

CITY OF CALGARY
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CITY CLERK'S DEPARTMENT

C2018-1158
PRESENTATION

Calgary



One Calgary: 2019-2022 Service Plans and Budgets

Regular Meeting of Council
November 26, 2018



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)





Arriving at the proposed Service Plans and Budgets

Maintain momentum

- ✓ Produced \$607 million in savings from 2015-2018 so far
- ✓ Reduced the headcount by 508 positions between 2016 and 2018
- ✓ Maintained low residential property taxes compared to other jurisdictions

How?

- Starting point for each service = 2018 base budget
 - Leveraged strategies that produced previous savings
- Considered first all efficiencies and reduction scenarios
- Invest available funding to bring services to “minimum credible level”
- Funding for service enhancements on a priority basis (previous Council direction, aligning to Citizen Priorities and Council Directives)
- Integration of operating and capital planning

Approach for deciding the 'Minimum Credible Level' of a service

The first goal for the Service Leaders' Forum was to ensure that each service is at a 'minimum credible level' before considering enhancements / new offerings

Approach

- Determined for each service by respective Service Leaders in consultation with Service Owners and General Managers
- Iterative checks to ensure services are at 'minimum credible level' throughout the process



Criteria

- Community Impact
 - Short-Term (Service Delivery)
 - Long-Term (e.g., Municipal Development Plan, Calgary Transportation Plan)
- Employee and Corporation Impact
- Legislative Impact
- Alignment with Council Directives



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



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%	
One-Time Budget Strategy	<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%	



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*

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