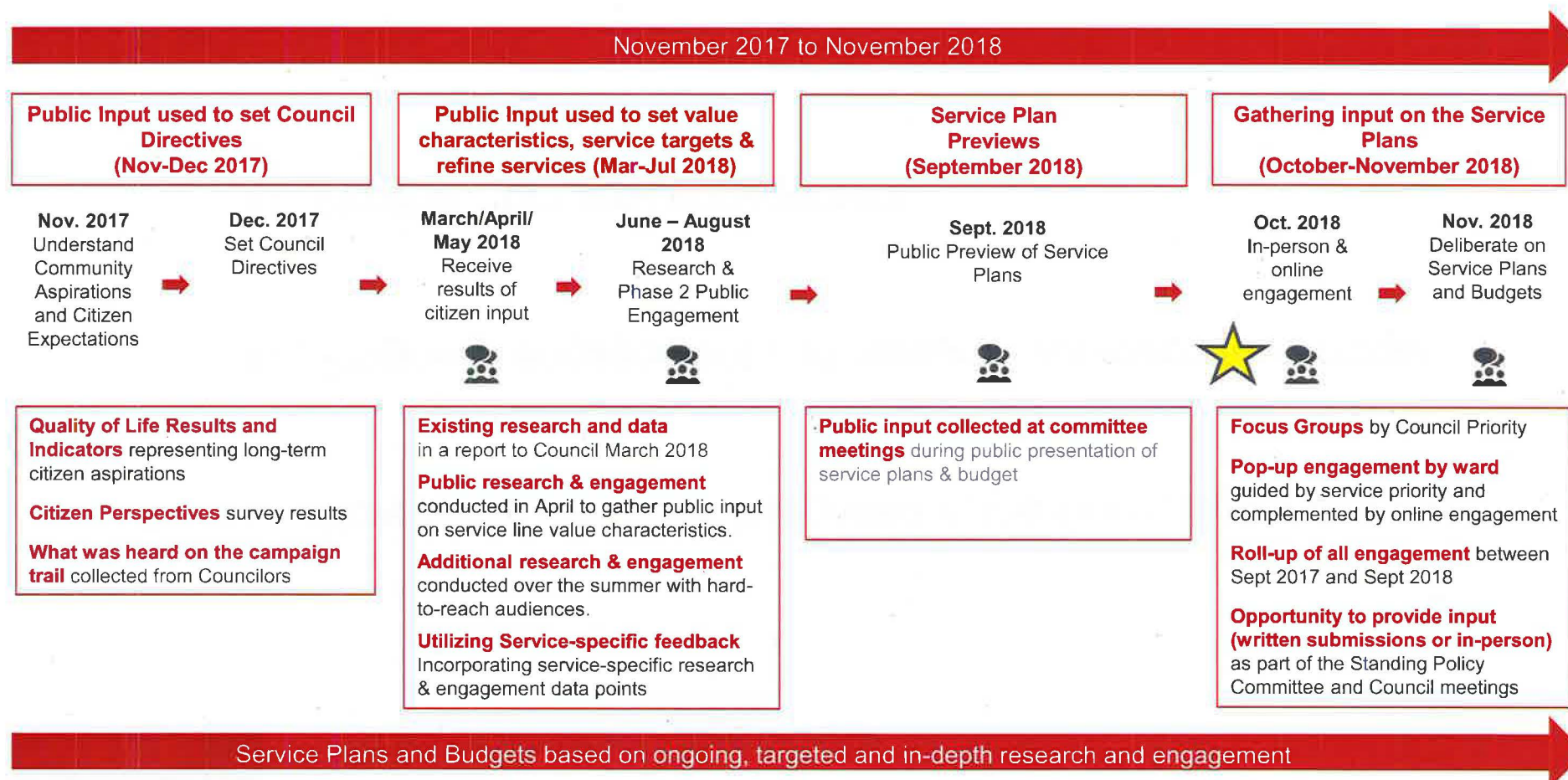
Presentation Overview

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- I. How public input was integrated in the One Calgary process
- II. Proposed engagement and research approach for October
- III. Insights from past engagement



How public input was integrated in One Calgary

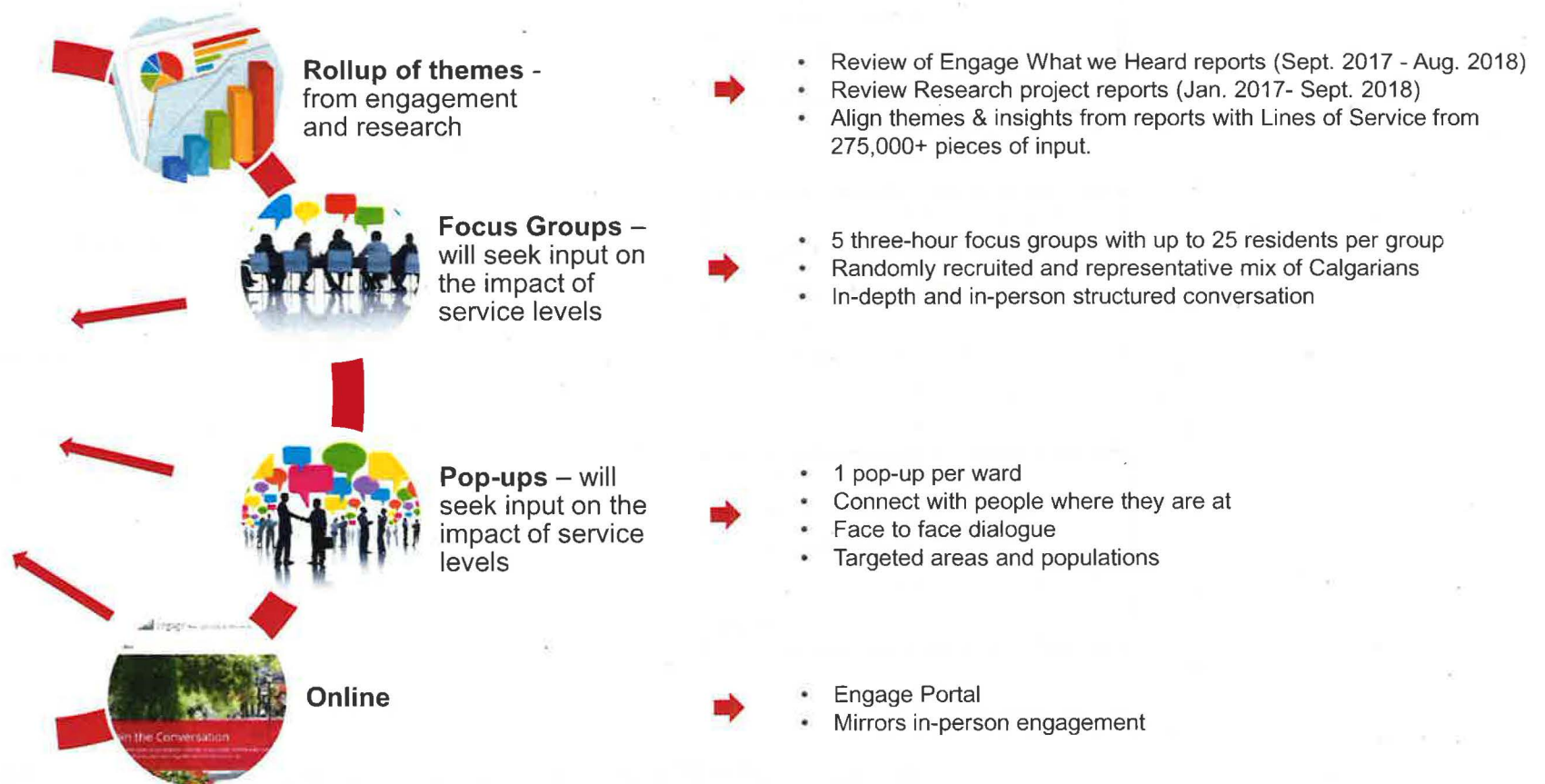


Proposed engagement and research approach

Present to
Council:
October 11

In field: **October**

Results
presented:
**November 14,
2018**



Insights from past engagement

Opportunity

- **275,000+** pieces of research and engagement input from citizens
- **Analysis** of key themes around citizen values and aspirations
- **Extend** project-specific learning to a service line & service delivery level

Step 1

Compile data source with projects, event dates, service lines and citizen values and aspirations.



Step 2:

Combine and summarize themes across all projects; what have citizens told us.



Step 3:

Create a visual representation of citizen values and aspirations.



Administration Recommendation

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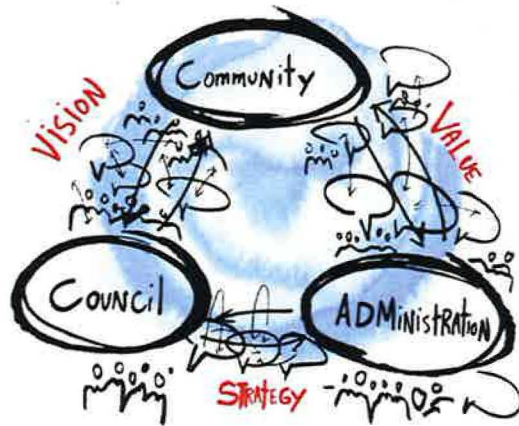
That Council:

Direct Administration to proceed with the citizen research and engagement proposal identified in Attachment 5, pages 3-4.



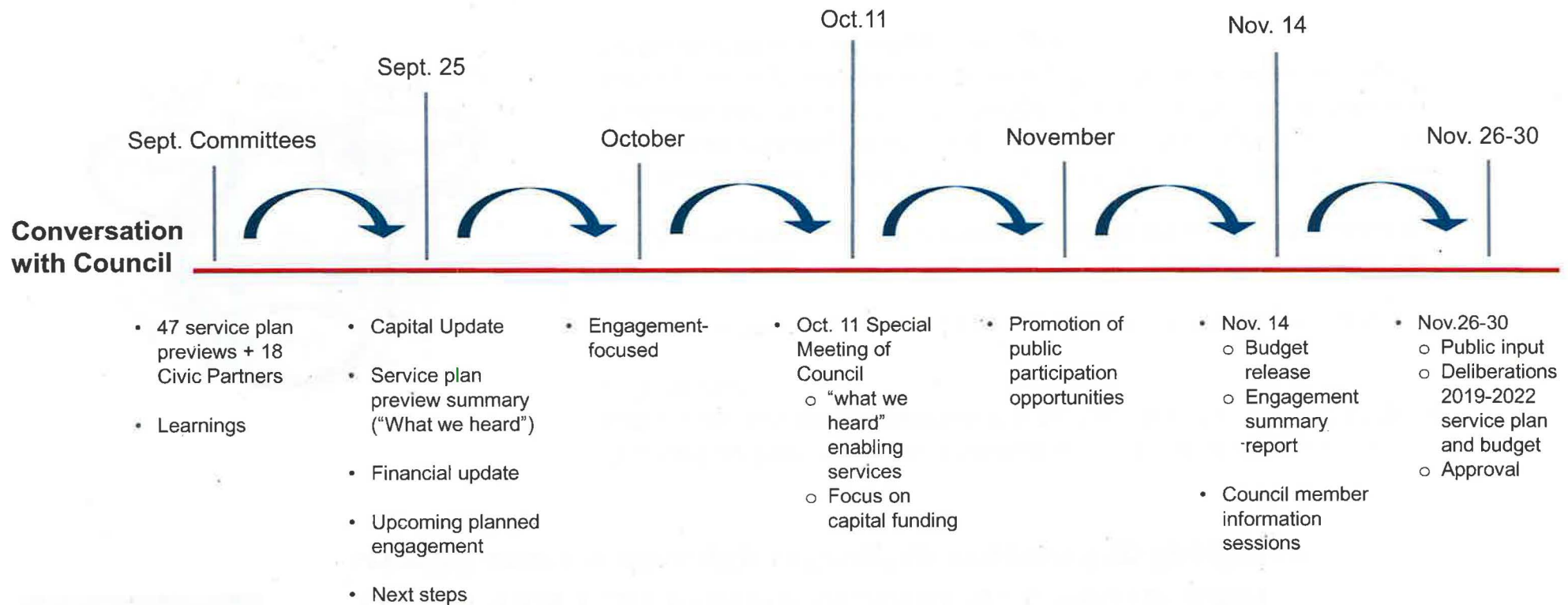
5. Next Steps

The Service Plan Preview process was well received overall and continually refined to respond to feedback



- The Service Plan Previews facilitated a conversation between the community, Council members and Administration about where to focus in 2019-2022.
- This was a “first” for the business planning and budgeting process.
- Overall, there was positive feedback from the public, Council members and Administration on the process with some areas for improvement.
- The process was refined and evolved throughout the course of the six Committee meetings to respond in real time to feedback from Council members and the public (e.g. changed the format to include individual service owner presentations, provided all materials a week in advance for the last three Committee meetings).
- Administration is documenting the process, along with potential improvements, in the event that this is something Council would like to replicate again for future planning and budgeting discussions.

Journey to November



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.