

CITY OF CALGARY
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ITEM: 9.2.1 C2018-1158
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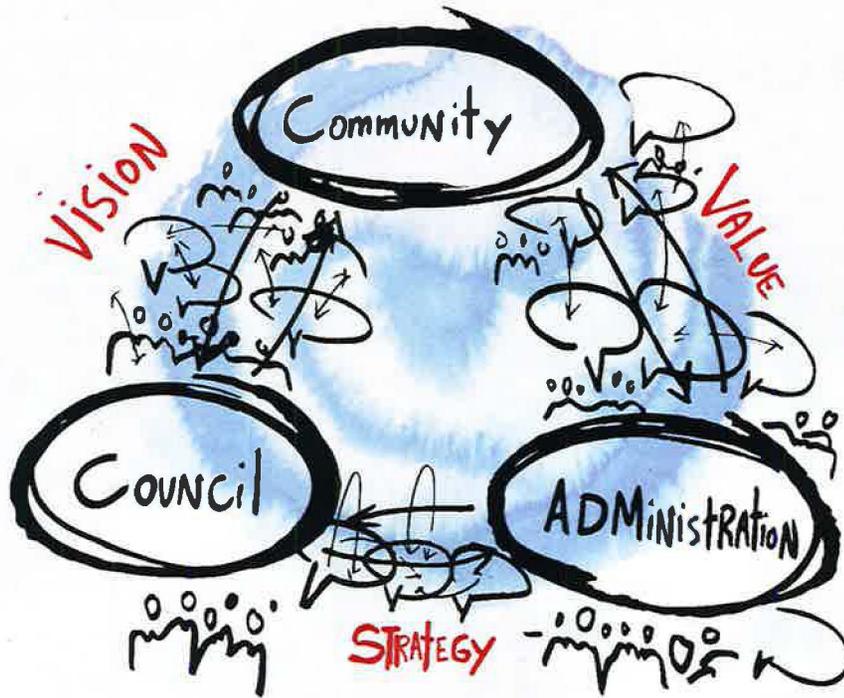
C2018-1158
PRESENTATION

Calgary



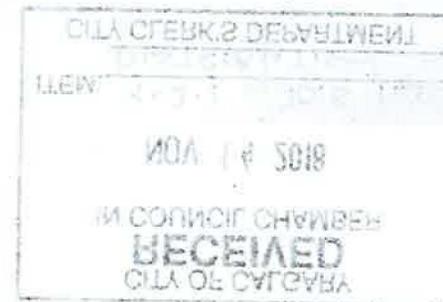
One Calgary: 2019-2022 Service Plans and Budgets

Regular Meeting of Council
November 14, 2018



Three Conversations, One Calgary

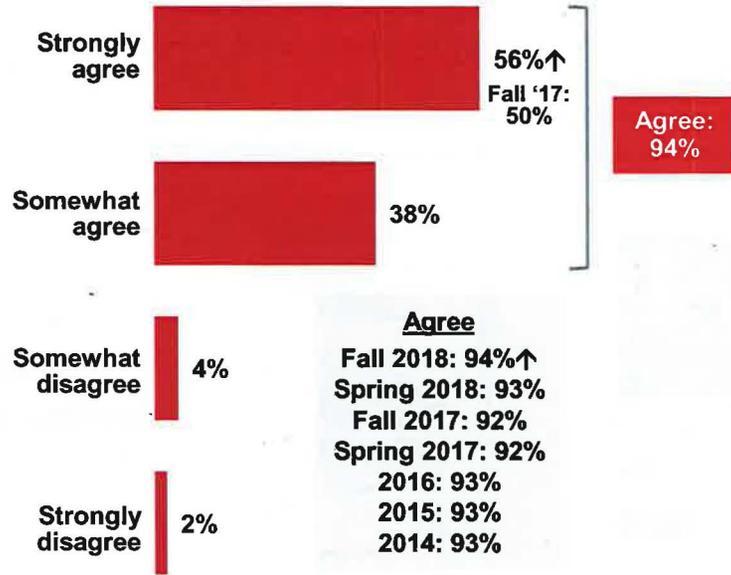
Framework that guided the
development of the 2019-2022 Service
Plans and Budgets





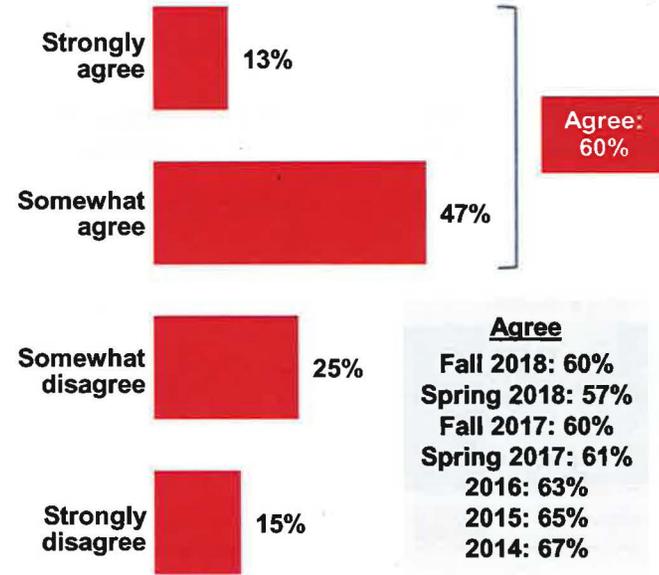
Increasing transparency about how The City is investing tax dollars

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



↑Statistically higher than Fall 2017

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



Please indicate if you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each of the following statements.
Base: Valid respondents (n=2,487 / n=2,463)

Overview of One Calgary materials

For Council decision:



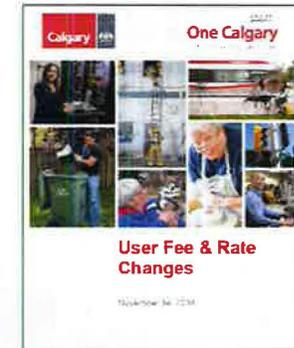
Cover Report (including recommendations)



Attachment 1: Proposed 2019-2022 Service Plans and Budgets (*binder*)



Attachment 2: Investment Options



Attachment 3: User Fee and Rate Changes

Supporting information:

- **Attachment 4:** Results of October Citizen Engagement and Research
- **Attachment 5:** Heritage Park Financial Update
- **Attachment 6:** Accessibility Update
- **Attachment 7:** One Calgary Council and Committee Referred Items
- **Attachment 8:** Previous Council Direction on One Calgary
- **Attachment 9:** Supplemental Budget Information
- **Attachment 10:** Summary Business Cases for Proposed Capital Investments (*electronic only*)



Proposed 2019-2022 Service Plans and Budgets

What's included?

- ✓ Strategies that deliver on all Citizen Priorities and Council Directives (see Executive Summary and Strategy sections of Attachment 1)
- ✓ Proposed budget balances and falls within the financial means set by Council (including indicative property tax rate), and the available capital funding capacity
- ✓ Includes \$40 million in anticipated efficiencies, plus a commitment to achieve a further \$60 million for a total of \$100 million in efficiencies in 2019-2022
- ✓ Feedback has been incorporated from the September service plan previews and October 11 Special Meeting of Council, including additional funding proposed in five areas (Attachment 2)

What's not included?

- Some additional investment options (Attachment 2)
- Material unfunded investments (PFC2018-1238)
- Further discussion needed regarding the non-residential tax shift (PFC2018-1134)

Assumptions (Spring 2018)

- Population growth (average = 1.3%)
- Calgary Municipal Price Index (average = 1.9%)
- Housing starts (average = 7,000/year)



Working together as "One" Calgary

**MAKING LIFE
BETTER
EVERY DAY**





Indicative Tax Rate set by Council

	2019	2020	2021	2022
Approved indicative tax rate increase	2.65% - 3.45%	2.5% - 3.0%	2.5% - 3.0%	2.5% - 3.0%
<u>Comprises:</u>				
*July 2018 (C2018-0900)				
<i>Actively developing community growth</i>	1.40%	0.40%	0.40%	0.40%
<i>New community growth*</i>	0.45% - 0.75%	-	-	-
Total indicative tax rate for growth	1.85% - 2.15%	0.4%	0.4%	0.4%
April 2018 (C2018-0489)				
<i>Indicative tax rate without growth</i>	2.1% - 2.6%	2.1% - 2.6%	2.1% - 2.6%	2.1% - 2.6%
<i>Waste & Recycling financial policy change</i>	(1.3%)	-	-	-
Total indicative tax rate without growth	0.8% - 1.3%	2.1% - 2.6%	2.1% - 2.6%	2.1% - 2.6%
Final approved indicative tax rate increase	2.95% - 3.45%	2.5% - 3.0%	2.5% - 3.0%	2.5% - 3.0%



Proposed Tax Rate

	2019	2020	2021	2022
Final approved indicative tax rate increase	2.95% - 3.45%	2.5% - 3.0%	2.5% - 3.0%	2.5% - 3.0%
<i>Actively developing community growth</i>	1.40%	0.40%	0.40%	0.40%
<i>New community growth</i>	0.75%	-	-	-
Total proposed tax rate for growth	2.15%	0.4%	0.4%	0.4%
<i>Proposed tax rate without growth</i>	2.55%	2.35%	2.10%	1.90%
<i>Waste & Recycling financial policy change</i>	(1.30%)	-	-	-
Total proposed tax rate without growth	1.25%	2.35%	2.10%	1.90%
Total proposed tax rate before one-time requests	3.40%	2.75%	2.50%	2.30%
<i>Recommended one-time funding</i>	0.05%	0.25%	0.5%	0.7%
Total proposed tax rate	3.45%	3.0%	3.0%	3.0%



One-Time Budget Strategy

	2019	2020	2021	2022	
Final approved indicative tax rate increase	2.95% - 3.45%	2.5% - 3.0%	2.5% - 3.0%	2.5% - 3.0%	
<i>Actively developing community growth</i>	1.40%	0.40%	0.40%	0.40%	
<i>New community growth</i>	0.75%	-	-	-	
Total proposed tax rate for growth	2.15%	0.4%	0.4%	0.4%	
<i>Proposed tax rate without growth</i>	2.55%	2.35%	2.10%	1.90%	
<i>Waste & Recycling financial policy change</i>	(1.30%)	-	-	-	
Total proposed tax rate without growth	1.25%	2.35%	2.10%	1.90%	
Total proposed tax rate before one-time requests	3.40%	2.75%	2.50%	2.30%	
<i>Availability within the approved tax rate range</i>	0.05%	0.25%	0.5%	0.7%	Total
<i>Funding capacity available to fund one-time requests</i>	-	\$4M	\$13M	\$28M	\$44M
<i>One-time funding proposed requiring funding</i>	\$15M	\$28M	\$18M	\$15M	\$76M
<i>Efficiency savings strategy</i>	←		\$32M	→	\$32M
<i>Maximum Budget Savings Account bridge financing required</i>	\$15M	\$24 M	\$5M	-	\$44M
Total proposed tax rate	3.45%	3.0%	3.0%	3.0%	

One-Time
Budget
Strategy



Proposed service investments and reductions (tax-supported operating base budget)



Services with proposed investments:

- Affordable Housing
- Police Services
- Public Transit (including Specialized Transit)
- Sidewalks & Pathways
- Streets



Services with proposed budget reductions:

- Appeals & Tribunals
- Citizen Engagement & Insights
- Human Resources Support
- IT Solutions & Support
- Procurement & Warehousing
- Social Programs



Typical Calgary household impact



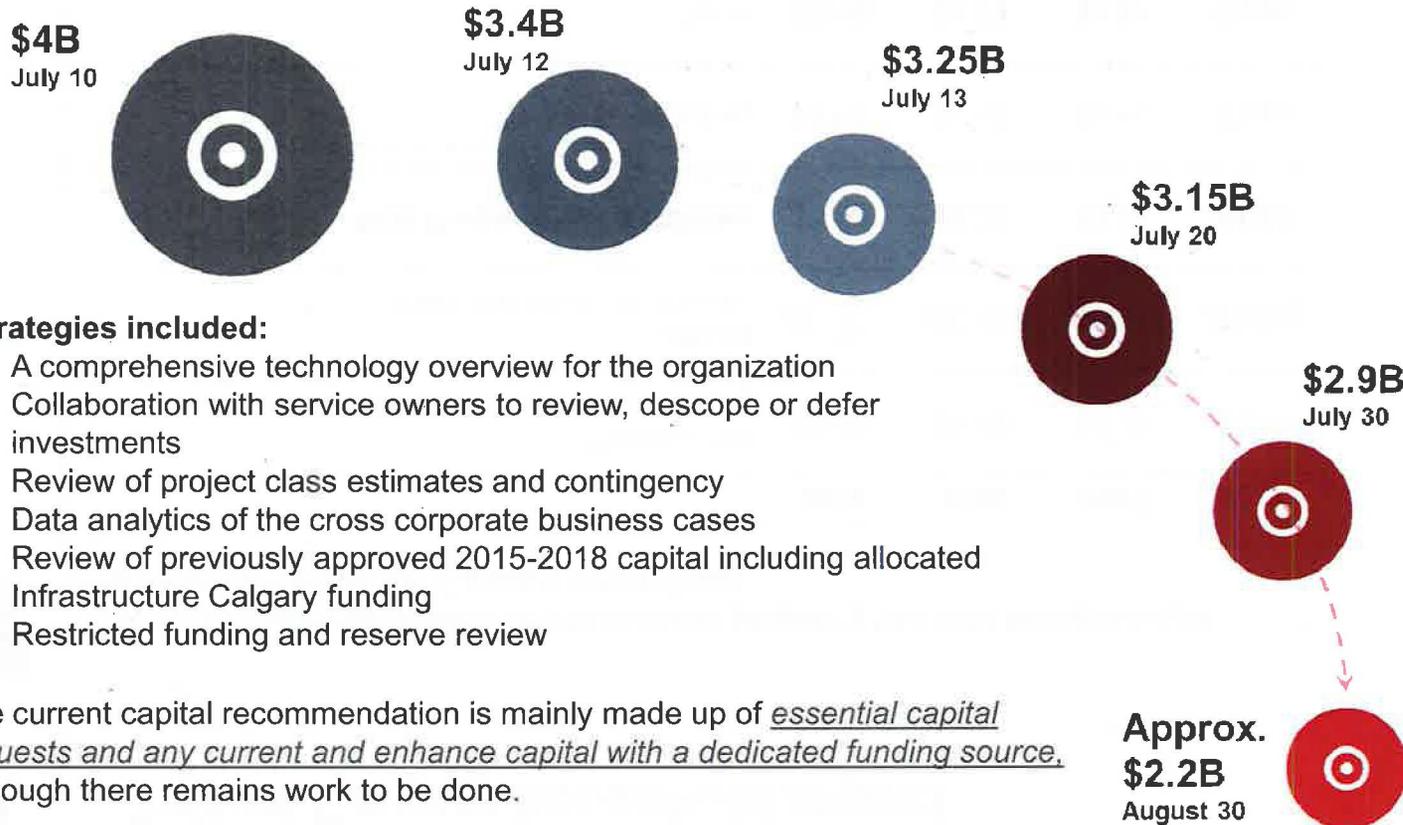
Estimated monthly impact of residential property tax and selected rate increases on a typical Calgary household

	2019	2020	2021	2022
Property Tax (based on 2018 assessment of \$480,000)	\$5.40	\$4.85	\$5.00	\$5.15
Utilities (Water, Wastewater, Stormwater)	(\$0.32)	(\$0.52)	(\$0.79)	(\$0.60)
Total Property Tax & Utilities	\$5.08	\$4.33	\$4.21	\$4.55
Waste & Recycling	\$4.40*	\$0.40	\$0.40	\$0.40
Total	\$9.48	\$4.73	\$4.61	\$4.95

* Reflects the Waste & Recycling financial policy change



Refinement of the essential capital ask through the Infrastructure Calgary review process



Strategies included:

- A comprehensive technology overview for the organization
- Collaboration with service owners to review, descope or defer investments
- Review of project class estimates and contingency
- Data analytics of the cross corporate business cases
- Review of previously approved 2015-2018 capital including allocated Infrastructure Calgary funding
- Restricted funding and reserve review

The current capital recommendation is mainly made up of essential capital requests and any current and enhance capital with a dedicated funding source, although there remains work to be done.



2019-2022 One Calgary capital budget reconciliation

Capital Budget (2019-2023+)	(\$millions)
Total Capital Budget	5,183
Less: Previously Approved Budget Remaining	(2,052)
New Capital Requests	3,131
Less: Utilities (includes growth)	(1,018)
New Capital Requests (excluding Utilities)	2,113
Less: Actively Developing/New Community Growth*	(217)
New Capital Requests (Tax supported – excluding growth)	1,896

*Includes infrastructure for Transportation and Community Services (Fire)



Investment Options – arising from Sept/Oct discussions

1 Included, with additional funding proposed, in the proposed plans and budgets

Operating

- 1.5 Wheelchair accessible taxis (\$700k one-time)
- 1.3 Integrated Civic Facilities Plan (\$300k)
- 1.4 Main Streets (\$190k one-time)

Capital

- 1.1 Affordable Housing (\$31 million)
- 1.2 Civic Partners – Vivo (\$22.5 million)
- 1.3 Integrated Civic Facilities Plan (\$16 million)
- 1.4 Main Streets (\$30 million)

2 For Council consideration (capital budget implications)

- 2.1 Affordable Housing
- 2.2 Arts & Culture
- 2.3 Better citizen engagement
- 2.4 Civic Partners
- 2.5 Maintain/enhance tree canopy
- 2.6 Missing links (Sidewalks & Pathways, Streets)
- 2.7 Pedestrian Strategy

Up to \$119 million requested

Approx. \$43 million available

4 No additional budget recommended at this time

Operating

- 4.1 Acceleration of improved corporate capacity and capability for an integrated new community, established area and industrial area strategy
- 4.2 Crime prevention through policing
- 4.5 Snow and ice control

Capital

- 4.3 Infrastructure gap
- 4.4 Maintain 4-car trains

3 For Council consideration (operating budget implications)

- 3.1 Arts & Culture - Festival and events subsidy, and additional funding for Calgary Arts Development Authority
- 3.2 Better citizen engagement
- 3.3 Civic Partners
- 3.4 Crime prevention through social development and environmental design
- 3.5 Sustainable funding for low income transit

Total requests \$36 million

No current capacity available within indicative tax rate



Next Steps

1. **Public Release:** November 14
2. **Orientation, Inquiries and Feedback:** November 14 to 25
3. **Council Discussion and Deliberations:** November 26 to 30
4. **Communication of Approved Plans and Budgets:** Dec 2018 to Q1 2019
5. **Approval of the Property Tax Bylaw:** April 2019



Administration Recommendation

That Council recess to reconvene at 9:30 a.m. on Monday, 2018 November 26 in the Council Chamber to continue this Regular Meeting of Council– One Calgary 2019-2022 Service Plans and Budgets.