

Action Plan Summary



Action Plan Summary Table of Contents

TABLE OF CONTENTS

Introduction	II
Trends & Issues Affecting Calgary	V
Citizen Engagement	IX
Aligning To Long-Term Plans: Connecting The Dots	XI
The City's Financial Position	XII
Council Priorities 2015 - 2018	XVI
Strategic Highlights	XX
Leadership Team Strategic Plan And Contract With Council	XXII
Budget Overview – Total City	XXIII
The <i>Action Plan</i> Process	XXVIII
Organizational Chart	XXX

DEPARTMENTAL SECTIONS

Utilities & Environmental Protection
Transportation
Calgary Parking Authority
Community Services & Protective Services
Civic Partners
Calgary Police Service
Planning, Development & Assessment
Corporate Services and Calgary Housing Company
Corporate Administration
Corporate Programs
Council

SUPPLEMENTAL INFORMATION

Operating Budget Analysis
Capital Budget Analysis
Background Information

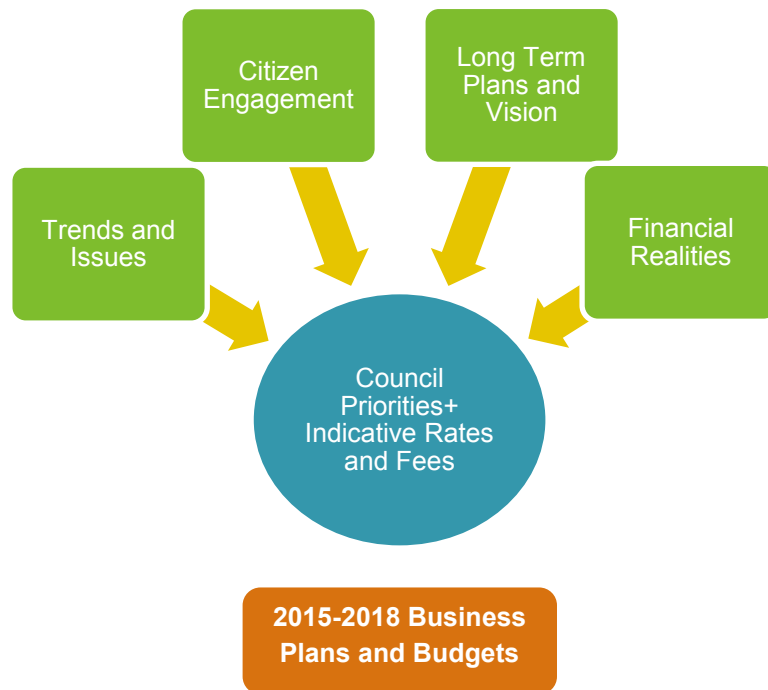


A prosperous city	A city of inspiring neighbourhoods	A city that moves	A healthy and green city	A well-run city
Calgary continues to grow as a magnet for talent, a place where there is opportunity for all, and the best place in Canada to start and grow a business.	Every Calgarian lives in a safe, mixed and just neighbourhood, and has the opportunity to participate in civic life.	People and goods can move well and safely throughout the city, using a variety of convenient, affordable, accessible and efficient transportation choices.	We steward our air, land, and water while encouraging healthy lifestyles for all Calgarians.	Calgary's government is open, responsive, accountable and transparent, delivering excellent services at a fair price. We work with our government partners to ensure we have the tools we need.



INTRODUCTION

Action Plan 2015-2018 describes how The City of Calgary will respond to the needs and aspirations of the citizens of Calgary over the next four years. It identifies priorities for the period and recommends the services and initiatives that will be provided, the performance results that Administration commits to accomplish, and the operating and capital budgets that will support the achievement of these results.



Council Direction

Council Priorities for 2015-2018 are founded on the 100-year community vision and long-term goals and aspirations articulated by Calgarians through the imagineCALGARY plan completed in 2006. They were also influenced by information on key trends and emerging issues anticipated in the next four years, the views of Calgarians as expressed through extensive citizen engagement, and Council-approved long-term plans (specifically the Municipal Development Plan and the Calgary Transportation Plan). Council also took into account The City's financial projections and funding opportunities and constraints. Further information on all of these influencing factors can be found in pages XII-XV of this *Action Plan Summary*.

Council Priorities, approved on 2014 May 5, set the direction for the next four years, describing the outcomes that are most important for The City of Calgary, and some major initiatives that Council has identified for this business cycle. The complete text of Council Priorities is in pages XVI-XIX of this *Action Plan Summary*.

Also approved on May 5 were financial guidelines, in the form of indicative rates for property taxes (annual increases of 4.7 per cent), water utilities, waste and recycling services, and user fees for other City services. The indicative property tax rate increase will increase taxes on the average residential property by \$6.75 per month in the 2015-2018 cycle.

The Shared Strategic Agenda

Council Priorities reflect the aspirations and priorities expressed by the Calgary community. *Action Plan* is Administration's response to Council Priorities and, in this way, forms part of Administration's "shared agenda" with Council. The plans and budgets also show how Administration will provide value to the Calgary community, through the provision of services, and delivery of key priorities, within the funding available.



Shared Agenda (Priorities)

Organizational Values

Action Plan demonstrates The City of Calgary's organizational values of **Collective Accountability and Individual Responsibility**. Collectively, Administration is accountable to achieve the results described in *Action Plan*, each of which requires the participation and contribution of many City departments. The individual role and responsibility of each department and business unit is described in the department and business unit approval pages.

Delivering Council Priorities

Detailed information on how Administration plans to respond to each Council Priority is provided in the department pages of *Action Plan*. Department performance measures and specific actions were developed for each of Council's Priorities, and the 44 associated strategic actions.

This *Action Plan* Summary includes information on how *Action Plan* will address some important issues over the next four years, including:

- Responding to the 2013 flood;

- Making progress on the Municipal Development Plan and Calgary Transportation Plan;
- Accommodating growth; and
- Incorporating the Leadership Team Strategic Plan and Contract with Council.

This is followed by a summary of the operating and capital budgets, organizational chart, and a complete list of City services.

Action Plan is a living document. Administration will continue to regularly report to Council and the public over the next four years on progress in relation to the plans and budgets. Consistent with the Council-approved approach, there will be opportunities to bring forward adjustments to plans and budgets as needed, in response to emerging needs and changing circumstances. As well, there will be a more significant mid-cycle review after two years, which will include a check-in with citizens, and an update on emerging issues and trends.

Highlights of the *Action Plan* Document in this Cycle

This cycle of the business plan and budget process builds on the strengths of past cycles and includes some notable steps forward. Among them:

- There is a clearer line of sight between Council Priorities and Administration's proposed business plans, because Council Priority outcomes and strategies are used as departmental plan outcomes and strategies;
- There is a considerable increase in the use of benchmarking, showing The City's performance in relation to similar organizations, emphasizing lessons learned and how these will be addressed in the coming business cycle;
- Detailed historical budget information is provided for easy reference;
- More information on the future operating budget impacts of proposed capital investments, including operating budget estimates beyond the current (2015-2018) cycle.

Action Plan Summary



As with the previous business plan and budget, *Action Plan* also includes:

- Information on what we heard from citizens through citizen engagement, and identification of how citizen's ideas are reflected in the plans.
- Performance measures and targets related to each outcome.
- Detailed descriptions and budget information on more than one hundred lines of service provided by The City of Calgary.
- Continued focus on finding efficiencies, balancing the provision of quality public services with keeping taxes and user fee increases affordable.

Structure of the *Action Plan* Document

This *Action Plan* document has three primary components:

- The *Action Plan* Summary (this section) includes a synopsis of the major inputs that have informed the creation of Council Priorities and the business plans and budgets, and highlights of Administration's response in selected areas.
- The department sections contain background information specific to the department and its business units, followed by the proposed business plans (strategies, actions, and performance measures and targets) and operating and capital budgets, for Council's review and approval. Benchmarking information and additional information on citizen engagement is also found here.
- Supplemental Information has additional summarized information and budget analysis tables.

Action Plan Summary

- Influencing Factors
- Council Priorities
- Strategic Highlights
- Budget Overview
- Action Plan Process
- Organization Chart and list of services

Department Sections

- Department overview and additional background information
- Performance measures and targets for each outcome
- Business unit business plan actions
- Business unit operating and capital budgets

Supplemental Information

- Additional detail and corporate analysis of the operating and capital budgets including capital project listings
- Financial policies and fund balances
- Economic assumptions underlying the *Action Plan*

Additional Information

Supporting information is available at www.calgary.ca/actionplan during the public release and review in 2014. This includes *A Four-Year Plan for Calgary* which is a summary of key actions, performance measures, and investments towards delivering Council Priorities. Also online is an interactive budget dashboard for user-guided analysis of the operating and capital budgets including information on capital requests contained in *Action Plan*.

TRENDS & ISSUES AFFECTING CALGARY

Trends Affecting Calgary

At the start of the business planning and budgeting process, Administration completed an environmental scan and analysis of key trends which informed the creation of The City of Calgary's *Action Plan*. The major trends and issues that affect service delivery across the organization are identified and discussed below.

The Economy

Of the six largest cities in Canada, Calgary has the most productive and best-paid workforce; the greatest purchasing power; a lower cost of living than Toronto or Vancouver; one of the lowest unemployment rates; and the second highest total growth in retail sales over the past 10 years.

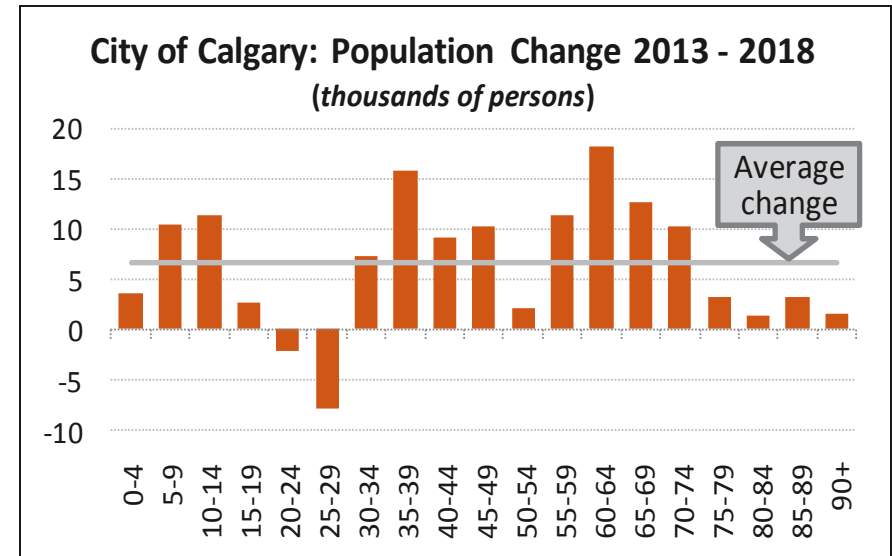
The pace of economic activity in Calgary will remain strong in 2014 and 2015, in reaction to faster economic growth among trading partners. This is expected to increase market opportunities for Canadian businesses. Canada's real gross domestic product (GDP) growth is expected to average 3.1 per cent in 2015 based on increased demand for Canadian exports such as oil and forest products which will keep demand and prices high. From 2016-2018, growth is expected to moderate somewhat, constrained by a slower-growing labour force.

Inflation is forecast to average 2.9 per cent in 2014, and is expected to moderate to 2.1 per cent in 2018. Strong population growth, driven by above average net migration levels, is expected between 2015 and 2018, as individuals move to Calgary in response to relatively lower unemployment rates, which are expected to average 4.8 per cent between 2015 and 2018.

Demographics

The *Action Plan* was developed on a population growth forecast of 100,000 over the next four years (an average of 25,000 people per year), with population projected to reach 1.274 million by 2018. Administration will monitor growth closely, and if necessary, will bring forward business plan and budget adjustments for Council's consideration.

By 2018, a shift in age distributions is anticipated in response to the combination of aging population, net migration and natural increase. The largest population increases will be experienced by the 60 to 64 age group, as well as the 35 to 39 age group which is resulting from net migration.



Among Canadian cities, Calgary has the highest immigrant population after Toronto, Vancouver and Montreal. It is reported that approximately one in four Calgarians is an immigrant, with the main source countries being from the Asia Pacific region. Calgary's total immigrant population (both permanent and non-permanent residents) is projected to reach almost half a million by 2020.

Approximately 11 per cent of Calgarians are living on low income and are vulnerable because they spend a larger share of income on basic needs, which often results in income deficits and increased debt. Approximately 28 per cent of Calgarians rent their homes, among which 39 per cent are overspending, meaning they contribute more than 30 per cent of their total household income towards shelter costs. Some groups are more likely to be affected by low income including recent immigrants, Aboriginal people, persons with disabilities, senior women, and children. Evidence suggests that social problems are associated with income disparity, which is increasing in



Calgary. Government services need to adapt and reflect the needs of the demographics, and ensure affordability and accessibility for all.

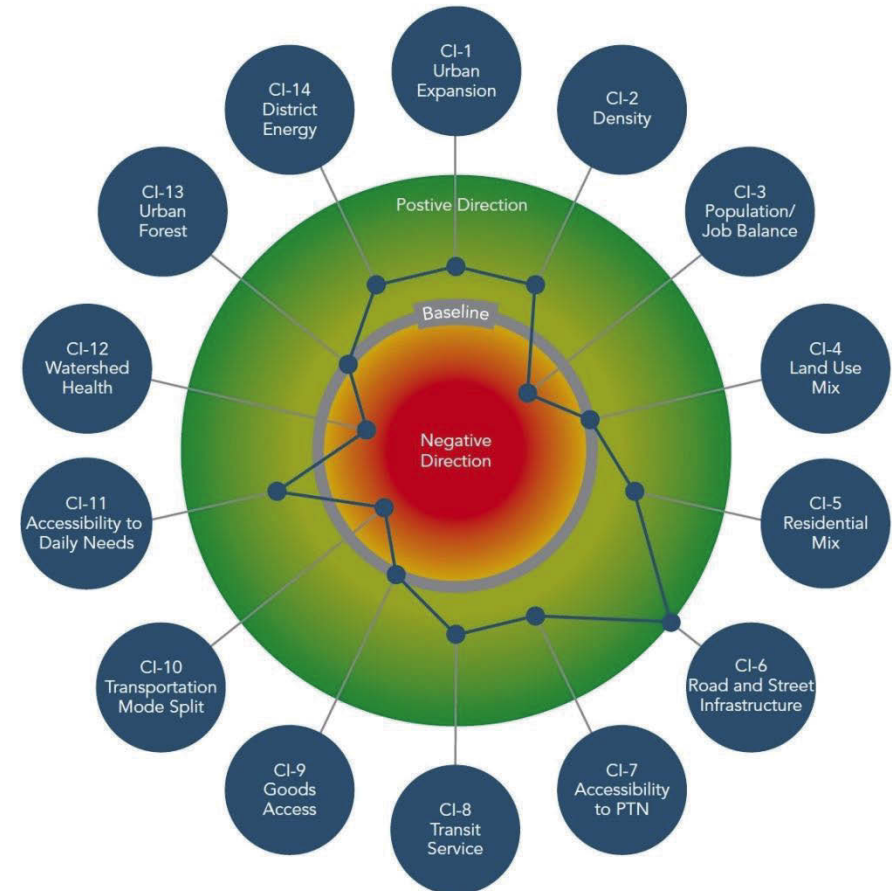
Planning & Mobility

Between 2006 and 2012, 96 per cent of Calgary's population growth occurred in new suburbs. This trend appears to be shifting: over the past five years, the average annual population growth to new suburbs fell to 75 percent. In 2014, 58 per cent of citywide population growth occurred in established areas.

Assessments indicate that the automobile is still the most common travel choice, making up 79 per cent of all trips. This leads to more traffic on roadways resulting in congestion, greater greenhouse gas emissions and reduced air quality. The exception to this trend is downtown where the city is experiencing a higher proportion of walking, cycling and transit usage (Centre City 63 per cent, Activity Centre and Corridors 32 per cent) compared to 17 per cent in Planned and Future Greenfield areas.

The city's growth is beginning to move towards the goals and objectives of the Municipal Development Plan (MDP) and the Calgary Transportation Plan (CTP). Indicators show that Calgary is designing better communities, however strategic areas (Centre City, Activity Centres and Corridors) are not growing as quickly as the city as a whole.

The "MDP/CTP 2013 Monitoring Progress Report", published in December 2013, identified areas that are trending away from the direction of the MDP/CTP targets, or where particular risks are perceived.



While new communities in Calgary are being built at higher densities than ever before, the rate of growth in strategic areas (such as transit oriented nodes and corridors) has not occurred as fast as anticipated. Increasing transportation options and amenities in these areas should help to increase their attractiveness.

Transportation mode split indicator measures per cent of trips that are made by walking, cycling, transit and car. This indicator is underperforming. Between 2005 and 2011, since growth was concentrated in suburban areas, the city saw an increase in auto use relative to other travel methods.

Watershed health indicator measures the amount of impervious surface area (e.g. land covered by buildings, roadways, parking lots). There is a direct correlation between the increase in impervious surface (4 per cent compared to the baseline) and an increase in storm water runoff to rivers affecting water quality and quantity.

Another indicator showing neutral to negative direction is the balance of population and jobs in city quadrants. Particularly in the northwest, population is growing faster than employment. A greater balance between population and jobs could promote shorter commute times.

The Environment & Impact of Disasters

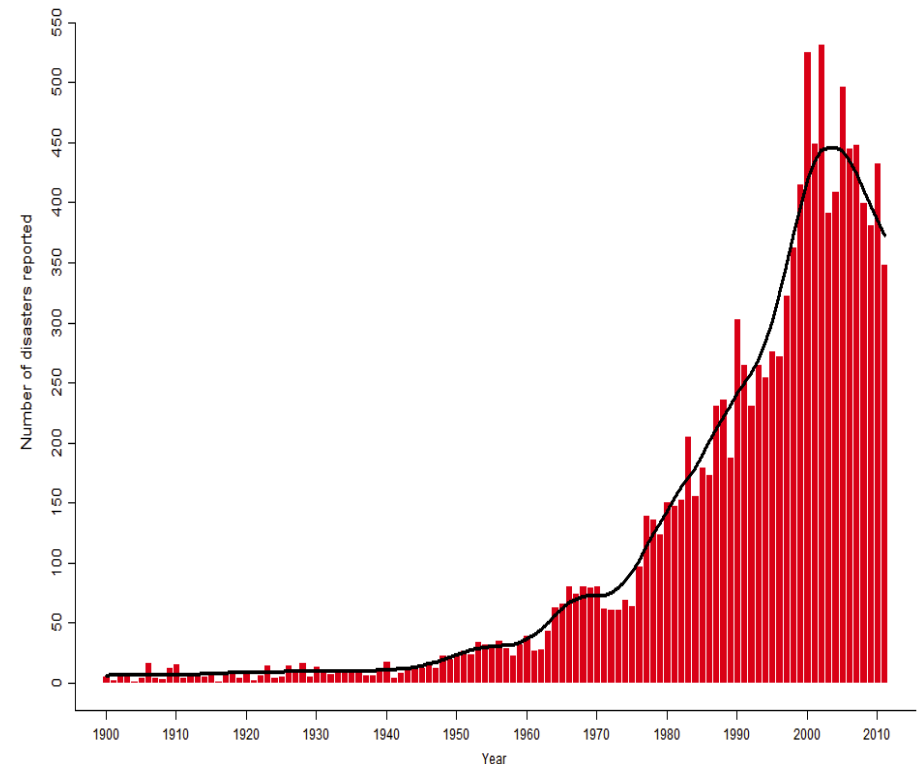
Continued reliance on fossil fuels for energy is increasing local and global greenhouse gas (GHG) emissions. Population growth is affecting the environment through increased demand for land, changes to land use, air quality, water resources, as well as infrastructure needed to service the region. Increasing interest from the Province in regionalization may result in reliance on The City to develop and implement servicing strategies and conservation initiatives with other communities in the region.

It is predicted that the Calgary region will experience an increase in annual temperature and a higher frequency and intensity of extreme weather events including potential flooding, drought, longer wildfire seasons, longer freeze-free periods, and more freeze-thaw cycles.

The past several decades have seen an increase in worldwide disasters of all types, and this increasing frequency is expected to continue. Calgary specifically has endured several disasters in the last few years, including

floods, hail storms, windstorms, derailments, pandemics, power disruptions, high-rise fires, industrial fires and associated technological disasters. While the cause of the increase in disasters is complex, there is no question that population density and an increasing reliance on technology has exacerbated the impact of them both financially and physically.

Natural Disasters Reported 1900-2011



Natural Disasters Worldwide EM – DAT The International Disaster Database



Technology

Calgary is a highly connected city with almost 97 per cent of the general population having internet access at home. When customers and citizens connect with local government, there is an increased demand for transparency and such initiatives as providing services online and information through open data. The ability to identify and track such physical objects as City vehicles and electronic devices drives the need for better data management practices to manage devices remotely and in real-time. Mobile technology including web and mobile applications, as well as changes in work-styles, modes of communication and consumer expectations are all changing the way information moves among individuals and between and within organizations.

Workforce

Calgary's labour market has become increasingly tight despite the skilled and educated workforce that currently exists. Employers continue to face challenges in attracting, developing and retaining employees.

Economic forecasts point to increased demand for skilled positions, and it is expected that the labour market shortage will make it an employee's market. In addition, the local labour market will be characterized by growing diversity and shifting age demographics. These factors, among others will place increased pressure on organizations, including The City of Calgary, to review their employer value proposition.

So what does this all mean?

The overall growth that Calgary is set to experience over the next business planning and budgeting cycle is expected to lead to a greater demand for municipal government services and change how such services are traditionally offered. In response, there is a need to be efficient and effective, balancing quality service delivery and infrastructure development with affordability in taxes and user fees for Calgarians. We will need to adapt our services to respond to the needs of a growing and changing population. Affordability and accessibility will need to be maintained.

As customer service standards continue to evolve, due in large part to service-intensive industries in the private sector, the public sector too will be required to respond. Research and development will continue to be required to understand and meet the needs of the changing Calgary community. Personalizing customer service, empowering staff and using technologies will collectively contribute to improving customer and citizen experiences.

More information on trends and implications as it relates to the specific departments and business units can be found in the department business plans and budget pages.

Content contributed by subject matter experts from across The City of Calgary.

CITIZEN ENGAGEMENT



The *Action Plan* engagement strategy sought feedback from citizens and stakeholders using many channels and a variety of methods to gather a wide breadth of input that informed both Council Priorities and the development of *Action Plan* 2015-2018.

Engagement opportunities for citizens to provide input into *Action Plan* ran from March 1 to 21, 2014, both online and through a series of 21 in-person events throughout Calgary.

Online tools included a budget simulator that allowed citizens to increase or decrease City

spending, making trade-offs from one service area to another; a priorities tool that gave participants the opportunity to share what priorities The City should focus on for the next four years; and a discussion tool where citizens could talk to each other online about their ideas and priorities.

In-person events gave citizens the same opportunities as online, in a paper form, and at least one engagement event was held in every ward.

The *Action Plan* awareness campaign began in mid-February and, utilizing all City marketing and communication channels, let citizens know of the engagement opportunities and gave them accessible ways to participate in-person and online.

In addition to these inclusive and broad-reaching engagement activities, The City also conducted ideation sessions and focus groups with recruited citizens as well as representatives of community agencies, the Calgary business community and The City of Calgary's partner agencies.

Given the wide range of stakeholders and the potential impacts they could have on this complex project, it was determined that no single engagement approach on its own could provide enough input to support Council decision making. Therefore, the *Action Plan* engagement results reflect the diverse and thoughtful opinions, priorities, concerns and community aspirations of all participants.

Key Citizen Observations & City Actions

Although there were many ways for citizens to participate and thousands of interesting ideas, several key observations were apparent across all engagement streams and revealed consistent priorities regardless of how citizens participated in *Action Plan* engagement.

To meet citizen expectations, City staff carefully considered the engagement feedback, in concert with other such inputs as trends, Council Priorities, and indicative rates and fees. Below, are the key engagement findings as well as some of the ways that The City is working for citizens to ensure a balance between investing in quality public service and affordable tax rates and user fees.

Transit - An efficient and reliable public transit network was identified as a top priority consistently across all engagement streams. Areas of focus will improve efficiency of the system, provide more affordable commuting options, and increase accessibility to Calgary's services and amenities.

Action Plan highlights:

- invest in the Green Line Transitway
- refurbish and buy new Light Rail Vehicles
- introduce four car train service
- implement electronic fare system
- add 190,000 hours of new service from 2015 to 2018

Affordable housing - This emerged as a priority across input streams. Input ranged from commenting on the actual cost of renting or owning to other factors impacted by affordable housing costs including the cost of living, social isolation, talent attraction, general labour shortages, and increased pressure for subsidized access to services.

Action Plan Summary



Action Plan highlights:

- manage rentals, repairs and client relations to provide affordable homes and related services for vulnerable citizens
- build, purchase or partner to increase supply of affordable housing
- implementation of the Community Affordable Housing Strategy
- corporate direction and implementation actions related to secondary suites

Other transportation - While public transit emerged as a priority on its own, it is clear that how Calgarians get around Calgary is a top-of-mind priority. A well-managed road system combined with pedestrian and cycle networks were expressed as a priority to provide for ease of access to local amenities, and for commuting.

Action Plan highlights:

- improved pedestrian access to local amenities
- investment in pathways
- replacement of two bridges as well as several major road reconstructions

Other community/urban planning – Public safety was important with citizens expressing a strong desire for current safety levels to be maintained. Local parks, cultural amenities and recreation opportunities were key priorities because of their contribution to citizens' overall quality of life. Citizens also indicated that less urban sprawl and an integrated approach to planning was desirable.

Action Plan highlights:

- neighbourhood charters - a tool for community members to pinpoint the issues, opportunities and outcomes they would like to see in their area
- develop, maintain and enhance new and existing parks
- build four new recreation facilities, a new Central Library and fire stations
- offer programs at affordable prices

- preserve and enhance public safety with new bylaw officers, transit officers, and emergency management officers
- city-wide green cart implementation
- multi-family waste & recycling services

Efficiency/Effectiveness - There was an expressed desire for an improved demonstration of spending efficiencies in municipal service delivery. This includes deeper collaboration across The Corporation, and also with business, social agencies and Civic Partners. Input also demonstrated a need for demonstrated spending efficiencies and Cut Red Tape initiatives.

Action Plan highlights:

- improved performance measures and benchmarking
- increased online services, targeting 80 per cent of visitors being able to complete their task online via calgary.ca
- implementation of efficiency and effectiveness strategies, including more zero-based reviews
- increased service with 311, Cityonline and calgary.ca including increased open data capabilities

Taxes/Tax Rates - There was an expressed preference to maintain service levels, even if accompanied by tax rate increases, while recognizing that property taxes could be a burden to those with lower or fixed incomes. As well, there is a strong desire for The City to demonstrate value and educate citizens on where tax dollars are spent through easily accessible and understandable information.

Action Plan highlights:

- strengthened focus on sustainability initiatives across The Corporation
- assist low-income home owners to maintain and remain in their homes through Property Tax Assistance Program grants
- improve information for citizens regarding policy development, legislative processes and financial resource allocation
- encourage increased participation in tax instalment payment plans (TIPP)

ALIGNING TO LONG-TERM PLANS: CONNECTING THE DOTS

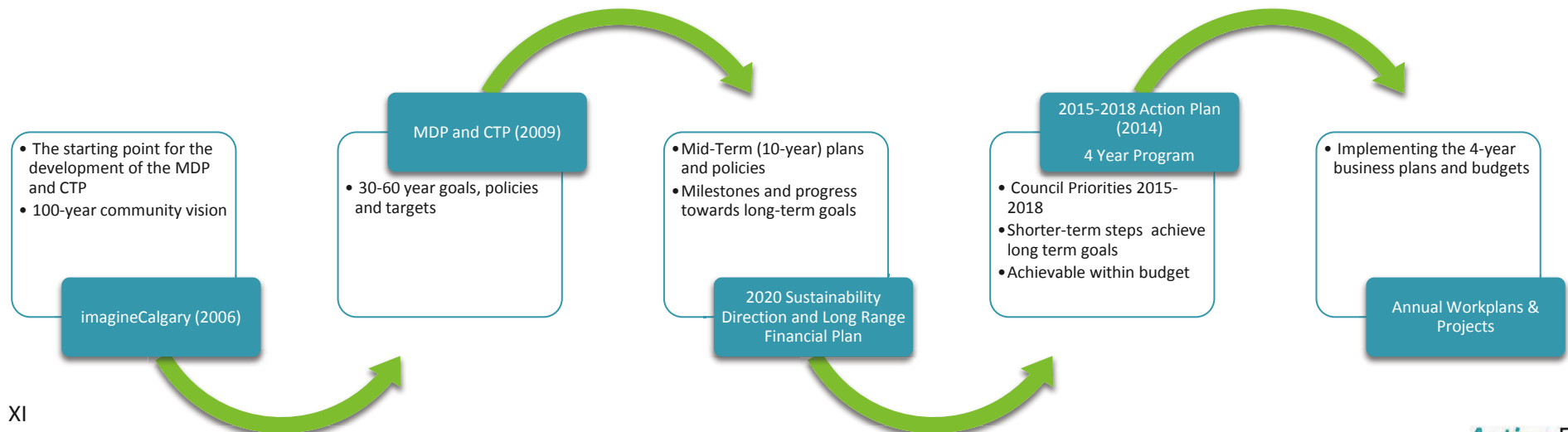
imagineCALGARY was a City-led, community-owned initiative. More than 18,000 Calgarians added their voice in the development of the imagineCALGARY Plan for Long Range Sustainability, which was the result of the largest community visioning and consultation process in the world, at the time. It represents a shared vision for this community, extending 100 years into the future.

The **Municipal Development Plan (MDP)** and **Calgary Transportation Plan (CTP)** describe the policies that will shape the urban form of Calgary over the next 30 to 60 years. Together, they aim to build the kind of city that Calgarians have asked for – one that attracts jobs and investment, where people have more choices in where to live and how to travel, and which grows in an environmentally sound and affordable manner. Their purpose is to integrate social, economic and environmental objectives into decision making processes. Administration has identified five priority cross-departmental projects for this business cycle, selected as being the most important in making headway towards the MDP/CTP goals. These are Centre City Funding & Implementation, Corridor Program, Green Line Transitway and RouteAhead Program, Redevelopment Implementation Plan, and the Watershed Protection and Land Use Planning project.

The **Long Range Financial Plan** and **2020 Sustainability Direction** bridge the gap between long-term goals and the four year plans and budgets. The Long-Range Financial Plan provides Council and the Administration with a longer-term perspective on The City's financial prospects and sustainability. The 2020 Sustainability Direction provides 10-year policy goals guiding us towards environmental, social and financial sustainability.

2015-2018 Action Plan: Council Priorities provide the primary direction for the next four years. They were created based on the MDP and CTP goals and the imagineCALGARY vision. The *Action Plan* identifies the short-term steps The City needs to take to achieve its long term vision, with primary direction provided by Council Priorities. The new *Action Plan*'s four-year business plans and budgets also stress financial sustainability, improved transparency, and efficiency in how City services are delivered while maintaining The City's flexibility to respond to economic, social, environmental and political changes.

Annual Workplans and Projects: The four-year *Action Plan* will be implemented through annual work plans and projects, embedded in individual performance goals. Actions and performance measures are assessed against targets and reported to Council bi-annually.





THE CITY'S FINANCIAL POSITION

Municipal Financing

Municipal governments are facing continuing challenges in matching their revenue sources to their expenditures, particularly in developing greater sources of growth-related, long-term secure funding. As municipalities are expected to do more with their limited revenue sources, local governments are finding it critical that they achieve greater financial sustainability through such actions as:

- Incorporating longer-term financial focus through multi-year business plans and budgets, and understanding long-term revenues and costs.
- Obtaining sufficient predictable funding to deliver services that citizens rely on.
- Building financial flexibility and resilience into financial outlooks and risk assessments to address emerging and unforeseen circumstances.
- Strategically managing debt and reserves to support municipal growth and infrastructure requirements.
- Diversifying funding sources for greater municipal control and flexibility to address growing needs.
- Managing municipal services with more efficiency to get the most for every dollar.

The City's Finances

Calgary faces many of the same challenges and issues that other municipalities in Canada face. In May 2014, Council considered The City's financial outlook as one of many inputs into its decisions on the 2015–2018 indicative rates and fees, which provided Administration with a preliminary budget envelope to develop the 2015–2018 *Action Plan*.

The City's Long Range Financial Plan (LRFP), updated in 2011, identifies an operating gap of \$150 million emerging by 2021 as a result of revenues growing at a slower pace than expenditures. This assumes that property tax

increases match The City's inflation rate and reflects the structural difficulty between inflationary and growth impacts on revenues and expenditures. The LRFP identifies financial sustainability as the overarching goal, defined as meeting service level commitments within acceptable property tax increases. Five strategies are identified to support the goal: Flexibility, Efficiency, Sufficiency, Integration and Credibility. The LRFP is currently being updated and will be presented to Council in 2015.

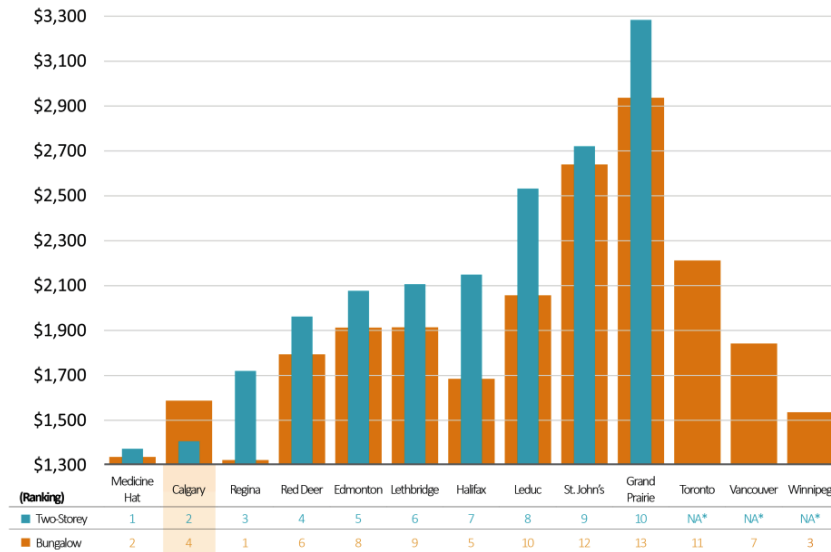
The City is currently in good financial shape

Despite the longer term challenges identified in the LRFP, Calgary has led the nation through the economic recovery, which has led to three years of strong population growth. While rapid growth presents challenges along with opportunities, The City remains in a strong financial position with prudent fiscal practices and good liquidity in reserves.

Calgary has one of the lowest residential property taxes among 20 Canadian municipalities and is low to average in comparison when utilities are included. As well, a report prepared for the Real Property Association of Canada has shown that Calgary has the lowest non-residential property tax rate of the major Canadian municipalities. The City continues to achieve a high credit rating of AA+, which is among the best for Canadian municipalities.

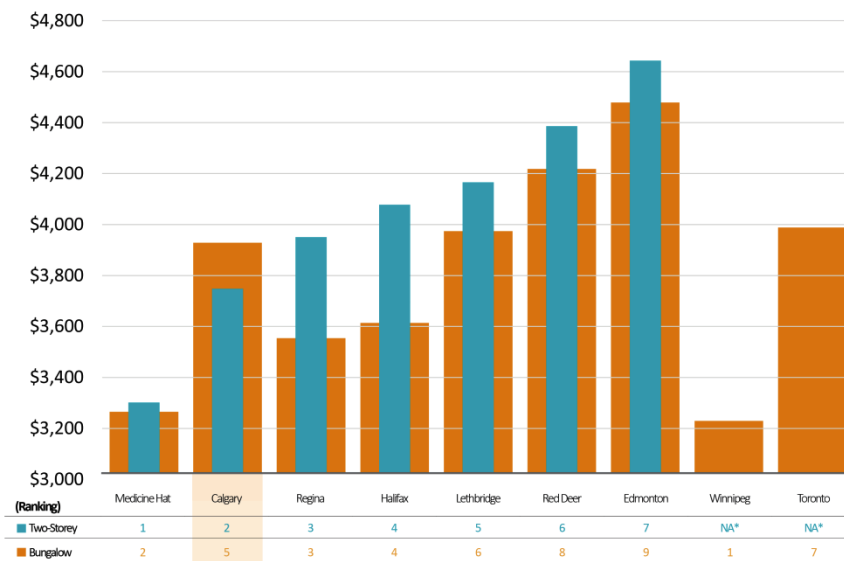
In addition, The City's 2012-2014 business plan and budget was recognized for its thoroughness in the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) of the United States and Canada.

Municipal Property Tax for a Representative Two-Storey and Bungalow House in 2013 - Canadian Cities



NA* = No Data provided for Toronto, Vancouver and Winnipeg.

Combined Municipal Property Tax and Utility Charges for a Representative Two-Storey and Bungalow House in 2013 - Canadian Cities



NA* = No Data provided for Winnipeg and Toronto.

Emerging issues and financial pressures

Although currently in a strong financial position, The City recognizes a number of emerging issues that must be considered in order to maintain its solid financial position over the 2015–2018 business planning and budget cycle and in the long term.

Some of the key emerging issues affecting The City's budget include a growing demand for infrastructure investment, increasing cost of growth, and unreliable long-term capital funding sources. Furthermore, The City projects a growing operating shortfall while recognizing pressures to keep tax increases low.

The City's revenue structure remains a key issue for keeping up with the cost of servicing a growing city. The City's key sources of revenue and expenditures are shown on page XIV.

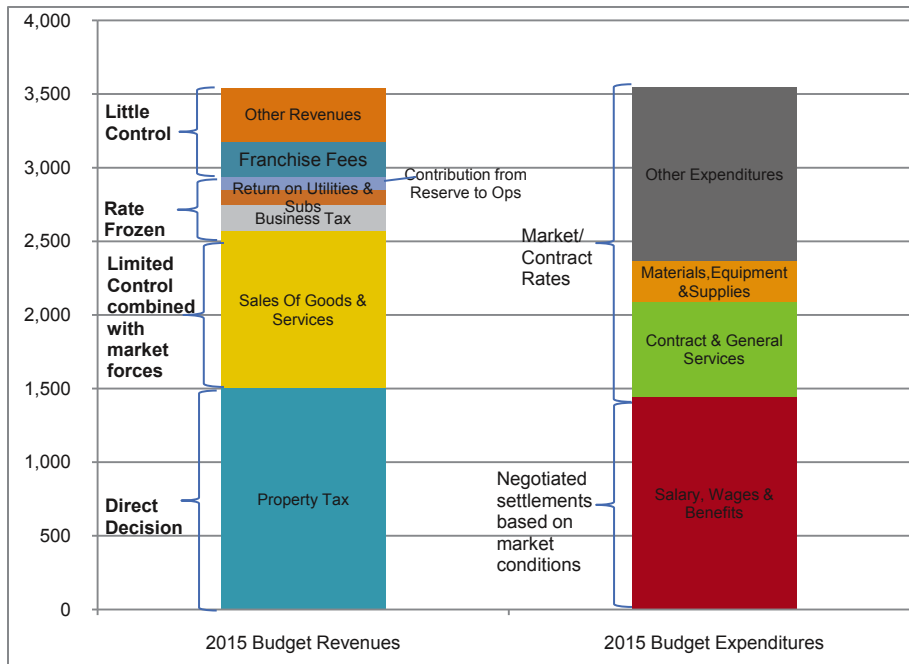
Property taxes comprise the largest single component of The City's total revenue sources for the operating budget. The other components consist of sources that are either fixed or frozen, or sources over which The City has little control. This means that when inflation hits City expenditures, the property tax component must absorb a greater share of the increases in order for total City revenues to increase at the same pace as expenditures.

The rate of municipal inflation is another key financial pressure on The City's budget. Unlike the Consumer Price Index (CPI), which considers household costs such as shelter, food and transportation, the Municipal Price Index takes into account The City's key expenditures – salary, wage and benefit costs, and costs of materials, supplies, fuel, contracts, and insurance. Negotiated settlements for several unions have resulted in wages rising above CPI. Southern Alberta's flood of 2013, which was the largest insured loss in Canadian history, has significantly impacted the insurance marketplace in Canada. As a result, property insurance premiums for The City have increased substantially. As well, utilities such as natural gas and electricity are expected to increase at a higher rate than household inflation.

Action Plan Summary



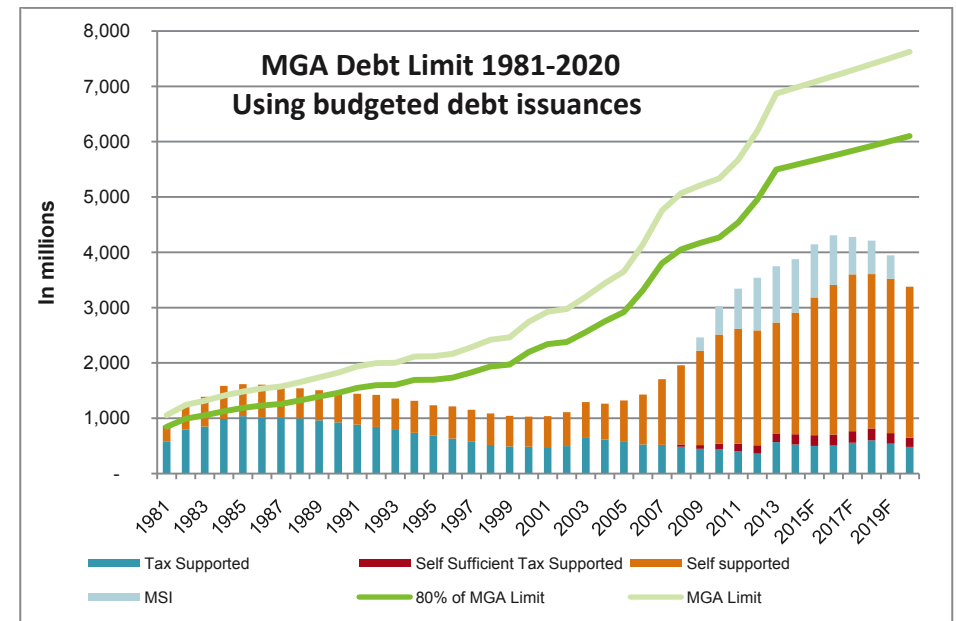
The City of Calgary 2015 Revenues and Expenditures (\$ millions)



Rapid growth, rising costs and limited funding sources have combined to push debt levels higher. The historic and projected debt levels for The City are shown in the table on the right. The green solid line represents The City's internal debt limit which is 80 per cent of The City's legislated maximum debt level. The debt limit is based on The City's revenue and, therefore, will rise as City revenues increase. The graph shows a growing level of debt related to The City's water and wastewater facilities, as represented by the bars labelled "Self-Supported". The bars labelled "MSI Debt" represent The City's bridge-financing and advancing capital expenditures against future funding through the Province of Alberta's Municipal Sustainability Initiative (MSI). This bridge financing should be repaid over this budget cycle unless the Province again extends the timeline for distributing the MSI grants.

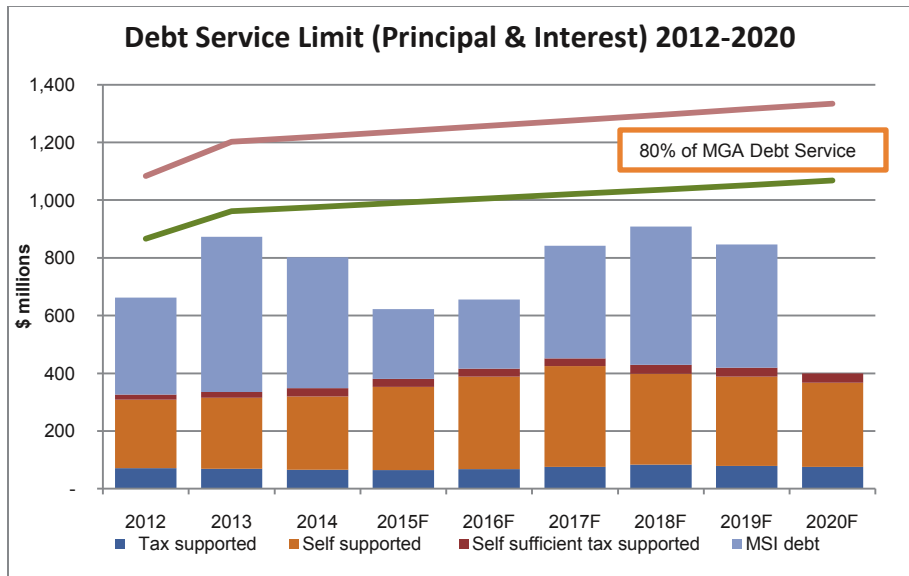
This chart shows that within the 2015–2018 period, The City must be especially mindful of the growing level of debt, driven largely by self-supported debt affecting water and wastewater facilities and advanced capital expenditures.

The City of Calgary's historic and projected debt levels



In addition to the absolute level of debt, debt servicing (the annual principal and interest payments on debt) is a concern for The City. The City's calculated debt servicing costs, with the green line representing 80 per cent of The City's legislated debt service limit, is shown below. As this chart indicates, calculated debt servicing costs are the bigger concern relative to The City's debt limits over the 2015-2018 budget. The City must therefore carefully consider the impact that different debt structures have on the debt service calculation, in addition to the absolute amounts.

Debt Service Limit (Principal & Interest) 2012-2020 using budgeted debt issuances





Council Priorities for 2015-2018



Calgary: a great place to make a living,
a great place to make a life.

Fellow Calgarians:

Business plans and budgets are some of the most important documents we can create for our city. They provide a detailed roadmap for Calgary over the next four years—direction to over 15,000 City of Calgary employees and many community partners to deliver important daily services, programs, and infrastructure to 1,195,200 Calgarians.

This is your document. *Action Plan* is based on a month of engagement, and discussion with thousands of Calgarians. You told us about your priorities and Council, in turn, based its priorities on what we heard from you. From there, our colleagues in The City of Calgary produced a very thorough set of business plans and budgets.

Our biggest issue is managing growth. This is certainly better than the alternative, but it means we have to make smart decisions about how we grow to ensure prosperity and opportunity. In fact, since I've been your mayor, we have experienced three of the five largest annual population increases in our history. We have added an entire City of Red Deer two times over!

I'm proud that, together, we've produced an *Action Plan* that provides the services and infrastructure Calgarians need while keeping our property taxes among the lowest in Canada. Of course, we have a lot of work ahead of us, but we now have a solid foundation from which to start.

Sincerely,

A handwritten signature in black ink, appearing to read 'Naheed'.

Naheed K. Nenshi
MAYOR

COUNCIL PRIORITIES 2015 - 2018

Our Vision

Calgary: a great place to make a living, a great place to make a life.

For thousands of years, people have met at the confluence of two vital rivers to imagine and realize their futures. Together, we have built a city of energy, born of a powerful convergence of people, ideas and place. Together, we continue to imagine Calgary and a community where:

- We are each connected to one another. Our diverse skills and heritage interweave to create a resilient communal fabric, while our collective spirit generates opportunity, prosperity and choice for all of us.
- We are each connected to our places. We treasure and protect our natural environment. Magnificent mountain vistas and boundless prairie skies inspire each of us to build spaces worthy of our surroundings.
- We are each connected to our communities. Whether social, cultural or physical, these communities are mixed, safe and just. They welcome meaningful participation from everyone, and people move freely between them.
- We are each connected beyond our boundaries. We understand our impact upon and responsibility to others. Our talent and caring, combined with a truly Canadian sense of citizenship, make positive change across Alberta, throughout Canada and around the world.

We can make it happen!

With purpose, drive and passion, Calgary will be a model city, one that looks after the needs of today's citizens and those to come.

A prosperous city

Calgary continues to grow as a magnet for talent, a place where there is opportunity for all, and the best place in Canada to start and grow a business.

Strategic Actions:

Economic Growth and Competitiveness

- P1 Strengthen Calgary's position as a global energy centre and location of choice for international talent, investment and innovation through enhanced business development, marketing and place-making initiatives.
- P2 Advance purposeful economic diversification and growth.
- P3 Support civic, business and community partners, as well as business revitalization zones, to collaborate and attract local and global investment.
- P4 Cut red tape and continue to foster a competitive tax environment to help small business succeed.

Community Well-Being

- P5 Seek out partnerships with other governments and community partners to achieve community well-being.
- P6 Increase affordable and accessible housing options.
- P7 Continue policies and programs to reduce the number of people living in poverty.
- P8 Respond to the needs of an aging population.
- P9 Cultivate the city's talent, diversity and energy to enable Calgarians to live creative lives.
- P10 Expand our library system and enhance access to technology and information.
- P11 Facilitate programs and services for children and youth, including, in some cases, providing, a variety of affordable after school programs.

Action Plan Summary



A city of inspiring neighbourhoods

Every Calgarian lives in a safe, mixed and just neighbourhood, and has the opportunity to participate in civic life.

Strategic Actions:

Public Safety

- N1 Keep communities safe by meeting and maintaining standards for crime prevention, fire response, and enforcement.
- N2 Build resiliency to flooding.
- N3 Enhance The City's capacity and resiliency to prepare for and respond to pandemics, natural disasters and emergency situations.

Great Neighbourhoods

- N4 Revitalize the role and ability of community associations, and use of community facilities.
- N5 Systematically invest in established neighbourhoods as they evolve to accommodate changing community needs.
- N6 Manage and promote growth to achieve the best possible social, environmental and economic outcomes within financial capacities.
- N7 Develop a new funding framework to provide for infrastructure in new and redeveloping neighbourhoods.
- N8 Make it easier to build developments that meet our Municipal Development Plan and Calgary Transportation Plan objectives.
- N9 Provide great public spaces and public realm improvements across the city to foster opportunity for well used public spaces and places for citizen connections and urban vitality.
- N10 Review The City's heritage processes to improve the protection and enhancement of heritage assets.

A city that moves

People and goods can move well and safely throughout the city, using a variety of convenient, affordable, accessible and efficient transportation choices.

Strategic Actions:

- M1 Implement and accelerate RouteAhead as transit funding becomes available.
- M2 Maximize the flow of traffic on the existing transportation network through the application of technology.
- M3 Invest in strategic road improvements in priority growth areas as funding becomes available.
- M4 Invest in active transportation infrastructure, including cycling and pedestrian networks as funding becomes available.
- M5 Improve the taxi system.

A healthy and green city

We steward our air, land, and water while encouraging healthy lifestyles for all Calgarians.

Strategic Actions:

Natural Environment

- H1 Implement the green cart program and multi-family recycling strategy, and reduce industrial, commercial and institutional waste in our landfills.
- H2 Encourage a broader range of innovative and clean energy technologies.
- H3 Manage the interrelationships between flood protection, water quality and quantity, and land use.
- H4 Work with our regional partners and the Government of Alberta on an integrated approach to the watershed.
- H5 Protect and enhance our urban forest and natural landscape throughout Calgary.
- H6 Continue to build public awareness and understanding of our shared responsibility to conserve and protect the environment.

Healthy Living

- H7 Foster healthy lifestyles through a range of accessible and affordable recreational programs and opportunities that encourage active daily living.
- H8 Continue to invest in indoor and outdoor recreation facilities that address the changing needs of Calgarians.
- H9 Optimize the existing parks network to ensure Calgarians have access to nature and healthy and active lifestyles.

A well-run city

Calgary's government is open, responsive, accountable and transparent, delivering excellent services at a fair price. We work with our government partners to ensure we have the tools we need.

Strategic Actions:

- W1 Finalize a new City Charter with the province.
- W2 Be as efficient and effective as possible, reducing costs and focusing on value-for-money.
- W3 Examine opportunities for alternative service delivery for competitiveness.
- W4 Balance demand for quality City services with affordable taxes.
- W5 Regularly collaborate and engage citizens to encourage participation in City decision-making, and better communicate the reasons for the decisions.
- W6 Effectively manage The City's inventory of public assets, optimizing limited resources to balance growth and maintenance requirements.
- W7 Continue to transform the organization to be more citizen-focused in its approach and delivery of service.
- W8 Increase collaboration across the organization, including alignment of budgets with service delivery to achieve City priorities.
- W9 Strive to be an employer of choice with a focus on addressing The City's aging workforce.



STRATEGIC HIGHLIGHTS

The Department plans and budgets provide detailed information on how Council Priorities will be achieved over 2015 – 2018. Business plan actions and performance measures are organized by Council Priority, to more clearly show the alignment of Council Direction and Administration's response.

This section provides an overview of the proposed business plans and budgets as they relate to four specific areas of interest:

- Continuing work towards recovery from the 2013 Flood;
- Progress towards The City's long-term goals, and specifically the Municipal Development Plan (MDP) and the Calgary Transportation Plan (CTP);
- Responding to the needs of growth; and
- Alignment of the business plans and budgets to the Leadership Team Strategic Plan, approved by Council on 2014 September 15.

Continuing flood recovery

In June 2013, Calgary experienced the largest flood in our modern history. It had a devastating impact to the built, economic, natural and social environments. The full impact of the June 2013 flood to City infrastructure encompassed more than 200 projects needing repairs or restoration work originally estimated at approximately \$445 million. Since July 2013, almost half of the identified flood-impacted projects are complete or substantially complete, and another 72 projects in progress. The remaining projects are in various stages of planning. *Action Plan 2015-2018* identifies new capital requests costing \$81 million, along with an additional \$46 million in previously approved projects, to address flood recovery. A map outlining the location of these projects can be found in Figure 30 in the Supplemental Information document. *Action Plan* includes only projects for flood recovery.

Making progress towards The City's long term goals

Five priority projects have been identified for 2015 – 2018 as being of particular importance in making headway towards achieving the Municipal Development Plan (MDP) and Calgary Transportation Plan (CTP) goals for Calgary over the next 30 to 60 years. These projects, listed below, are intended to respond to the areas that are trending away from the MDP/CTP targets. The projects address multiple Council Priorities and will involve cross-departmental collaboration to be successfully completed.

1. Centre City Funding & Implementation:

This priority aims to support, coordinate and fund existing Centre City implementation plans and strategies, including enhancing the attractiveness and usability of public assets, facilities and infrastructure; increasing their use for public enjoyment and attracting new investment by businesses to support the economic engine of Calgary; making it easier for citizens to use public spaces in the Centre City, and increasing the accessibility to and within the Centre City of both people and goods based on the CTP Sustainability Triangle.

2. Corridor Program:

This project is aimed at realizing the potential of the city's Urban and Neighbourhood Corridors, as articulated in the MDP/CTP. This will involve employing a comprehensive "themed" approach that addresses the commonalities of all corridors, while respecting the uniqueness of each; scoping and reviewing policies and regulations affecting development in Urban and Neighbourhood Corridors; consolidating policy; considering new regulation and providing guidance for land use, urban design and development decisions.

3. Green Line Transitway and RouteAhead Program:

This priority involves coordinating planning and infrastructure investments for the Green Line rapid transit project (which connects the north to southeast transit corridor) and ensures that it proceeds as quickly and efficiently as possible.

4. Redevelopment Implementation Plan:

A more coordinated approach will be taken to ensure that sufficient redevelopment occurs to meet MDP/CTP targets. This will include determining requirements for land use planning, gaining a better understanding of infrastructure capacity and the levels of service necessary, brownfield issues, market analysis and other opportunities and constraints in our existing communities. The project will articulate what is required; formulate a sequenced approach to addressing each component, and coordinate work on those components.

5. Watershed Protection and Land Use Planning:

The MDP/CTP provides a high level of support for watershed protection and management. However, plans and policies are not always well-coordinated with those for land use to ensure effective implementation on the ground. Consequently, land use planning and development approval processes are often at odds with watershed protection objectives. Specific actions to support this include incorporation of watershed planning within planning documents, adoption of new stormwater runoff development targets, incorporation of Low Impact Development (LID) practices, and coordinated integration of setback guidelines and riparian protection in land use planning.

All five projects are included within the proposed business plans and budgets. More details on delivering on these initiatives can be found in the specific department plans and budgets.

Responding to the needs of growth

The City is continually servicing land to maintain a healthy inventory to meet the needs of the growing population. Business units from across the corporation have aligned their budgets and capital plans to support growth that matches the prioritized list of new growth areas. This represents a far greater level of corporate alignment than occurred in previous budget cycles.

The 2015-2018 Capital Budget contains new requests for approximately \$2.1 billion for investment in growth areas and is expected to result in the servicing of nearly 1,400 additional hectares of land, with the ability to house almost 100,000 people in the Developing Areas alone, not including the capacity in the Developed Areas. Investment in redevelopment and industrial areas has also been incorporated into the budget. Capital projects and operating impacts to service these areas are included in the 2015-2018 Capital and Operating Budgets.

A list of the projects supporting growth in the developing areas can be found in Figure 31 of the Supplemental Information document. The Supplemental Information also includes maps identifying each growth area corresponding to the growth area codes in each business unit's capital budget listing table and the location of capital projects. The City will continue to monitor growth and recommend adjustments to capital investment plans as required.



LEADERSHIP TEAM STRATEGIC PLAN AND CONTRACT WITH COUNCIL

On 2014 September 15, City Council approved *the Leadership Team Strategic Plan and Contract with Council*. It outlined the planned innovations in how the organization will work in the future, in order to provide the best possible services and outcomes for our citizens.

The Leadership Team Strategic Plan and Contract comprises five main elements. These will be embedded in the work of Administration over the next four years and, for that reason, are also reflected in this *Action Plan*. This section provides an overview of the links between the Leadership Team Strategic Plan and *Action Plan 2015-2018*. In some cases, the Strategic Plan initiatives are well defined or already underway; in others, further refinement will be needed to clarify expectations or outcomes.

1. Establish a Cooperative and Meaningful Relationship with Council

This *Action Plan*, built around Council Priorities, is a cornerstone of the shared strategic agenda between Council and Administration. Over the next four years Administration will deliver on the commitments in the *Action Plan*, and will continue to work with Council in its determination of policy priorities and corporate direction. Accomplishments will be reported through a variety of new and existing methods, including the development of a citizen dashboard.

2. Develop a Collaborative Leadership and Workforce Culture

In addition to building a shared agenda with Council, the *Action Plan* has helped focus administrative leadership on common outcomes. The new organizational values of “Individual Responsibility and Collective Accountability” reflect a commitment to provide services across functional and organizational boundaries to build a collaborative workforce culture. Leaders will have the support and development opportunities to establish a culture that champions a diverse, inclusive and respectful workplace for employees and a progressive partnership with all Unions.

3. Better Serve our Citizens, Communities and Customers

Ninety percent of Calgarians say we are on the right track to building a better city. Citizens have also said that they want the organization to maintain focus on spending and demonstrating value, to invest appropriately in infrastructure, to engage citizens and to lead in management accountability.

In response, Administration has committed through this *Action Plan* to implement a performance management system that includes performance measurement, “zero-based” service reviews, service-based business plans and budgets, integrated risk management and individual performance appraisals. As well, we will develop a comprehensive strategy for citizen engagement and customer service delivery.

4. Focus Immediate and Collective Attention on Planning and Building a Great City

Using sound growth management policies to align decisions, *Action Plan* outlines Administration’s commitment to maximize limited resources in creating complete communities for all Calgarians. Administration will continue to seek out and improve relationships with all partners involved in the planning process. By working together and engaging in meaningful dialogue, Administration can continue progress towards the goals and objectives of the Municipal Development Plan.

5. Strengthen the Corporation’s Financial Position

Administration will continue regular reviews and updates of the Long-Range Financial Plan, to ensure progress towards the organization’s long-term financial sustainability. Specific actions related to financial forecasting and analysis, innovative financing techniques, debt management and investment will help to create an infrastructure investment strategy and generate more investment capital. Administration will also engage with the Government of Alberta on new fiscal and legislative policies, with the goal of securing a fiscal commitment from the Province.

BUDGET OVERVIEW – Total City

The business plans and budgets together provide an outlook on what services citizens can expect from The City during the next four years. The budgets constitute the financial plan to support the business plans, which in turn reflect Council's Priorities for 2015-2018.

Maintaining services in response to strong population growth within the challenges of The City's financial restrictions continues to be the immediate challenge for The City of Calgary. Over the longer term, responding to changing demographics and maintenance of The City's aging infrastructure will continue to emerge as significant challenges. The *Action Plan* represents a public investment of \$22 billion to provide infrastructure and daily services to Calgarians between 2015 and 2018.

Capital Plans and Budgets

The City presents capital plans for five-year time frames to ensure appropriate planning for required projects and related funding. The five year 2015-2019 Capital Plan includes the full budget of projects that are anticipated to continue or commence in the 2015-2019 period. The five-year plan shows the complete impact of multi-year projects, as well as the distribution of expenditures and how funds are spread over time. The City's capital requirements are driven by many factors, such as rates of growth in the city, both population and area; the need to maintain and upgrade existing aging infrastructure, meet industry standards; enhance services and government legislation and regulations.

- The proposed five-year capital plan for 2015-2019 is \$7.6 billion (2012-2016 - \$5.7 billion). This includes \$5.3 billion for tax-supported operations and \$2.2 billion for Utilities. Half of the tax-supported capital plan (\$2.5 billion) is for transportation-related projects. The other major capital projects are for recreation/ culture, protective services and corporate infrastructure.
- Funding of the capital plan is predominantly through government grants, new borrowings, and reserves.

The capital plan comprises projects that will address Council priorities.

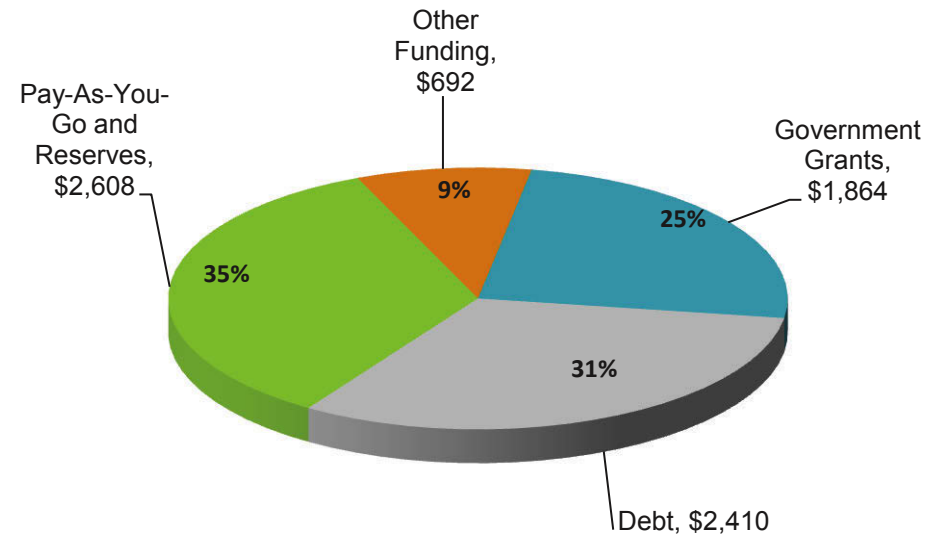
Examples of new capital requests include:

- A prosperous city: \$10.5 million for affordable housing, \$12.5 million for library lifecycle, \$51.6 million for the maintenance of recreation facilities and community associations, and \$86.9 million for industrial land development projects, Forest Lawn Creek and Point Trotter.
- A city of inspiring neighbourhoods: \$28.8 million for new fire stations, \$7.5 million for the upgrade of 9-1-1 technology to allow citizens to communicate with 9-1-1 using email, text, videos and pictures, \$8 million for enhanced regional pathways, as well as \$7.3 million for pathways lifecycle. In total, there is \$2.1 billion for infrastructure in growth areas.
- A city that moves: \$238.4 million for transit projects, \$241.7 million for Roads projects and \$1.16 billion for other Transportation Infrastructure projects.
- A healthy and green city: \$23.3 million for the implementation of Green Cart, \$6.0 million for environmental liabilities and remediation, \$52.8 million for Parks and Natural Areas, \$42.9 million for landfill remediation and infrastructure upgrades, \$129.5 million for water treatment plants, and \$65.9 million for Wastewater Treatment plants.
- A well-run city: \$13.7 million for asset and business management, \$60.1 million for accommodation lifecycle operations, \$19.4 million to improve engagement and communications, and \$188.8 million for community drainage improvement projects.



Funding the 2015-2019 Proposed Capital Plan (\$millions)

- The City of Calgary funds its capital programs through a combination of external and internal sources. External sources include federal and provincial programs and grants, local improvement levies, and debt, while internal sources include contributions from operations (Pay-As-You-Go) and specific reserves.
- The 2015-2019 capital plan is \$7.6 billion.
- The government programs and grants of \$1.9 billion primarily includes MSI (\$662 million) and related bridge financing, Basic Municipal Transportation Grant (BMTG) (\$692 million), Federal Gas Tax Fund (GTF) (\$316 million), the Green Transit Incentives Program (GreenTRIP) (\$112 million) and other (\$82 million). MSI monies are used to fund transportation, recreational, cultural and protective services projects, GreenTRIP monies to fund Transit projects, while the other monies are used primarily to fund transportation projects.
- Debt of \$2.4 billion is another main funding source for capital expenditures. Funding from debt is split among Utilities (\$1.7 billion) and tax-supported / self-supported operations (\$706 million).
- The City has set up reserves to fund specific capital projects such as landfill, storm sewer upgrade, downtown improvements, legacy parks, and lifecycle maintenance and upgrades. Contributions from reserves and Pay-As-You-Go are \$2.6 billion.
- Contributions from the developers, Calgary Parking Authority and Acreage Assessments (included in Other Funding of \$692 million) help fund transportation projects.



2015-2019 Capital Plan : \$7.6 billion

2014 Capital Budget : \$2.3 billion (not included in the above totals)

Operating Budget

The four-year operating budget represents the costs and funding required to provide for the ongoing operations of the City. The operating budget was based on considering a number of factors including an extensive citizen engagement process; statistics from the Conference Board of Canada and Statistics Canada; and a labour strategy approved by Council.

Gross expenditure (net of recoveries) is expected to exceed \$4 billion by 2018, an increase of almost \$895 million from 2014. Almost 70 per cent of this increase is in the tax-supported areas, with the balance of the increase in the Utilities. Approximately \$50 million in efficiencies will be found over the four year period, the equivalent of an average 0.7 per cent annual tax increase over the cycle.

The number of Full Time Equivalent (FTE) positions is expected to increase by 650 to about 15,700. The majority of this increase is focused in citizen facing business units such as Fire (165), Transit (194), Utilities (71) and Waste & Recycling (57), in general to provide services to the growing population, although over a quarter of the increase is requested to improve service levels.

Total inflation is expected to increase net expenditure (net of recoveries and department specific revenues) by \$393 million by 2018. This is largely driven by increases in salary and wages, as well as rising utilities and higher insurance costs, the latter resulting largely from the 2013 flood.

Spending on the operating costs of new capital projects that will be complete in this budget cycle is expected to add another \$104 million, \$63 million of which is the result of capital projects that have been previously approved. About 70 per cent of the operating costs of new capital derive from growth or upgrade projects. The remaining costs are generated by new maintenance or service improvement capital projects.

Other service and budget increases are expected to add another \$75 million as The City provides service, in areas such as Transit (i.e. an addition of 190 thousand hours), along with public safety areas such as Police, bylaw enforcement and transit safety, to the growing population while maintaining more roads and parks in newly developed areas.

Through growth and rate increases, non-tax revenue is expected to rise by \$370 million. This is driven in part annual increases in the water and wastewater rates, and in the stormwater drainage charges. Increases in the rates for these and other services are detailed in Figure 16 of the Supplemental Information document.

Growth in the property and business tax base is anticipated to add another \$44 million per year in tax revenue. Council's indicative property tax rate increase provides the remaining \$290 million, taking into account the onetime \$52 million rebate from 2014. The property tax increase will result in an increase to the average household of \$27 per month by 2018. Utility and recycling rate increases will add another \$48 per month.

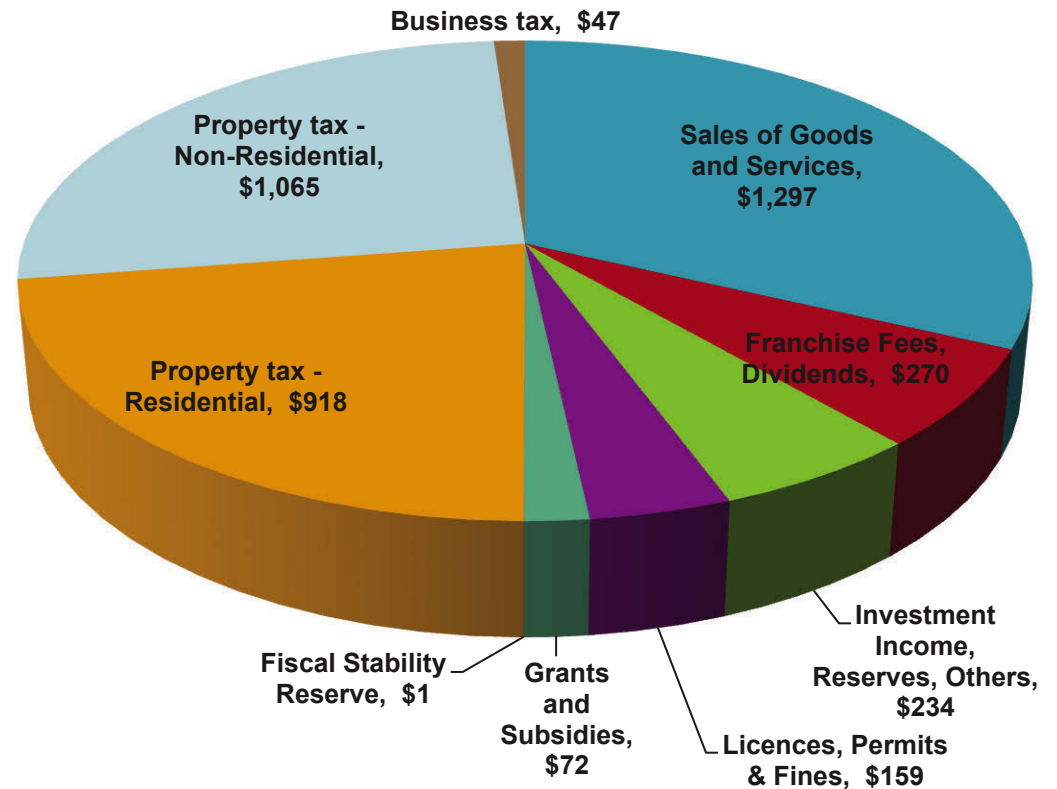
Within this tax rate, The City will be challenged to maintain some service levels such as street sweeping and preventive outreach programs. As well, the addition in transit hours is less than half of the target outlined in RouteAhead.

The operating budget pages also identify estimated projections for Tangible Capital Asset (TCA) depreciation. This represents an estimate of the depreciation on The City's infrastructure that will be reported in the annual financial report. Unless otherwise indicated, the depreciation estimates are presented only for information and are not directly included in the budget expenditures.



Funding the 2018 Operating Budget - Total City (\$ millions)

- The City of Calgary has a limited number of revenue sources with which to fund its operations. The single largest non-tax contributor to our revenues (about 32 per cent of the corporate total) is the sale of goods and services, of which approximately 59 per cent is from Utilities.
- Other funding sources include franchise fees, investment income, contributions from operating reserves, licences, permits and fines.
- The property and business tax revenues are the factors that produce a balanced budget; together they constitute 50 per cent of corporate revenue.
- On this chart, the total operating funding numbers have been adjusted to remove double counting of franchise fees and dividends paid by Utilities to The City's operating fund.

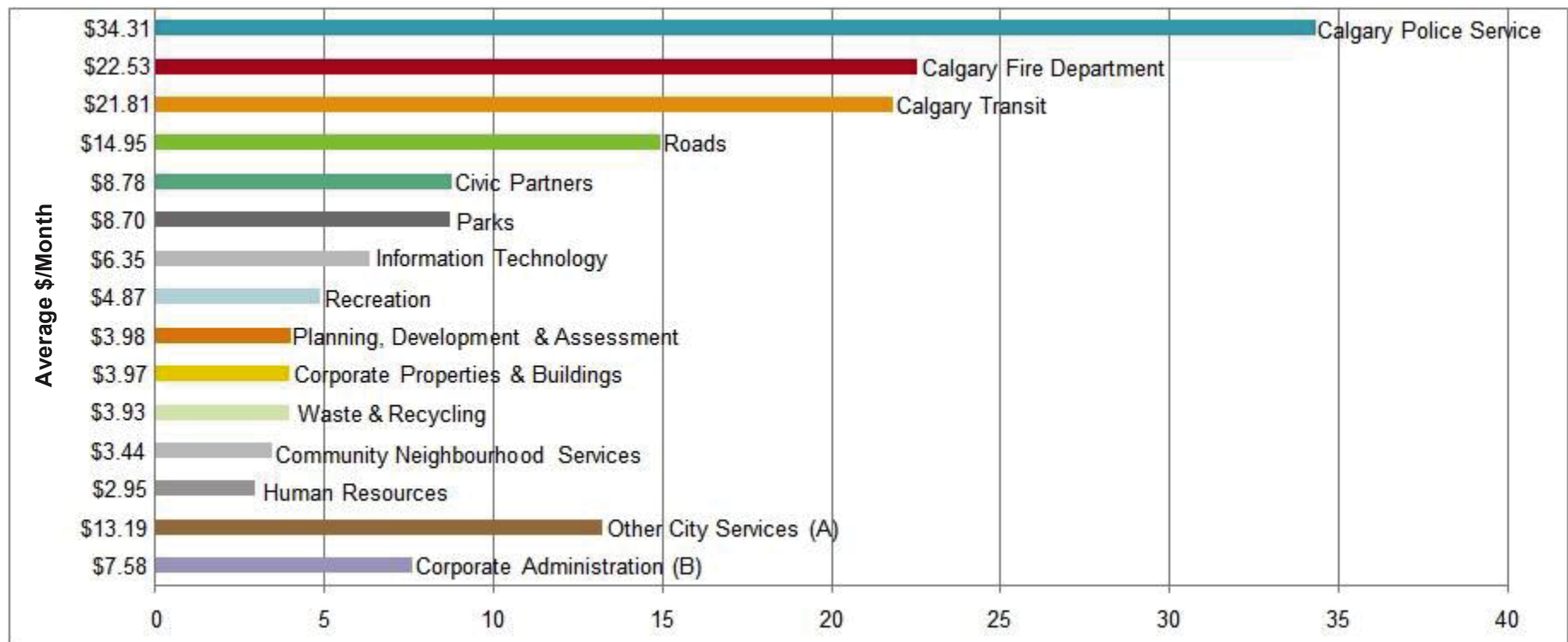


2018 Operating Budget Funding: \$4.06 billion

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

	2015	2016	2017	2018
Property tax (based on 2014 Assessment of \$430,000)	\$6.30	\$6.60	\$6.90	\$7.25
Utilities	\$8.70	\$9.60	\$10.60	\$11.80
Waste & Recycling	\$0.20	\$0.20	\$6.70	\$0.20
Total	\$15.20	\$16.40	\$24.20	\$19.25

How Property Tax Dollars Are Spent Every Month For A Typical Calgary Household (2018)
Total: \$161.34



- (A) Infrastructure & Information Services, Office of Land Servicing & Housing, Customer Service & Communications, Animal & By-law Services, Public Safety Communication (911), City Auditor's Office, Transportation Planning, Transportation Infrastructure, Water Resources/Water Services, Environment & Safety Management, Legislated Services including City Council
- (B) City Clerk's Office, City Manager's Office, Chief Financial Officer's Department, Law



THE ACTION PLAN PROCESS

Action Plan is about connecting our long-term priorities and strategy, set by Calgary City Council, and translating these into actions implemented by City Administration. The business plans and budgets process associated with *Action Plan* – including approval of Council Priorities -- establishes a four-year strategic focus for investment and resources to ensure that Calgary remains a vibrant, prosperous city for decades to come.

Based in the Chief Financial Officer's Department and operating within the City Manager's Office, *Action Plan* is drafted and approved once every four years. A 12-month process results in Council approval and encompasses four key areas of activity:

- Council Priorities establish strategic direction.
- Departmental Business Plans implement Council direction with strategies, actions and performance targets.
- Budgets include revenues (i.e. tax rates, utility rates and user fees), and spending for both operating and capital budgets.
- Citizen Engagement and information on emerging issues and trends provides qualitative input into priorities and plans.

The *Action Plan* process also operates within existing legislative frameworks. Alberta's Municipal Government Act, for example, requires Council to adopt a balanced operating budget for each calendar year. Unlike other levels of government, The City cannot budget for a deficit.

Multi-year business plans and budgets

Multi-year business planning and budgeting helps good cities to become great cities. With this process, The City co-ordinates resources and actions to implement long-term plan goals, and deliver services that are funded through budget allocations over the next few years, reflecting the direction set by elected councils and citizen engagement.

Approved by City Council in 2004, The City of Calgary launched its first multi-year planning process in 2006. The benefits of this multi-year approach include:

- Coordinating and approving funding to support long-term goals.
- Providing citizens with more certainty about the direction of City services, finances, taxation and utility rates levels.
- Strategic use of Council's time in reviewing plans and budgets, and the Administration's time in preparing them.
- Flexibility to adjust approved plans and budgets to respond to changing circumstances.
- Enabling City Administration to implement Council's vision over time – realizing the complexity of the corporate mandate and reinforcing accountability.

Council Priorities have been a central part of this process since 2006. In its first multi-year business plans and budgets, there were upwards of 80 different priorities. As the business planning and budgeting process has evolved, Council Priorities have remained central in providing direction.

In 2013, Council approved an integrated four-year approach to business planning and budgeting to reflect the new municipal electoral cycle of four-year terms. Under the 3-year business plans and budget cycles, flexibility was maintained to respond to changing circumstances through an annual adjustment process. Under the new four year cycle format for 2015-2018, additional flexibility has been incorporated in balance with the longer cycle.

Annual adjustments: planning for a growing City

Action Plan is a living document that will adapt with Calgary's changing needs. As part of this process, The City reports to Council twice yearly on budget, performance and plans. Council approves adjustments to the current four-year plan every November. Specifically, annual adjustments allow City Council and Administration to respond to emerging events and unexpected issues (economic, demographic, financial), and maintain the integrity of four-year plans and budgets.

Mid-Cycle Update

In addition to annual adjustments, a more comprehensive mid-cycle adjustment is being introduced for 2015-2018. This mid-cycle adjustment includes an updated review of the socio-economic outlook and opportunities to revisit Council Priorities and citizen engagement. This adjustment will be conducted in 2016, to enable changes to the second half of the cycle (years 2017 and 2018).

The City also prepares a Corporate Annual Report & Audited Financial Statements, as required by the Municipal Government Act. It includes a high-level review of accomplishments, as well as annual Financial Statements and the external Auditor's Report.

City of Calgary 4-YEAR CYCLE

