

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

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

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SEP 25 2018

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C2018-1080 Presentation ISC: UNRESTRICTED Page 2 of 29



Previously on One Calgary...

Nov/Dec 2017 Understand Community Aspirations and





Jan/Feb 2018 Approve Citizen Priorities and Council Directives



Feb 2018 Approve the "Three Conversations, One Calgary" framework



Receive results of citizen input

March 2018

Receive financial

outlook

April 2018

Approve Strategic Plan principles; set indicative tax rates and indicative rates for waste and recycling



Receive results of citizen input



May 2018

Receive results of public engagement; approve long-term tax support rates; update on capital investment process



Receive results of citizen input

















June 2018

Connecting the dots of One Calgary program elements; approve indicative rates for water, wastewater and stormwater





Research & Phase 2 Public Engagement



July 2018

Sharpening focus and having strategic conversations to inform plans and budgets New community growth decisions and funding

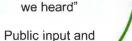


Research & Phase 2 Public Engagement

Sept 2018

Preview of Service Plans and Budgets Special Meeting of Council, update on capital and "what we heard"

presentations



In-person & online engagement (Pending Council approval)

October 2018 (TBC)

Focused capital

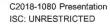
conversation

Nov 2018

Olympic Plebiscite, Public 2019-2022 Plan & Budget release Deliberate on 2019-2022 Service Plans and Budgets



Public input and presentations





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

Purpose



Service delivery

Services are generally meeting expectations, but some areas of focus for improvement

Asset Mgmt

How do we invest limited capital dollars?

City building

Most feedback focused on our role in city building and shaping

Focus Areas



Increase the tree canopy



Consider our role in social programs and prevention



Rethink arts, culture and economic development



Adopt an integrated approach to city building



Invest in established area redevelopment



Outcomes



Climate change resilience



Desirability and livability of communities



Support housing affordability



Citizen engagement



Leveraging partnerships





Leveraging technology



Collaborating across services



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

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
- o 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

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

Investment desires beyond the set indicative tax rate – currently unfunded



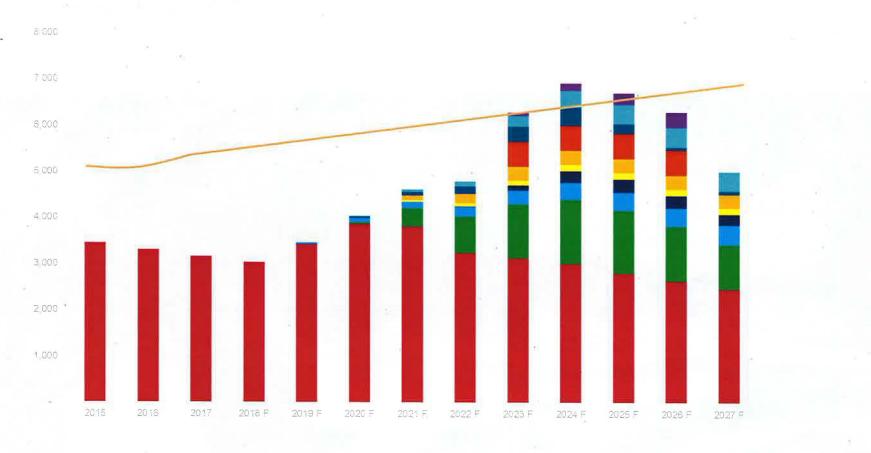
Reserve Balance - \$000s

Reserve	Balance as of Dec 31, 2017	Total Commitments	Infrastructure Calgary	Uncommitted
Fiscal Stability Reserve	573,721	306,165*	2/1/2/2019	267,556
Reserve for Future Capital	308,440	268,440	40,000	
Lifecycle Maintenance and Upgrade Reserve	174,747	122,893	51,854	SERVICE OF SERVICE
Budget Savings Account	157,334	157,334		
Tax Loss Provision Reserve (operating)	37,398	D.06(G80)		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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Page 17 of 29



Facilitated Discussion



Services for further discussion: 3 categories

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

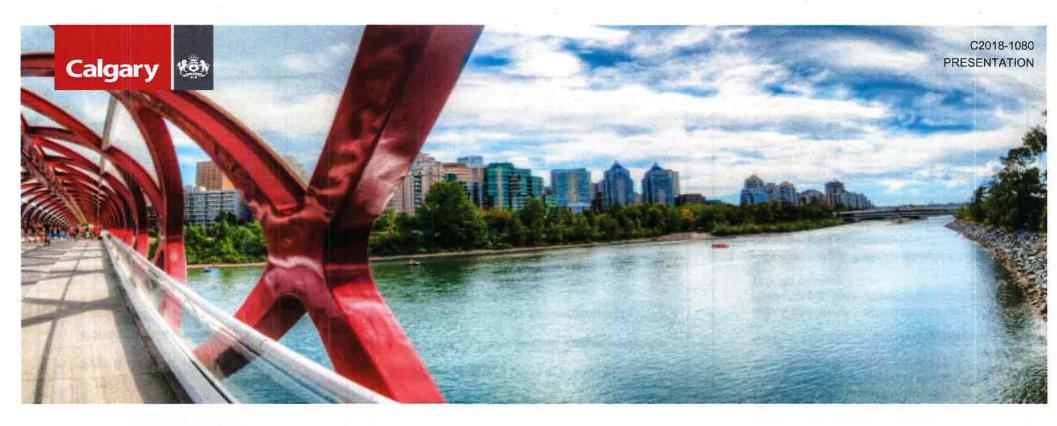
- Arts & Culture
- Economic Development & Tourism

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

- 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

November 2017 to November 2018

Public Input used to set Council Directives (Nov-Dec 2017)

Quality of Life Results and

citizen aspirations

Indicators representing long-term

Citizen Perspectives survey results

What was heard on the campaign

trail collected from Councilors

Nov. 2017 Understand Community Aspirations and Citizen Expectations

Dec. 2017 Set Council

Directives

May 2018 Receive results of citizen input

March/April/

June - August 2018 Research & Phase 2 Public Engagement

Public Input used to set value

characteristics, service targets &

refine services (Mar-Jul 2018)



Existing research and data in a report to Council March 2018

Public research & engagement conducted in April to gather public input on service line value characteristics.

Additional research & engagement conducted over the summer with hardto-reach audiences.

Utilizing Service-specific feedback Incorporating service-specific research & engagement data points

Service Plan **Previews** (September 2018)

Sept. 2018 Public Preview of Service Plans



Public input collected at committee meetings during public presentation of service plans & budget

Gathering input on the Service **Plans** (October-November 2018)

Oct. 2018 In-person & online engagement

Nov. 2018 Deliberate on Service Plans and Budgets







Focus Groups by Council Priority

Pop-up engagement by ward guided by service priority and complemented by online engagement

Roll-up of all engagement between Sept 2017 and Sept 2018

Opportunity to provide input (written submissions or in-person) as part of the Standing Policy Committee and Council meetings

Service Plans and Budgets based on ongoing, targeted and in-depth research and engagement



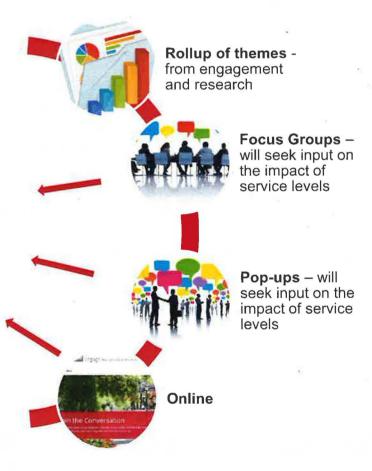
Proposed engagement and research approach

Present to Council:

October 11

In field: October

Results presented: November 14, 2018



- Review of Engage What we Heard reports (Sept. 2017 Aug. 2018)
- Review Research project reports (Jan. 2017- Sept. 2018)
- Align themes & insights from reports with Lines of Service from 275,000+ pieces of input.
- 5 three-hour focus groups with up to 25 residents per group
- Randomly recruited and representative mix of Calgarians
- In-depth and in-person structured conversation

1 pop-up per ward

Engage Portal

- Connect with people where they are at
- Face to face dialogue
- · Targeted areas and populations
- · ·
 - Mirrors in-person engagement



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

That Council:

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



5. Next Steps



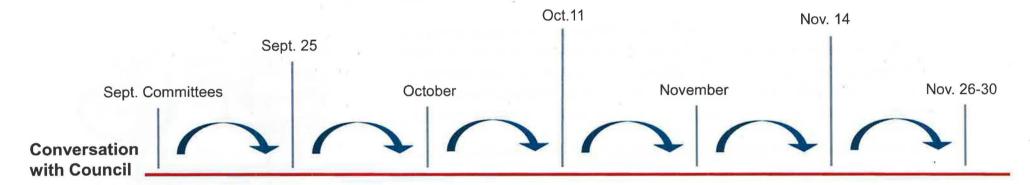
The Service Plan Preview process was well received overall and continually refined to respond to feedback



- 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



- 47 service plan previews + 18 Civic Partners
- Learnings
- · Capital Update
- · Service plan preview summary ("What we heard")
- · Financial update
- · Upcoming planned engagement
- · Next steps

- Engagementfocused
 - Council o "what we heard"
 - enabling services

Oct. 11 Special

Meeting of

- o Focus on capital funding
- Promotion of public participation opportunities
- release o Engagement summary
- -report

Nov. 14

o Budget

· Council member information sessions

- Nov.26-30
 - o Public input
 - o Deliberations 2019-2022 service plan and budget
 - o Approval



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.