



MINUTES
SPECIAL MEETING OF COUNCIL
RE: 2019 BUDGET STRATEGIES

June 10, 2019, 8:00 AM
IN THE COUNCIL CHAMBER

PRESENT:

Mayor N. Nenshi
Councillor G-C. Carra
Councillor G. Chahal
Councillor S. Chu
Councillor D. Colley-Urquhart
Councillor J. Davison
Councillor P. Demong
Councillor J. Farkas
Councillor D. Farrell
Councillor J. Gondek
Councillor R. Jones
Councillor S. Keating
Councillor J. Magliocca
Councillor W. Sutherland
Councillor E. Woolley

ALSO PRESENT:

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

1. **CALL TO ORDER**

Mayor Nenshi called the meeting to order at 8:02 a.m.

2. **OPENING REMARKS**

Mayor Nenshi provided a traditional land acknowledgment.

The Mayor congratulated the many distinguished employees who were finalists and award recipients at the 2018 One City Awards held on June 07, 2019.

MOMENT OF SILENCE

Mayor Nenshi, on behalf of Council, requested a moment of silence for the passing of former Returning Officer Barbara Clifford on April 30, 2019.

3. CONFIRMATION OF AGENDA

Moved by Councillor Colley-Urquhart
Seconded by Councillor Keating

That the Agenda for the 2019 June 10 Special Meeting of Council be confirmed.

MOTION CARRIED

4. UNFINISHED BUSINESS

None

5. POSTPONED REPORTS

None

6. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

Moved by Councillor Farkas
Seconded by Councillor Chu

That, pursuant to Section 31(3) of the Procedure Bylaw 35M2017, as amended, Council invite members of the public to address Council with respect to proposed Motions C2019-0782 and C2019-0783.

ROLL CALL VOTE

For: (8): Councillor Carra, Councillor Chu, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Magliocca, and Councillor Sutherland

Against: (7): Mayor Nenshi, Councillor Chahal, Councillor Colley-Urquhart, Councillor Gondek, Councillor Jones, Councillor Keating, and Councillor Woolley

MOTION CARRIED

The following individuals addressed Council with respect to proposed Motions C2019-0782 and C2019-0783:

1. Kelly Doody
2. Kristi Stuart
3. Giles Dupas
4. John Milino
5. Alan Meyers
6. Michael Evans
7. Franco Terrazzano.

6.1 Immediate Tax Relief for Calgary Businesses, C2019-0782

Council recessed, by general consent, at 9:30 a.m. and reconvened at 9:31 a.m. with Mayor Nenshi in the Chair.

Distributions with respect to Notice of Motion C2019-0782:

- A draft Document Re: Cutting City of Calgary Operational Expenditures, dated 2019 April 08
- A document entitled "Business Friendly - YYC We Do Business Better".

Moved by Councillor Chahal

Seconded by Councillor Farrell

That with respect to Notice of Motion C2019-0782, Councillor Keating's proposed Motion be amended in bullet 6 by adding the words "taxation and", following the words "engage in discussions regarding".

ROLL CALL VOTE

For: (9): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Colley-Urquhart, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, and Councillor Woolley

Against: (6): Councillor Chu, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Magliocca, and Councillor Sutherland

MOTION CARRIED

Moved by Councillor Farkas

Seconded by Councillor Demong

That with respect to Notice of Motion C2019-0782, Councillor Keating's proposed Motion be amended by adding a new bullet as follows:

"7. Council leads by example in reducing expenses by adopting a 15% reduction (and subsequent freeze) between \$11,900 and \$14,000 in their respective office expense accounts for the duration of the One Calgary 2019 – 2022 Service Plans and Budget, and the corresponding amount (15%) from the Mayor's office account."

RECORDED VOTE

For: (15): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION CARRIED

Councillor Carra rose on a Point of Order with respect to a departure from the rules on length of debate.

Mayor Nenshi ruled that the Point was well taken. (Section 109(c) of the Procedure Bylaw).

Moved by Councillor Farkas

Seconded by Councillor Chu

That with respect to Notice of Motion C2019-0782, Councillor Keating's proposed Motion be amended by adding a new bullet as follows:

"8. Council further leads by example and reconsiders its decision on January 14, 2019 (Council Member Remuneration Calculation - C2019-0058) and:

1. immediately adopts a 7.5% reduction in base yearly pay, with no further increases to be permitted until the 2021 Council term (or such a time that an increase is recommended by an independent citizen committee);
2. immediately freezes the Elected Officials Pension Plan and Supplementary Pension Plan for Elected Officials, with benefits accrued to date to be honoured, but not grow based on increases in salary or future contributions, until the 2021 Council term (or such a time that a change to the plans or resumption is recommended by an independent citizen committee);"

RECORDED VOTE

For: (3): Councillor Chahal, Councillor Colley-Urquhart, and Councillor Farkas

Against: (12): Mayor Nenshi, Councillor Carra, Councillor Chu, Councillor Davison, Councillor Demong, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017 as amended, and by general consent, Council suspended Section 78(1)(a) of the Procedure Bylaw, in order to allow the lunch recess to commence at the Call of the Chair.

That with respect to Notice of Motion C2019-0782, the following amendment to Council Keating's proposed Motion be withdrawn:

Moved by Councillor Farkas

Seconded by Councillor Chu

9. Council requests Management Exempt Staff to voluntarily accept a 5% reduction in base pay;
10. Council requests each bargaining unit to voluntarily accept a 2.5% reduction in base pay;"

MOTION WITHDRAWN

Moved by Councillor Farkas

Seconded by Councillor Chu

That with respect to Notice of Motion C2019-0782, Councillor Keating's proposed Motion be amended in bullet 2 by adding the words "and voluntary salary and wage roll-backs" following the words "services and staffing positions".

RECORDED VOTE

For: (13): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Gondek, Councillor Keating, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

Against: (2): Councillor Farrell, and Councillor Jones

MOTION CARRIED

Pursuant to Section 121 of the Procedure Bylaw 35M2017 as amended, Council permitted, by general consent, Councillor Sutherland to change his vote with respect to the amendment, from the negative to the affirmative.

Moved by Councillor Farkas

Seconded by Councillor Chu

That Council reconsider its previous decision made on 2019 May 27, with respect to Report PFC2019-0590 and approval of committing \$70.9 Million to short term and potential long term solutions for business.

RECORDED VOTE

For: (5): Councillor Carra, Councillor Chu, Councillor Farkas, Councillor Jones, and Councillor Magliocca

Against: (10): Mayor Nenshi, Councillor Chahal, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farrell, Councillor Gondek, Councillor Keating, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

Moved by Councillor Farkas

Seconded by Councillor Chu

That with respect to Notice of Motion C2019-0782, Councillor Keating's proposed Motion be amended by adding a new bullet as follows:

"11. Council requests the Mayor to send a letter to our partners in the provincial government requesting to engage in discussions regarding modernization of labour relations for municipalities."

RECORDED VOTE

For: (3): Councillor Chu, Councillor Colley-Urquhart, and Councillor Farkas

Against: (12): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Davison, Councillor Demong, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

Moved by Councillor Farkas
Seconded by Councillor Chu

That with respect to Notice of Motion C2019-0782, Councillor Keating's proposed Motion be amended by adding a new bullet as follows:

"12. Council directs Administration to engage every City employee through a survey, for their cost savings ideas to be compiled and presented verbatim (less personally identifiable comments) to Council, for consideration, no later than the July 29th Combined Meeting of Council"

RECORDED VOTE

For: (7): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Demong, and Councillor Farkas

Against: (8): Councillor Davison, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

Moved by Councillor Farkas
Seconded by Councillor Chu

That with respect to Notice of Motion C2019-0782, Councillor Keating's proposed Motion be amended as follows:

In bullet 2

By deleting the text "\$60 million", following the words "budget reductions of", and by replacing with the text "between \$60 and \$120 million".

In bullet 5

- By deleting the word "the" following the words "be directed to use";
- By deleting the words "to achieve a shift from the non-residential assessment base to the residential base" at the end of the sentence
- By adding the following sentence to the end of the bullet "Additional permanent savings beyond \$60 million are to be used to reduce the tax rate impact for both non-residential and residential properties."

RECORDED VOTE

For: (3): Councillor Chu, Councillor Colley-Urquhart, and Councillor Farkas

Against: (12): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Davison, Councillor Demong, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

Moved by Councillor Keating

Seconded by Councillor Sutherland

That with respect to Notice of Motion C2019-0782, the following be adopted, **as amended**:

NOW THEREFORE BE IT RESOLVED that:

1. Council reconsider and rescind its motion on May 27, 2019 “That Council direct Administration to commit \$70.9 million of one time funding (\$44 million from the Fiscal Stability Reserve and \$26.9 million within the Budget Savings Account) for strategies related to short term mitigation measures or potential long term solutions for business in Calgary, to be determined through the work of the Financial Task Force (to be formed once the Terms of Reference are approved) and/or the working group, with options to be recommended to Council through Priorities and Finance Committee no later than November 2019”;
2. Administration identify permanent budget reductions of \$60 million for the 2019 tax year and report back to Council, no later than July 31, 2019, with the details of the proposed reductions for approval, which may include, but are not limited to, reductions and/or the elimination of programs, services and staffing positions **and voluntary wage roll-backs**;
3. **Administration implement a 2019 Phased Tax Program (PTP), in a manner consistent with 2018, using the \$70.9 million as identified in 1 above and the \$60 million as identified in 2 above to provide immediate one-time relief to eligible non-residential property tax accounts. This combined amount of \$130.9 million (one-time) will be used to create a minimum 10% reduction in non-residential municipal property taxes from 2018 to 2019, excluding the effects of the final year of Business Tax Consolidation (approximately 4.2% increase), excluding any 2018 PTP credit, and excluding properties that are subject to non-market changes like property upgrades and expansions;**
4. Administration to make available to the eligible non-residential property owner the impact of the 2019 PTP on or before June 28, 2019 on a best effort basis. Administration will ensure eligible PTP participants will see the monthly amount adjusted no later than August 1, 2019, and payment for any remaining qualifying accounts with an outstanding credit balance will be made no later than July 31, 2019;

RECORDED VOTE

For: (15): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION CARRIED

Moved by Councillor Keating
Seconded by Councillor Sutherland

That with respect to Notice of Motion C2019-0782, the following be adopted:

NOW THEREFORE BE IT RESOLVED that:

5. Administration be directed to use the \$60 million in 2019 permanent savings as identified in 2 above to reduce the non-residential tax rate impact for 2020 and beyond to achieve a shift from the non-residential assessment base to the residential base;

Against: Councillor Farkas

MOTION CARRIED

Moved by Councillor Keating
Seconded by Councillor Sutherland

That with respect to Notice of Motion C2019-0782, the following be adopted, **as amended**:

NOW THEREFORE BE IT RESOLVED that:

6. Council requests the Mayor to send a letter to our partners in the provincial government requesting to engage in discussions regarding **taxation and assessment reform**.

ROLL CALL VOTE

For: (9): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Davison, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Keating, and Councillor Woolley

Against: (6): Councillor Chu, Councillor Colley-Urquhart, Councillor Demong, Councillor Farkas, Councillor Magliocca, and Councillor Sutherland

MOTION CARRIED

Moved by Councillor Keating
Seconded by Councillor Sutherland

That with respect to Notice of Motion C2019-0782, the following be adopted, **as amended**:

NOW THEREFORE BE IT RESOLVED that:

7. Council leads by example in reducing expenses by adopting a 15% reduction (and subsequent freeze) between \$11,900 and \$14,000 in their

respective office expense accounts for the duration of the One Calgary 2019 – 2022 Service Plans and Budget, and the corresponding amount (15%) from the Mayor's office account.

MOTION CARRIED

Council recessed at 1:12 p.m. and reconvened at 2:47 p.m. with Mayor Nenshi in the Chair.

Mayor Nenshi, on behalf of Council, acknowledged the passing of former Alderman William Dickie on May 23, 2019.

Moved by Councillor Sutherland
Seconded by Councillor Colley-Urquhart

That with respect to Notice of Motion C2019-0782, the following Motion Arising be adopted:

That Administration should consider but not be limited to the following guiding principles for the \$60M permanent operating reductions:

1. Least harm (to services) approach (all direct and indirect Tax Supported areas).
2. Treat employees with dignity and respect.
3. Preserve front line services, albeit, reductions may create a lower level or elimination of service.
4. Permanent reductions whenever possible, and short term strategies to yield long term permanent savings.
5. Reductions should not result in future additional costs that exceed the reductions.
6. Consider the capital related implications of operating reductions.
7. Analysis whether to proceed with new initiatives that have not started and reduce existing services.
8. Continue to prioritize long term plans and policies.
9. Reduce the use of consultants and short term contracts.
10. Outsource work where possible to reduce overhead & benefits.
11. Have subsidiaries and Civic partners engage in the above in a similar manner.
12. Review reporting structures for additional savings and efficiencies.
13. Operationalize Capital or capitalize Operating where possible.

Against: Councillor Farkas

MOTION CARRIED

Moved by Councillor Demong
Seconded by Councillor Sutherland

That with respect to Notice of Motion C2019-0782, the following Motion Arising be referred to the 2019 September Meeting of the Priorities and Finance Committee for discussion in the context of business support initiatives:

“That Council direct Administration to allocate from Corporate Savings for business friendly initiatives, \$1.045 M to enable marketing, communications and supporting research and engagement, during Q3 2019 to Q4 2021 and report back to Council through the Business Advisory Committee quarterly.”

Against: Councillor Farkas and Councillor Farrell

MOTION CARRIED

Moved by Councillor Demong
Seconded by Councillor Woolley

That with respect to Notice of Motion C2019-0782, the following Motion Arising be referred to the Priorities and Finance Committee Working Group, and return to the 2019 July 16 Strategic Meeting of Council:

“That Council direct Administration to identify permanent budget reductions of:

- a. \$50 Million for the 2020 tax year, \$50 Million for the 2021 tax year and report back to Council prior to or at budget deliberations for the tax year for approval.
- b. Administration to allocate savings found in (a.) above, on a proportional basis to the non-residential tax accounts (excluding non-market changes like property upgrades and expansions), and prior to business tax consolidation impacts; and
- c. Allocate 2020 and 2021 tax room if available to the Non-Residential tax rate to achieve a 50/50 split.”

Against: Councillor Chahal and Councillor Colley-Urquhart

MOTION CARRIED

6.2 Emergency Action for Budget Reductions and Tax Relief, C2019-0783

Item 6.2, Notice of Motion C2019-0783 was withdrawn by general consent of Council.

7. CONFIDENTIAL ITEMS

None

8. ADJOURNMENT

Moved by Councillor Jones
Seconded by Councillor Colley-Urquhart

That this meeting adjourn at 4:34 p.m.

ROLL CALL VOTE

For: (14): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION CARRIED

CONFIRMED BY COUNCIL ON

MAYOR

CITY CLERK

UNCONFIRMED