



MINUTES

PRIORITIES AND FINANCE COMMITTEE

**May 14, 2019, 9:30 AM
IN THE COUNCIL CHAMBER**

PRESENT:

Mayor N. Nenshi, Chair
Councillor S. Chu, Vice-Chair
Councillor D. Colley-Urquhart (CPS Chair)
Councillor J. Gondek (PUD Chair)
Councillor S. Keating (T&T Chair)
Councillor W. Sutherland (UCS Chair)
Councillor E. Woolley (Audit Chair)
Councillor G-C. Carra
Councillor G. Chahal
Councillor J. Davison
Councillor P. Demong
Councillor J. Farkas
Councillor D. Farrell

ALSO PRESENT:

City Manager G. Cole
Deputy City Manager B. Stevens
Acting General Manager K. Black
General Manager S. Dalglish
General Manager D. Duckworth
Acting Chief Financial Officer C. Male
General Manager M. Thompson
Acting City Solicitor and General Counsel J. Floen
City Clerk L. Kennedy
Acting City Clerk B. Hilford
Legislative Advisor J. Dubetz

1. CALL TO ORDER

Mayor Nenshi called the Meeting to order at 9:30 a.m.

2. OPENING REMARKS

Mayor Nenshi provided opening remarks for today's meeting.

3. CONFIRMATION OF AGENDA

Moved by Councillor Chu

That the Agenda for the 2019 May 14 Regular Meeting of the Priorities and Finance Committee be confirmed.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

- 4.1 Minutes of the Regular Meeting of the Priorities and Finance Committee, 2019 April 02

Moved by Councillor Farkas

That the Minutes of the Regular Meeting of the Priorities and Finance Committee, held 2019 April 02, be confirmed.

MOTION CARRIED

Mayor Nenshi provided an overview of today's meeting items and how they fit into Calgary's long-term, mid-term and short-term plans and policies. He indicated that discussion today would focus broadly on the economy and economic strategy for The City of Calgary, as well as key next steps.

5. POSTPONED REPORTS

- 5.1 Establishment of Working Group, With Respect To Report C2019-0352, Downtown Tax Shift Response (Recommendation 10, Only)- PFC2019-0451

This report was dealt with following Agenda Item 6.11

By general consent, the Priorities and Finance Committee forwarded Report PFC2019-0451 directly to Council without recommendation.

6. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 6.1 Economic Strategy Update, PFC2019-0604

A presentation, titled 'Calgary in the New Economy', dated 2019 May 14, was distributed with respect to Report PFC2019-0604.

The following speakers addressed Committee with respect to Report PFC2019-0604:

1. Adam Waterous, Waterous Energy Fund
2. Mary Moran, President and CEO Calgary Economic Development Ltd.
3. Court Ellingson, Vice President Calgary Economic Development Ltd.
4. Steve Allan, Chair, Calgary Economic Development Board

Councillor Woolley introduced a group of students from Altadore School in Ward 7, along with their teacher, Christa Ducey-Meherali.

Moved by Councillor Davison

That with respect to Report PFC2019-0604, the following be approved:

That the Priorities and Finance Committee recommends that Council receive Report PFC2019-0604 for information.

MOTION CARRIED

6.2 Streamlining the Cost of Municipal Government, PFC2019-0550

Mayor Nenshi left the Chair in order to make a presentation at 10:31 a.m. and Councillor Chu assumed the Chair.

PRESENTATION

Mayor Nenshi and City Manager Glenda Cole gave an overview of Agenda Items 6.2 and 6.3 as follows:

- Calgary – most livable city in Canada
 - Quality of life in Calgary
 - Citizen satisfaction and quality of city services
 - Cost of living
 - Cost of doing business
- Challenges
 - Unemployment rate
 - Personal and business bankruptcies
 - Mental health and addiction
- Calgary's economic recovery and resilience
- Municipal government efficiency and effectiveness
- Service-based approach
- Economic restraint environment.

The following documents were distributed with respect to Reports PFC2019-0550 and PFC2019-0585:

- A presentation titled 'Calgary's Economic Resilience', dated 2019 May 14; and
- A presentation titled 'PFC2019-0585: Prioritizing Next Steps to Streamline the Cost of Municipal Government', dated 2019 May 14.

Mayor Nenshi resumed the Chair at 10:57 a.m. and Councillor Chu returned to his regular seat in the Council Chamber.

Council recessed at 12:05 p.m. and reconvened at 1:09 p.m. with Councillor Chu in the Chair.

Mayor Nenshi resumed the Chair at 1:15 p.m. and Councillor Chu returned to his regular seat in the Council Chamber.

POINT OF ORDER

Councillor Gondek rose on a Point of Order with respect to a departure from the rules of parliamentary procedure. The Chair ruled the Point out of order.

6.3 Prioritizing Next Steps to Streamline the Cost of Municipal Government, PFC2019-0585

Committee recessed at 3:19 p.m. and reconvened at 3:54 p.m. with Mayor Nenshi in the Chair.

By general consent, Committee recessed at 3:54 p.m. and reconvened at 4:06 p.m. with Mayor Nenshi in the Chair.

Moved by Councillor Farkas

That the Recommendations contained in Report PFC2019-0585 be amended by adding a new Recommendation 2 as follows, and by renumbering the remaining Recommendations accordingly:

- “2. Bring reduction package options for tax supported services equivalent to tax increases of 2%, 1.5%, 1.0%, 0.5% and 0% to Council’s budget deliberations in 2019 November for the 2020 tax year including, but not limited to impacts on services, wages and head count;”

Against: Councillor Farrell

MOTION CARRIED

Moved by Councillor Colley-Urquhart

That Recommendation 1 contained in Report PFC2019-0585 be amended by adding the words “and rescind”, after the word “Reconsider”.

MOTION CARRIED

Moved by Councillor Farkas

That Recommendation 2b contained in Report PFC2019-0585 be amended by deleting the words “(Sept 2019)”, after the words “potentially be reduced”, and by replacing with the words “and budget targets for 2021 and 2022”.

And further, that Recommendation 2c contained in Report PFC2019-0585 be amended by deleting the words “and implement recommendations”, after the words “areas selected by Council”.

MOTION CARRIED

Moved by Councillor Farrell

That with respect to Report PFC2019-0585, the following be approved, **as amended**:

That the Priorities and Finance Committee recommend that Council:

1. Reconsider **and rescind** its motion on 2019 April 01 “That Council direct Administration to provide operating budget reduction options/scenarios (equating to a budget freeze) as part of the One Calgary mid-cycle budget deliberations.”

MOTION CARRIED

Moved by Councillor Farrell

That with respect to Report PFC2019-0585, the following be approved, **as amended**:

That the Priorities and Finance Committee recommend that Council:

2. Bring reduction package options for tax supported services equivalent to tax increases of 2%, 1.5%, 1.0%, 0.5% and 0% to Council’s budget deliberations in 2019 November for the 2020 tax year including, but not limited to impacts on services, wages and head count;

Against: Councillor Farrell

MOTION CARRIED

Moved by Councillor Farrell

That with respect to Report PFC2019-0585, the following be approved, **as amended**:

That the Priorities and Finance Committee recommend that Council:

3. Direct Administration to deliver on the next steps to streamline costs, as follows:

- a. Develop The City’s portfolio of sub-services (May-Sept 2019).
- b. Support Council to review the list of sub-services and identify areas for further investigation where scope could potentially be reduced **and budget targets for 2021 and 2022**
- c. Undertake service reviews in the areas **selected by Council (2020-2022+)**.

For: (8): Councillor Chu, Councillor Gondek, Councillor Keating, Councillor Sutherland, Councillor Carra, Councillor Davison, Councillor Demong, and Councillor Farkas

Against: (4): Mayor Nenshi, Councillor Colley-Urquhart, Councillor Woolley, and Councillor Farrell

MOTION CARRIED

Moved by Councillor Farrell

That with respect to Report PFC2019-0585, the following be approved:

That the Priorities and Finance Committee recommend that Council:

3. Direct Administration to deliver on the next steps to streamline costs, as follows:

- d. Deliver existing efficiency and saving commitments already approved within the plans and budgets, and continue delivering the ZBR program (2019-2022).
- e. Bring forward targeted budget reduction information to the mid-cycle adjustment in November 2020. Work with Council to determine an appropriate magnitude and scope for these reductions (Nov 2020).

MOTION CARRIED

6.4 Small Business Resiliency Grant Program- PFC2019-0590

A presentation titled 'Small Business Resiliency Grant', dated 2019 May 14, was distributed with respect to Report PFC2019-0590.

Moved by Councillor Farrell

That with respect to Report PFC2019-0590, the following be approved:

That the Priorities and Finance Committee recommends that Council:

1. Approve the conceptual framework of a Small Business Resiliency Grant program, including the draft Terms of Reference included in this report;
2. Direct Administration to develop an implementation plan for the first year of a potential two year grant program utilizing the first \$35.9 million of \$70.9 million of one-time funding (\$44 million from the Fiscal Stability Reserve and \$26.9 million within the Budget Savings Account from the 2017 and 2018 Phased Tax Program funding not required due to appeal resolutions). Year one of the program will be run based on a Terms of Reference finalized by Q3 2019 to the satisfaction of the City Manager and Chief Financial Officer. The results from the first year of the program will then be evaluated, and any material changes to be considered will be brought to PFC prior to implementation of year 2;
3. To facilitate Administration's implementation of this program a budget request of up to \$1.5 million (to be allocated from the \$35.9 million of the grant program funding in the first year) based upon information known at this time;
4. Direct Administration to report back to Priorities and Finance Committee with an implementation report by Q4 2019 for information; and

For: (2): Mayor Nenshi, and Councillor Farrell

Against: (5): Councillor Chu, Councillor Gondek, Councillor Keating, Councillor Woolley, and Councillor Farkas

MOTION DEFEATED

Moved by Councillor Farrell

That with respect to Report PFC2019-0590, the following be approved:

That the Priorities and Finance Committee recommends Council:

5. Direct that Attachment 7 remain confidential pursuant to section 27(1)(a) of the *Freedom of Information and Protection of Privacy Act* **indefinitely**.

For: (4): Mayor Nenshi, Councillor Keating, Councillor Woolley, and Councillor Farrell

Against: (3): Councillor Chu, Councillor Gondek, and Councillor Farkas

MOTION CARRIED

6.5 Administration Response to a Motion Arising on Residential Property Tax Rebates, PFC2019-0640

Moved by Councillor Gondek

That with respect to Report PFC2019-0640, the following be approved:

That the Priorities and Finance Committee recommends that Council not proceed with pursuing a 2019 property tax rebate.

MOTION CARRIED

Moved by Councillor Chu

That the Priorities and Finance Committee bring forward Item 6.8, Report PFC2019-0295 to be dealt with at this time.

MOTION CARRIED

6.6 Business Tax Consolidation – 2019 Annual Status Update and Final Report, PFC2019-0595

A presentation, titled 'Business Tax Consolidation - 2019 Annual Status Update and Final Report', dated 2019 May 14, was received with respect to Report PFC2019-0595.

Moved by Councillor Chu

That with respect to Report PFC2019-0595, the following be approved:

That the Priorities and Finance Committee recommend that Council receive this report for information.

MOTION CARRIED

6.7 Social Procurement Update, PFC2019-0384

Moved by Councillor Farrell

That the report Social Procurement Update, PFC2019-0384 be postponed to the 2019 June 04 Regular Meeting of the Priorities and Finance Committee.

MOTION CARRIED

6.8 Assessment and Tax Circumstances Report, PFC2019-0295

Moved by Councillor Chu

That with respect to Report PFC2019-0295, the following be approved:

That the Priorities and Finance Committee recommend that Council under the authority of section 347 of the *Municipal Government Act*:

1. Cancel property and business taxes for the amounts listed in the Attachment 1.
2. Cancel municipal property taxes for the qualifying non-profit organizations for the amounts listed in Attachment 2.
3. That Report PFC2019-0295 be forwarded to the 2019 May 27 Regular Meeting of Council.

MOTION CARRIED

By general consent, the Priorities and Finance Committee brought forward Item 6.10, Report PFC2019-0600 to be dealt with at this time.

6.9 2018 Year-end Capital and Operating Budget Revisions Report, PFC2019-0390

A presentation titled '2018 Year-End Capital and Operating Budget Revisions Report, dated 2019 May 14, was distributed with respect to Report PFC2019-0390.

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, as amended, the Priorities and Finance Committee suspended Section 78(2)(c) of the Procedure Bylaw to complete the remainder of the agenda prior to recessing.

Moved by Councillor Chu

That the Priorities and Finance Committee recommends that Council:

1. Receive for information:
 - a. Attachment 1 – Capital Budget Revisions – Previously Approved
 - b. Attachment 2 – Capital Budget Revision Summary
 - c. Attachment 3 - 2018 Operating Business Unit Net Budget Changes
 - d. Attachment 4 – 2018 Operating Service Budget Summary
 - e. Attachment 5 - Council Decisions/Referrals Having Actual or Potential Future Year Operating Budget Impacts

MOTION CARRIED

6.10 Amendment to Bylaws and New Interim Loan to Calgary Municipal Land Corporation, PFC2019-0600

Moved by Councillor Gondek

That with respect to Report PFC2019-0600, the following be approved:

That the Priorities and Finance Committee recommend that Council:

1. Give first reading to Bylaw 2B2019, being the proposed bylaw to amend Bylaw 2B2018, being a bylaw of The City of Calgary authorizing The City of Calgary to incur indebtedness by the issuance of debentures for financing capital projects for Calgary Municipal Land Corporation;
2. Give first reading to Bylaw 19M2019, being the proposed bylaw to amend Bylaw 37M2018, being a bylaw of The City of Calgary authorizing municipal loans to Calgary Municipal Land Corporation;
3. Give first reading to Bylaw 20M2019, being a bylaw of The City of Calgary authorizing municipal loans to Calgary Municipal Land Corporation;
4. Direct Administration to amend the existing Second Amended and Restated Credit Agreement between The City and CMLC dated July 23, 2010 in form and content acceptable to the City Treasurer, prior to funds being advanced under the proposed Bylaws; and
5. Direct that Attachment 4 remain confidential pursuant to 21 (Disclosure harmful to intergovernmental relations) of the *Freedom of Information and Protection of Privacy Act* (Alberta), for a period of two years.

MOTION CARRIED

6.11 Status of Outstanding Motions and Directions, PFC2019-0597

Moved by Councillor Chu

That with respect to Report PFC2019-0597, the following be adopted:

That the Priorities and Finance Committee receive Report PFC2019-0597 for information.

MOTION CARRIED

7. ITEMS DIRECTLY TO COMMITTEE

7.1 REFERRED REPORTS

None

7.2 NOTICE(S) OF MOTION

None

8. URGENT BUSINESS

None

9. CONFIDENTIAL ITEMS

9.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

9.2 URGENT BUSINESS

None

9.3 CONFIDENTIAL ATTACHMENTS ONLY

9.3.1 Attachment 7 to Report PFC2019-0590, Small Business Resiliency Grant Program

9.3.2 Attachment 4 to Report PFC2019-0600, Amendment to Bylaws and New Interim Loan to Calgary Municipal Land Corporation

10. ADJOURNMENT

Moved by Councillor Chu

That this meeting adjourn at 6:03 p.m.

MOTION CARRIED

THE FOLLOWING ITEMS HAVE BEEN FORWARDED TO THE 2019 MAY 27 COMBINED MEETING OF COUNCIL:

CONSENT:

Economic Strategy Update, PFC2019-0604

Streamlining the Cost of Municipal Government, PFC2019-0550

Prioritizing Next Steps to Streamline the Cost of Municipal Government, PFC2019-0585

Administration Response to a Motion Arising on Residential Property Tax Rebates, PFC2019-0640

Business Tax Consolidation – 2019 Annual Status Update and Final Report, PFC2019-0595

Assessment and Tax Circumstances Report, PFC2019-0295

2018 Year-end Capital and Operating Budget Revisions Report, PFC2019-0390

ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES:

Establishment of Working Group, With Respect to Report C2019-0352, Downtown Tax Shift Response (Recommendation 10, Only)- PFC2019-0451

Small Business Resiliency Grant Program- PFC2019-0590

Amendment to Bylaws and New Interim Loan to Calgary Municipal Land Corporation, PFC2019-0600

The next Regular Meeting of the Priorities and Finance Committee is scheduled to be held on 2019 June 04.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK

UNCONFIRMED