

**Calgary
Chamber**

Citizens Commission on Municipal Infrastructure

Final Report | February 2016

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Calgary Chamber

Citizens Commission



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Several members of the Citizens Commission are recognized for their participation on their final day. From left to right: Justin Smith, Calgary Chamber; Commission members: Cheryl Welsh, Alex MacKinnon, Christine Cook, Nicole Lavoie and Danvir Virdi; and advisory committee member Franco Savoie, Vibrant Communities Calgary.



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From the Calgary Chamber

On behalf of the nearly 2,000 member businesses of the Calgary Chamber, I would like to express my sincere appreciation and gratitude to the members of the Citizens Commission on Municipal Infrastructure, not only for their thoughtful and impressive work addressing Calgary's infrastructure funding challenges, but for their abiding sense of volunteerism and community that has come to define our city. Your work will make a difference.

As a business organization, we understand that infrastructure plays a foundational role in our economy. Assets like roads, bridges, tunnels, public transit, airports, water systems, electricity, broadband internet and so much more are critical to a strong and competitive economy, and help boost productivity and economic progress. For a dynamic city like Calgary, investments in these areas have helped fuel our growth and contributed to our overall quality of life. But our recent population growth has begun to put significant strain on our municipal infrastructure, and because of our limited means of generating revenue, we are at risk of falling behind.

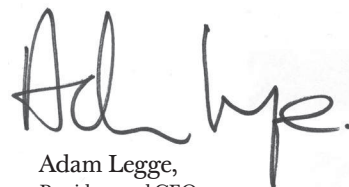
This is not a situation exclusive to Calgary. In the coming years, Canadian municipalities will have to make some critical decisions about how we finance and support our growth. Our existing funding model, characterized by an over-reliance on property tax revenue, and variable financial commitments from the provincial and federal governments, is ill-suited to address our needs.

This is why, in the fall of 2015, the Calgary Chamber tasked thirty-six randomly and representatively-selected Calgarians with the job of reviewing the fiscal model which supports our city's infrastructure development, and asked them to evaluate and recommend alternative forms of funding. They met six times over three months and heard from a wide range of experts, as well as other members of the public. After careful deliberation, they produced a final report that clearly affirms the importance of investing in our urban infrastructure, and provides much-needed citizen guidance to government on a revised revenue model. While the Calgary Chamber supports many of these ideas, this is truly a report written by citizens, for citizens.

It is my hope that both The City of Calgary and the Government of Alberta will reflect carefully on the recommendations presented here as they work together to develop a revised fiscal model for Alberta municipalities. Within these pages are a number of solutions presented for Calgary, developed by Calgarians, which reflect a thoughtful, deliberative, and educated citizen voice.

It is my belief and hope that the ideas presented in this report will have a significant positive impact on our city, and will also assist other Canadian cities who are facing their own infrastructure challenges.

Sincerely,



Adam Legge,
President and CEO
Calgary Chamber

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From the Commission's Chair

I am pleased to deliver this report to the Calgary Chamber of Commerce, The City of Calgary and our project partners, as well as Calgary's residents.

The Commission's report provides both a summary of the process that led 36 randomly selected Calgarians to investigate and ultimately propose new revenue tools to fund municipal infrastructure, and also a very detailed set of recommendations written by the members of the Commission themselves.

Critically, the Commission encourages The City to work with the Province to update Alberta's Municipal Government Act, permitting The City to adopt a new revenue model to fund municipal infrastructure and close The City's infrastructure deficit. The Commission also calls on the Provincial and Federal governments to commit to stable, long-term infrastructure funding.

Calgary is not unique among Canadian municipalities in its efforts to identify new sources of funding to meet its infrastructure needs. It is, however, unique in its efforts to put citizens squarely at the centre of these efforts.

I would like to commend all members of the Commission for their very active and engaged service. Each member of the Commission contributed some 40 volunteer hours and consequently, their report represents a cumulative investment of some 1700 hours of volunteer time. They took seriously their role in representing the many perspectives and needs of Calgary residents and worked diligently to find common ground.

Though it now falls to City Council, the Government of Alberta, various stakeholders, members of the media and Calgary residents to evaluate the merits of the Commission's recommendations, I think all Calgarians will appreciate the dedication of their fellow residents in taking up this challenge, and having considered an extensive range of options, provided their best counsel.

Sincerely,



Peter MacLeod,
Chair, Citizens Commission
on Municipal Infrastructure

Commission Partners

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Citizens Commission member Gary Murray talks with participants at the Commission's public roundtable meeting.

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Why infrastructure?

Infrastructure is to a large city what the circulatory system is to the human body; it supports the health, vitality and proper functioning of our major urban centres. And, in this century, investing in these assets is critical because our cities have become the chief drivers of global economic growth.

The world has become a complex, highly urbanized system, where modern-day municipalities with the infrastructure necessary to support sophisticated economies are playing a dominant role on the global stage.

For Canada, this is an encouraging trend. As an urbanized country ourselves, a model for global economic growth that depends on the performance and capabilities of major cities bodes well for our economic competitiveness. In recent years, Calgary has played a leading and visible role in this trend, emerging as one of Canada's fastest growing and most economically competitive cities. Yet despite its natural strengths, the main challenge for Calgary, a challenge faced by many Canadian municipalities in fact, is the strain placed by rapid population and economic growth on municipal infrastructure, and the limited revenue tool box from which to draw in order to fund infrastructure improvements and expansions.

Sadly, the existing scale model in Canadian municipalities is ill-suited to address the critical and growing infrastructure needs of our communities. This model is characterized by an over-reliance on property tax revenue, in addition to ad hoc grants from provincial and federal governments that are exceedingly hard to predict from one year to the next. It is this limited and outdated model that is being relied upon to meet some tremendous and growing needs.

For one, while much of a city's infrastructure commitments were historically funded by senior levels of government,

the burden has fallen more and more in the last half-century on our City's shoulders (without sufficient funding tools to support those added responsibilities). Calgary's share of capital investments has grown from 27% to 48% since the 1950s. Between 2015 and 2018, the City's own Action Plan expects a public investment of more than \$22 billion to provide infrastructure and services to Calgarians. To put these numbers in perspective, based on Calgary's historical growth rate, we need to upgrade one of our water or wastewater treatment plants every 10 years to keep pace with the needs of our population.

Growth is good, and should be the ambition of every great city. But we must be aware of the funding and financing constraints that are preventing us from adequately supporting this growth. Despite increases in property taxes and other user fees, the City of Calgary still expects to face a 10-year infrastructure funding gap of more than \$7 billion — the value of infrastructure projects and improvements that have been identified as necessary yet do not currently have a funding source.

We know that other cities around the world meet these obligations in more innovative and sustainable ways, and have tools at their disposal that, together, constitute a broader, more sustainable municipal revenue model. If Calgary is to meet its growing obligations in a more sustainable and financially responsible way, it is imperative for the municipality to critically examine its existing infrastructure funding model, and assess whether the best practices of other jurisdictions could be successfully applied in our own city for the benefit of existing and future residents.

— *Justin Smith, Director of Policy, Research and Government Relations, Calgary Chamber*



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At their first meeting, the Mayor of Calgary, Naheed Nenshi, talks about Calgary's infrastructure challenge.

How to read this report

This report is divided into three sections. The first section provides an overview of the process and a summary of the Commission's recommendations. It is written by the Commission's project team.

The Commission's recommendations follow in the second section of the report. They were written collaboratively by the members, and represent the consensus view of the Commission. The members' recommendations give clear direction to The City and Province on how Calgary should pay for its infrastructure needs.

The third section contains the profiles of each member of the Commission, as well as profiles of the speakers who made presentations to the Commission. Importantly, the final section of the report also includes several minority reports. All members of the Commission were invited to contribute a minority report in which they could express their personal perspective concerning the Commission process and its recommendations.

To learn more about the Citizens Commission, please visit us at www.calgary-commission.ca

What is a 'fiscal model'?

The term 'fiscal model' is often used by governments to describe their various sources of funding. Each level of government in Canada relies on a different variety of taxes, fees, levies and charges to fund its operations and responsibilities. Taken together, these different revenue sources comprise a government's distinctive fiscal model. The terms 'revenue sources' and 'revenue tools' are used interchangeably in this report.

Revenue tools examined by the Commission include:

Car rental levy	Vehicle registration tax
Hotel levy	Fuel tax
Entertainment levy	Carbon tax
Road tolls	Property tax
Border toll	Land transfer tax
High occupancy toll lanes	Community amenity contributions
Airport tunnel toll	Density bonusing
Bow bridge toll	Land value capture
Congestion charge	Local improvement district charges
Transit fare increase	Development levies
Personal income tax	Utility fees
Sales tax	Garbage collection fees
Penny tax	
Employee payroll tax	
Parking space levy	



Member of the Citizens Commission, Paula Kingsley, shares highlights during the Commission's public roundtable meeting.

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What policy makers should know:

The recommendations of the Citizens Commission are the product of serious discussion and thought by 36 randomly selected Calgarians who spent six Saturdays learning and working together to identify their infrastructure priorities, as well as a more optimal fiscal model to close The City's infrastructure gap.

Together the members of the Commission reviewed more than 25 revenue tools — taxes, fees and charges — used by municipalities across North America. The Commission also heard presentations from sixteen speakers, selected to provide a broad range of perspectives. To ensure fairness, an Advisory Committee representing municipal, social, and industry stakeholders provided additional oversight. The Commission also met with more than 50 Calgarians who attended a special public roundtable meeting that was open to all residents.

Early in their process, the Commission identified six values which it believes should shape Calgary's fiscal model. These values include: Innovation, Sustainability, Social Responsibility, Fiscal Responsibility, Efficiency, and Transparency.

Additionally, the Commission sought to balance the likely burden of new costs across different constituencies and looked for opportunities to connect new charges to those most likely to benefit from new or improved infrastructure.

Based on The City's estimate of a \$7 billion infrastructure deficit over the next decade, the Commission sought to identify approximately \$700 million in additional annual revenues to fill this gap and fully fund The City's infrastructure priorities.

Strikingly, the Commission declined to endorse an increase in commercial or residential property taxes and instead looked to new revenues sources — including new, dedicated infrastructure transfers from the provincial and federal government.

The Commission also endorsed other strategies for tackling The City's infrastructure deficit. An important value for the Commission, and a theme throughout its report, is efficiency. The Commission believes The City must also do its part. It requests that The City streamline its operations and work actively with the private sector to reduce costs and redirect

any savings towards new infrastructure. It isn't enough for The City to simply raise more revenue, it must also "get more bang for its infrastructure buck".

The Commission also considered the impact of new revenue tools on low-income families. Given an uncertain economy, members were hesitant to impose new burdens on those facing hard times. If a revenue tool was likely to impact low-income families — like the introduction of a more aggressive multi-tiered utility rate — members also endorsed mechanisms that would offset this impact.

Members of the Commission also took care to consider the impact of their recommendations on Calgary businesses, and avoided recommendations which they believed would harm the city's prospects for economic growth.

Ultimately, the Commission sought to achieve several goals with their recommended mix of revenue tools. One goal was to generate new revenues from tourists and business visitors—those who use and benefit from Calgary's infrastructure, but do not contribute to its costs. With this in mind, the Commission recommended both a municipal car rental levy and hotel levy.

A second goal was to review the charges property developers currently pay and better align these fees with the true cost of growth. Specifically, members endorsed revenue tools that would help to fund infrastructure upgrades in established areas that are undergoing intensification and redevelopment. Each of the land tools recommended by the Commission—Community amenity contributions, Land value capture, and new density-based Development levies—were recommended to fulfill this purpose. Members were careful to underscore, however, that they did not want these tools to slow The City's smart growth objectives—such as transit oriented development.

The Commission also recommended new variable rates for electricity, water and garbage collection, with the goal of reducing consumption habits and extending the lifespan of city landfills and utility systems.

The Commission also sought to shift more of the cost of road construction and maintenance to road users, recommending both a municipal Vehicle registration tax as well as a municipal Fuel tax. In the Commission's words: "the path from pump to pavement must be clear".

Finally, the Commission endorsed the introduction of new

municipal sales tax — or penny tax — established and renewed periodically by local referendum, tied to the GST, and set at no more than 1%. The Commission believes that all Calgarians have a role to play in funding infrastructure, and a penny tax would provide The City with a reliable and significant source of infrastructure funding without placing an undue burden on consumers or business. Importantly, under the terms of their proposal and based on the precedent of several US cities, all funds from the tax would be directed towards specific infrastructure projects that would be identified and approved during periodic referenda.

Taken together, the Commission's recommendations propose a mix of revenue tools for The City of Calgary, and puts forward a balanced vision for how Calgary could successfully address its infrastructure challenge.

Recommended revenue tools and strategies:

Revenue tool & Rate	Definition	Estimated Revenue ¹
Car rental levy: 10% of rental contract.	A daily charge levied on the price of renting a vehicle.	\$13.5 million/year ²
Hotel levy: 12% on the cost of temporary accommodation.	A charge placed on the price of temporary accommodation, usually a percentage of the price of room.	\$5 million/year ³
Vehicle registration tax: \$15/year for each vehicle.	A fee paid by vehicle owners upon registering a new vehicle, as well as when vehicle owners annually renew their registration.	\$15 million/year ⁴
Fuel tax: 4¢/liter on gasoline.	A tax applied to the sale of transportation fuels. The fuel tax typically takes the form of a flat rate per liter of fuel purchased.	\$100 million/year ⁵
Utility levy: A tiered fee based on quantity consumed and time of use.	A fee to households for access and use of City services, such as water or electricity.	Not available.
Garbage bin fee: \$8 per month for small bin; \$16 per month for large bin.	A variable fee based on the size of the garbage bin a household chooses to use for The City's waste collection services.	\$27 million/year ⁶
Penny tax: 1% sales tax on goods and services.	A variation of the sales tax where the tax rate is capped at 1% and public accountability mechanisms are put in place.	\$280 million/year ⁷
Community amenity contributions: No fixed rate; conservative estimate based on Vancouver average of \$128 million/year.	One-time and negotiated cash or 'in-kind' contributions—often for social infrastructure such as childcare facilities or affordable housing—made by a developer when City Council grants development rights through rezoning of an established area.	\$25 million/year ⁸
Land value capture: No fixed rate; estimate based on the assumption that there is redevelopment around 2 transit lines, or 12 stations over 10 years.	Mechanisms that 'capture' a portion of a projected increase to land values in order to help fund infrastructure. This can be achieved through borrowing off future property tax increases, or by placing a charge on developers at the time of a rezoning application.	\$10 million/year ⁹
Development levies: Estimate based on Ottawa's density-based levy rates.	Standardized, one-time charges paid by developers on new developments to help pay for the cost of associated infrastructure.	\$70 million/year ¹⁰
Government transfers: Province contributes an additional \$100 million/year; Federal government contributes an additional \$100 million/year.	Additional, yearly Federal and Provincial transfers for infrastructure.	\$200 million/year
Borrowing: A maximum of an additional \$125 million/year.	Debt taken on by The City to pay for infrastructure over the long term.	Not available.
Efficiencies: A minimum of 10% over 10 years.	Various strategies used to minimize infrastructure spending.	\$70 million/year
		TOTAL \$815.5 million/year

1) It is important to emphasize that the following are estimates made by the members of the Citizens Commission based on the best data available to them. See below for more details.

2) Estimate based on AECOM's report for the City of Calgary, Comprehensive Analysis of Shortlisted Funding Mechanisms, May 2015.

3) Estimate based on how much revenue the City of Denver generates from

a similarly high hotel levy (14.85%).

4) See AECOM report.

5) See AECOM report.

6) Estimate based on the assumption that half of the households in Calgary choose the small garbage bin, and half choose the large garbage bin.

7) See AECOM report.

8) Conservative estimate based on the average value of the assets Vancouver has gained over the last five years from CACs, \$128 million/year.

9) Estimate based on the assumption that there is redevelopment around 2 transit lines, or 12 stations over 10 years. See AECOM report.

10) Estimate based on Ottawa's density-based levy rates. See AECOM report.



Members introduce themselves at the Commission's first meeting: Cheryl Welsh, Zeinab El Kady, Paul Kingsley, Elaine Smith, Gary Murray, and Rakesh Pankhania.

Understanding the process

Across Canada, cities face a special challenge: the population of the country's major cities is growing rapidly, the cost of providing modern infrastructure is rising, and the funds to pay for this infrastructure are scarce. Here in Calgary, The City projects an infrastructure deficit of \$7 billion over the next 10 years. The Citizens Commission on Municipal Infrastructure was convened by the Calgary Chamber and its partners to wrestle with this challenge and provide recommendations to The City and Province.

In June 2015, letters containing a special invitation to volunteer for the Citizens Commission went out to 10,000 households across Calgary. Six weeks later, 250 people had volunteered to devote six Saturdays, over three months to serve on the Commission.

In August, the 36 members of the Citizens Commission were randomly selected from this pool of volunteers. Members of the Commission were selected using a civic lottery to ensure an equal balance between men and women, representation from business owners, as well as a proportional number of members representing different neighbourhoods, age ranges, and renters and homeowners.

The Citizens Commission was tasked with learning about Calgary's infrastructure needs and examining a range of revenue tools that municipalities use to pay for infrastructure. Members were charged with representing all Calgarians, and, in that spirit, they were asked to recommend the best use and mix of revenue tools to support the city's infrastructure.

Learning phase

The first three Saturdays of the Citizens Commission were dedicated to learning about Calgary's infrastructure challenge. Through presentations and question and answer sessions, members had the opportunity to learn directly from some of Canada's leading experts in municipal finance, City staff responsible for infrastructure management, and a range of local experts and stakeholders.

At the Commission's first meeting, proceedings kicked-off

with a warm welcome from Adam Legge, President and CEO of the Calgary Chamber and the Mayor of Calgary, Naheed Nenshi. Adam Legge explained why the Chamber had convened the Citizens Commission—to support a conversation among Calgarians and receive clear direction from them about how The City should fund its infrastructure. Mayor Nenshi echoed the Chamber's hope for the Commission, and emphasized that he looked forward to some fresh and creative ideas from its members. The Mayor also reflected on the specific challenge of keeping pace with Calgary's rapid growth.

In fact, several presentations at the first meeting explored Calgary's rapid growth over the past decades. Justin Smith, Director of Policy and Government Relations for the Calgary Chamber provided a historical look at the city's population growth, and described how growth is essential to the city's economy. Professor Jyoti Gondek from the University of Calgary explained how family preferences and plentiful land have created distinctive, suburbanized settlement patterns. Joel Armitage from The City of Calgary's Build Calgary initiative explained how this approach to growth has led to a significant and costly build-out of urban infrastructure. These presentations prompted important questions that the members of the Commission discussed: As an economic hub for the region, what kinds of infrastructure are important for Calgary? Who should contribute to the cost of this infrastructure? Does new development in Calgary pay enough of The City's infrastructure costs? How does Calgary's growth pattern affect its infrastructure challenge?

Urban finance expert Professor Enid Slack from the University of Toronto also provided members with an overview of the fiscal health of Canadian cities. She outlined their shared infrastructure challenge—limited funds to tackle increased responsibilities. The main aim of her presentation, however, was to review the principles that are often used to evaluate revenue tools. For example, she noted the advantage of revenue tools that were tied to economic growth, and explained how a revenue tool's 'fairness' could be assessed in relation to both 'user pay' and 'socially redistributive' aims. Picking up on similar themes at the Commission's second meeting, Casey Vander Ploeg explored the advantages and disadvantages of each class of revenue tool. Like Professor Slack, he emphasized the

benefit of a mix of revenue tools—no one tool could meet every goal, but a good mix of tools could.

To better understand Calgary's own fiscal powers, Professor Bev Dahlby from the University of Calgary explained how cities in Canada are “children of the Province”. Like other cities in Alberta, Calgary's fiscal powers are outlined in the Municipal Government Act and The City mostly relies on revenue from property taxes to fund its infrastructure and operations. In contrast to the other municipal finance experts, however, Prof Dahlby argued that the property tax was an adequate revenue tool for cities and that other tools weren't necessarily required.

Importantly, members also heard presentations from City engineers—Joel Armitage and Steve Wyton—responsible for infrastructure management. Members learned that The City has adopted a more efficient ‘risk-based’ approach to infrastructure management, and that it is making comprehensive plans for the infrastructure that it deems is most critical to build or replace in the coming years. These presentations also highlighted infrastructure challenges facing The City, such as the need to plan for extreme weather like the flood of 2013, and the need to carefully manage the lifespan and replacement of The City's infrastructure.

During its second and third meeting, the Commission heard presentations from several stakeholders, each providing unique perspectives on specific revenue tools. Randy Pecarski, a Senior Planner with The City of Vancouver, provided an overview of how Vancouver uses its growth to fund infrastructure, in particular social amenities like affordable housing and daycare. Grace Lui and Mark Wynker, development experts, gave members an insiders perspective on how the development industry in Calgary works with The City to build projects and infrastructure. Casey Vander Ploeg explained to members why, after his review of revenue tools for the Canada West Foundation, he thought a penny tax was well-suited to Calgary. McGill Professor Chris Ragan, Chair of Canada's Ecofiscal Commission, explained how revenue tools could not only generate revenue, but also encourage more environmentally sustainable behaviour.

To give members further context on Calgary, there were also presentations on Calgary's current economic forecast, its social and community needs, and its arts and cultural life.

Throughout these sessions, members were keen to question and learn as much as possible from the presenters. In their own discussions, however, members primarily focused their attention on the values they thought should shape The City's fiscal model. What was important to them as Calgarians? What makes a good revenue tool? What aims should The City try to achieve with its infrastructure management?

Together the members identified six values—efficiency, transparency, innovation, sustainability, social responsibility,

and fiscal responsibility—to guide decision-making about paying for infrastructure.

In mid-October, the Commission hosted a meeting open to the wider public to discuss their proposed values, as well as The City's infrastructure challenge. The lively conversations that evening gave Commission members an opportunity to test their ideas, as well as learn more about the concerns of other Calgarians.

Recommendations phase

At this point, the Commission began its second phase of work: weighing the options and developing shared recommendations.

Each member began by developing their own funding scenarios for The City's 10 year, \$7 billion infrastructure deficit. They analyzed The City of Calgary's infrastructure priorities by department and selected the revenue tools they thought were best suited to fund Calgary's infrastructure gap.

Once their individual funding scenarios were complete, members formed groups with others who had similar scenarios to begin their deliberations. Already between these groups it was evident that there were some common themes. Most groups approved of The City's infrastructure priorities, but felt that efficiencies should be found across all departments. Among the revenue tools that were selected, every group had suggested levies that could be applied to tourists and visitors, as well as increased transfers from the federal and provincial government. Many groups had also suggested charges on drivers, some kind of broad-base tax, and land-based levies.

At their fifth meeting, members formed new groups to wrestle with the benefits and limitations of each revenue tool or efficiency strategy that had been identified.

Members examined the cost of implementing and administering each tool. Although there was significant interest in some form of road toll, for instance, members worried that the cost of implementation made road tolls an inefficient revenue generator. They also considered the policy consequences of different revenue tools: Would a bicycle registration fee discourage cycling? Would development levies based on densities encourage sprawl? Would a tiered utility rate discourage overconsumption?

Members carefully weighed the trade-offs between different broad-based taxes that were favoured, specifically the penny tax, an employee payroll tax, or a local income tax. In light of their values, members considered how each tax would perform.

The impact of revenue tools on the individual taxpayer was also assessed. For example, members questioned whether a land transfer tax would create a greater deterrent to home-

ownership in comparison to other land-based tools. Finally, the political climate for implementing different revenue tools was debated. Was a sales tax a dead-end in Alberta, or could a transparent, voter-directed penny tax gain support in Calgary? Or again, was it practical to recommend a carbon tax instead of a fuel tax, if the Province was likely to introduce its own carbon-pricing system?

Members also spent time exploring other strategies to address the infrastructure gap. In particular, they discussed the circumstances under which borrowing was an appropriate tool, whether The City might generate more revenue from its investment income, and how further efficiencies might be found within The City's operations through contracting out services, public-private partnerships, or more inter-department communication.

Through all these discussions, a common set of priorities and preferred revenue tools emerged. At their final meeting, members indicated their support for each tool, and only those which enjoyed overwhelming support were included in the Commission's report. Members then worked together to draft their recommendations for how Calgary should address its infrastructure challenge. After three months of learning, discussion, and careful work together, the members of the Commission had completed their task.



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Wayne Symington, Dorett Maverely, and Sue Paton weigh the merits of different land-based tools and work together to draft recommendations.

The Citizens Commission Report

We are thirty-six Calgarians, and also taxpayers. Together we represent the demographics of this city and, as individuals, we naturally hold different values and beliefs, and come from different neighbourhoods, professions, and cultural backgrounds.

We volunteered our time to serve on the Commission because we care about our city and our fellow residents. We think it's important that Calgarians have a more direct voice in the financial decisions made by City Hall. We also want Calgary to continue to prosper and to build on the many things that make this city great. Each of us, as residents, has a role to play in shaping Calgary's future and we want the efforts of all citizens to be recognized and encouraged.

We believe that Calgary's prosperity must be managed responsibly. To us, this means that Calgary must aim to manage its prosperity and growth in a way that is efficient, sustainable, fiscally and socially responsible, innovative and transparent.

As citizens, we hold many different views. However, we all came to the Commission with a passion to contribute to our great city. Our job was not to represent any specific stakeholder, business or political group; our job was to represent all Calgarians. We are proud of who we are, and want to ensure our city remains a great place to live, work, play and call home.

What we learned

Calgary's growth is outpacing our ability to build and pay for new infrastructure. Over the next twenty years, The City's current revenue sources will not allow us to afford the infrastructure we need. The cost of maintaining our quality of life in Calgary is high.

As a Commission, we heard from a variety of presenters about different taxes, fees and levies that cities across North America use to raise revenue. We examined the strengths and limitations of each 'revenue tool', and the approximate amount each tool could generate based on data from Calgary and other cities.

It is not as easy to evaluate revenue tools as one might imagine: each tool must be adapted to the context in Calgary; each tool will inevitably influence people's behavior and may have unintended consequences; and each tool will be interpreted differently based on an individual's social and fiscal values. However, we came together as members of the Commission to create a set of recommendations that we believe can help meet the needs of all Calgarians.

Why this matters

Our report gives voice to the 1.2 million citizens of this city and directly communicates to government where and how we should collect revenues to support our growth. It describes the values of Calgarians and provides a blueprint for funding infrastructure. We hope our report will be recognized as a valuable guide that will help to shape the decisions taken by City Council.

Cheryl Welsh discusses different infrastructure funding scenarios with other members of the Commission.

Our Infrastructure Priorities

Over the last many decades Calgary's infrastructure deficit has grown. It is evident that Calgary's population growth has outpaced the capacity of much of its current infrastructure. The growth in outlying communities only compounds this challenge.

As we build more infrastructure, we need to ensure that we are also able to meet the long-term operating and maintenance costs. These costs will increase as Calgary's infrastructure ages. As a city, we need to think holistically and ensure that the choices we make today are sustainable — and also well adapted to meeting future needs.

While our focus is on how Calgary should pay for its infrastructure, we believe the federal and provincial governments also have a role to play. Both levels of government should commit to a reliable mechanism for infrastructure investment. We also believe the Province should amend the Municipal Government Act to allow The City to raise revenue from a wider range of sources.

We think The City needs to take a balanced approach to infrastructure investment. This includes four priorities: First, we believe that social infrastructure is important, including parks, recreation, and social housing. Second, we think that transit and road infrastructure is critical, and that congestion can be reduced with necessary upgrades. Third, we trust that essential services—such as police, fire, water and waste management—will not be compromised in any effort to address the infrastructure deficit. Finally, we want to ensure that existing core services are not reduced in order to fund popular, but less essential projects.

The Commission is mostly in agreement with The City's identified infrastructure priorities as listed in its 2013 Infrastructure Status Report. We believe, however, that more scrutiny is required and expect that significant efficiencies can still be found. Similarly, we also think that efficiencies can be found across The City's operations and that these savings could be redirected to help meet the cost of infrastructure maintenance and construction.

We encourage The City to provide clear and consistent reports of their infrastructure priorities across all departments — and standardize the costing from different city departments concerning their infrastructure priorities. This will help improve public communication and buy-in, as well as coordination and planning between departments. Additionally, we believe The City should encourage more citizen participation in decision-making, and that The City should do more to promote its activities and create more opportunities for engagement and learning. Specifically, we believe processes like this Citizens

Commission should continue to involve Calgarians.

This report is a call to action, and we ask that The City take the necessary steps to implement our recommendations, where possible, without delay. We urge The City to maintain and improve our municipal infrastructure — keeping Calgary among the most desirable cities in which to live and doing business.

Our Values

The following six values should help guide decisions about how to fund infrastructure in Calgary.

Efficiency

We value revenue tools that are cost effective, and able to produce optimum results with minimum expenditure. This would ensure the judicious use of resources because an efficient revenue tool is ultimately less costly to all taxpayers. We also expect revenue tools to be simple and predictable. By simple, we mean that a revenue tool should be easy for officials to administer and should also be easily understood by the public. By predictable, we mean that a revenue tool should provide a stable and consistent source of revenue that makes possible long-term budgeting. Most importantly, an efficient revenue tool should not be costly to administer, ensuring that almost all of the revenue collected can be applied directly towards infrastructure.

Transparency

Calgarians should be well-informed and aware of which revenue tools are being used, and where and how tax revenues will be spent. Transparency promotes a sense of fairness and trust among taxpayers, and recognizes that taxpayers have the right to access this information.

Innovation

Innovation is essential and is a source of growth and improvement, and as a source of creativity. Innovation in revenue tools means looking to other cities for inspiration, promoting a mix of revenue tools, and being willing to experiment. Ultimately we expect that innovation can encourage residents and businesses to make different and better choices concerning the services and resources they use.

Sustainability

Revenue tools should be sustainable in two senses. First, taxes, fees and levies should provide a consistent stream of reliable

long-term revenue for municipalities, which can be maintained into the foreseeable future. Second, whenever possible, the design of revenue tools should seek to enhance environmental benefits, behaviour change and protection.

Social Responsibility

We affirm the importance of selecting tools which are socially responsible and which maintain and enhance the quality of life for all Calgarians. This requires us to ensure that new taxes, fees and levies do not cause financial hardship for residents, irrespective of their income levels. New revenue tools should also promote environmental consciousness and civic-minded choices.

Fiscal Responsibility

Fiscal responsibility for capital spending should be supported by revenue and cost planning for the lifespan of the infrastructure from development to construction to the maintenance of the asset. For a revenue tool to be fiscally responsible, it should have the following attributes: it should be transparent; it should promote intergenerational equity; it should manage risk, which includes responsible budgeting, expenditures and debt; and it should follow sound accounting practices.

**Our
Recommendations**

In order to address its infrastructure deficit, we recommend that The City of Calgary work with the Province to implement the following revenue tools.

Visitors:

Car rental levy

We recommend that City Council work with the Province to amend the Municipal Government Act in order to implement a 10% car rental levy, applicable to all non-commercial vehicle rental contracts.

Car rental levies are commonly used by municipalities throughout North America. They are easy to implement and provide a way of collecting revenue from visitors who benefit from using local roads. These levies are also consistent with the user-pay principle.

The car rental levy will help support the cost of municipal road maintenance by charging users who are not currently taxed by The City. Car-sharing and other micro-rental alternatives which help to reduce the total number of vehicles on our roads should be exempt.

There are no major limitations to this tool, however there may be some implementation costs and the financial gains are comparatively small at approximately \$13.5 million a year.

Hotel levy

We recommend that City Council work with the Province to amend the Municipal Government Act in order to implement a 12% Hotel Levy in Calgary. We hope that this local Hotel Levy will help broaden the revenue tools at The City’s disposal, and provide approximately \$5 million a year in additional revenue.

We want to be consistently improving Calgary’s infrastructure for the benefit of visitors and residents. We believe visitors should contribute to the infrastructure they use while visiting the city.

We remain concerned that the implementation of such a tax might discourage visitors, which would negatively affect the tourism industry. Nevertheless, we believe it is socially responsible to insist that those who benefit from our city as guests should also contribute to the cost of municipal infrastructure. We recognize that this levy would, however, provide only a modest source of revenue in comparison to other revenue tools.

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Drivers:

Municipal vehicle registration tax

We recommend that City Council work with the Province to amend the Municipal Government Act in order to implement a vehicle registration tax, to be set at \$15 per year. This charge should be collected alongside the existing Provincial vehicle registration tax. We also recommend that the municipal rate be pegged to increase with the Province's adjustment schedule.

We recommend The City use a vehicle registration tax to help meet its revenue goals. We think this is a transparent way to generate revenue and expect that revenues derived from a municipal vehicle registration tax will be used to fund road infrastructure. We think it is an efficient tool, since the cost to implement it is likely low. We are convinced that it will provide a sustainable and consistent source of revenue.

We want to underscore that transparency will be lost if the revenue from this tax simply goes into general revenue and instead ask that funds be dedicated to improving road infrastructure.

We recognize that there are different vehicle types—such as motorcycles, commercial vehicles, and private vehicles—and therefore the rate will need to be adjusted accordingly as the impact of these vehicles on road infrastructure varies. There is also a risk that large commercial fleet owners may choose to register their vehicles outside the city limits, which could affect revenue.

The benefit of this revenue tool is that it imposes a minimal user fee relative to the cost of owning and operating a vehicle.

Municipal fuel tax

We recommend that City Council work with the Province to amend the Municipal Government Act in order to implement a municipal fuel tax of 4c/L on gasoline (and 6c/kg of natural gas) on all transportation fuels, applied at the point of sale. We hope that the implementation of this additional tax will provide a significant and sustainable source of funding to support infrastructure. Additionally, this tax should be pegged to inflation and adjusted periodically.

We recommend The City adopt the fuel tax because the price inelasticity relative to demand ensures a sustainable source of revenue, with minimal behavioural impact.

It is the belief of this Commission that proper implementation of a fuel tax includes direct allocation of the revenue back into developing and maintaining the city's roads and related infrastructure. We want to stress that the fuel tax should be transparent—the path from pump to pavement must be clear.

Ideally, the fuel tax should be implemented regionally so

as to prevent any loss of business at local fueling stations. We also recognize that small, transportation-heavy businesses—such as food trucks, caterers, etc.—may be disproportionately impacted.

We believe that the fuel tax will capture revenue from all road users and help to maintain road infrastructure. Additionally, we believe that the potential revenue generation of this tool would encourage a unified regional approach in the greater Calgary area.

Ecofiscal:

Utility levy

We recommend that City Council develop a comprehensive multi-tiered utility rate strategy. Such a strategy would include, but not be limited to: time of use rates on electricity—e.g. higher rate during peak hours — and two-tiered rates on water usage. We also encourage City Council to enable its subsidiary Enmax to offer programs such as “Rush Hour Rewards” from Nest in order to keep end user rates down and reduce demand on backup power stations.

We recommend that The City adopt these variable levies because they would encourage environmentally friendly behaviour and generate additional revenue from resource users. Such a strategy would also reduce stress on existing utility infrastructure and would likely extend the lifespan of existing electricity and water infrastructure, resulting in lower maintenance costs for Calgarians over time. With this tool we are less concerned with its revenue generating capacity, and more interested in how it could promote more efficient use of our existing infrastructure.

We remain concerned that renters and low income families might be penalized as they tend to use older, high energy appliances and consequently would end up paying higher utility costs. To offset this impact, The City may need to follow the lead of other jurisdictions and create a subsidy program for low income families.

We hope that a multi-tiered utility rate strategy would encourage residents and businesses to make eco-friendly investments. We believe that a multi-tiered utility levy on electricity and water would encourage homeowners and landlords to upgrade to more efficient appliances and to make better use of rain and graywater.

Garbage bin levy

We recommend City Council implement a two-tiered ‘Black bin’ garbage system to augment the current one bin system. We encourage The City to establish this two-tiered system no later than mid-2017 in conjunction to the Green bin rollout. We

also support an alternating pickup schedule to reduce costs. The monthly rate should be \$8.00 per month for the small bin (at half the size of the current bin), and \$16 per month for the large bin (the current bin size). This system could increase revenue for The City by approximately \$27 million a year, and promote awareness about the benefits of recycling and composting organic material.

We recommend that The City adopt this two-tiered system because it is fiscally responsible and encourages less wasteful behaviour. Over time, we hope this levy will generate more income from high garbage producers, while maintaining the current cost for moderate and low volume producers. We remain concerned that some people will resort to illegal dumping as a result of this change.

We believe that a two-tiered garbage system will increase the longevity of our existing landfills and encourage recycling and composting.

General:

Penny tax

We recommend that City Council work with the Province to amend the Municipal Government Act in order to implement a penny tax to support targeted municipal infrastructure investment. This sales tax, collected alongside the federal GST, should not exceed 1%, and be broadly based on the recommendations of the

Canada West Foundation's 2011 penny tax report*. The tax should only be implemented following a municipal referendum that directly ties the revenues raised by the tax to specific infrastructure projects.

We believe that a municipal penny tax is highly consistent with our Commission's principles when eight conditions are met. First, it should be collected alongside the GST. Second, it should be capped at 1%. Third, it must be sanctioned by voters. Fourth, it should be earmarked for specific infrastructure projects. Fifth, it must have an automatic sunset provision if not renewed by subsequent referenda. Sixth, any surplus revenues should be allocated to infrastructure maintenance. Seventh, it should be viewed as supplemental, special income for the purposes of infrastructure investment. Eighth, it requires independent, annual reporting to Calgary residents.

We believe the Penny tax will allow citizens to direct capital infrastructure spending for the public good. We hope the tax will help alleviate pressure on Calgary's infrastructure deficit. We also hope the Calgary Regional Partnership will support and participate in the Penny tax so that the region as a whole benefits.

Naturally, we are concerned that initial reactions to the

* Canada West Foundation, *The Penny Tax: a timely tax innovation to boost our civic investments*, April 2011.

penny tax will be adverse. To counter these reactions, The City will need take steps to adequately inform Calgary residents on the potential benefits of a penny tax. Similarly, because the penny tax relies on public approval, we are concerned that important infrastructure projects might not get funded or else, might be delayed to align with the election cycle.

We acknowledge that any increase in the sales tax could negatively and disproportionately impact lower income families. We recommend that The City explore and introduce mechanisms to reduce this impact. Equally, as a municipal penny tax is not currently used by other Canadian cities, further research on the costs of implementation and collection will need to be factored into any concrete proposal.

The Penny tax gives The City an ability to raise significant new revenues—an estimated \$280 million a year—at a relatively low cost to individuals—an average of \$220 a year. It also allows residents to be directly involved in decisions about investing in municipal infrastructure.

Land:

The Commission proposes the following land-based revenue tools in order to create better ways to fund infrastructure, specifically in the developed areas of The City, without discouraging growth. These revenue tools should be implemented consistently, using standardized administrative mechanisms.

Community Amenity Contributions

We recommend The City adopt a system of Community Amenity Contributions (CACs), similar to The City of Vancouver, in order to help pay for social infrastructure. CACs are a charge levied on developers during major redevelopments. Based on Vancouver's experience, but also taking into account the differences in Calgary, we hope that CACs might generate approximately \$25 million a year in additional revenue for The City.

We expect that CACs will help mitigate the impact of additional density on existing social infrastructure. It will also provide a way for communities impacted by new developments to give input on their specific needs. We anticipate that because social amenities will often be built within or alongside new developments, it will allow for timely delivery of services and amenities.

We expect The City to determine what type of major developments would qualify for CACs, as well as develop a consistent and transparent method to implement and administer CAC negotiations.

We believe CACs are an innovative way to fund social infrastructure that benefits local communities directly. We recommend that a portion of the revenue from CACs be directed to city-wide infrastructure initiatives—approximately 30%—in

order to ensure that all parts of Calgary benefit from this revenue tool.

Land value capture — Transit

We recommend that The City implement a charge on ‘Transit Oriented Development’ areas, and that the revenue collected should be directed towards future transit infrastructure. We believe this is an innovative tool that would allow The City to capture a portion of the increased land value of properties adjacent to transit stations. Based on data from other cities, we expect this could generate approximately \$10 million a year.

We remain concerned about the perception that this levy could discourage transit-oriented development. Land value capture charges would also need to be applied in a fair and consistent manner.

Land value capture — Borrowing

We recommend that The City also use Land Value Capture mechanisms as a borrowing tool to help fund initial infrastructure costs for major redevelopments. This tool would allow The City to borrow against the increased future value of properties enhanced by municipal infrastructure investments. We believe this could help large developments be built in a timely manner, with a better use of development capital costs. As such, this tool could potentially save The City money over the long term.

We recognize that this strategy involves The City assuming some risk. It would require professional assessment of future real estate markets.

Developments Levies

We recommend that The City develop a new development levy system, based on density, to address redevelopment in existing communities. Currently, there is no fair or efficient mechanism for establishing levies for redevelopment in existing communities. In particular, a better system is needed to fund the necessary upgrades to existing infrastructure to accommodate increased densities.

We expect The City to develop these new levies and to apply them in a fair and consistent manner. Based on the experience of other Canadian cities, such as Ottawa, with a new development levy system The City might expect to generate approximately \$70 million a year.

Other strategies:

Government transfers

We encourage The City to work with other levels of government to secure additional transfers of at least \$100 million a year from both the Provincial and Federal governments back to The City of Calgary for priority infrastructure projects. We recommend that these transfers be calculated based on a fixed percentage, determined by population so that the transfers would increase as Calgary’s population grows.

It is logical that a percentage of the money collected from taxpayers in Calgary, both business and individual, be returned to The City of Calgary—as the largest city in Alberta and the fourth largest city in Canada—to fund its infrastructure projects. With the recently elected governments in place, this is an opportune time to ask for these transfers and to put them in place so that they can be a reliable source of revenue for the long term.

We remain concerned that the Provincial and Federal governments may not be amenable to the idea of a fixed-percentage transfer, as they may be reluctant to cede control or set a significant precedent. We anticipate that The City’s fiscal responsibility may be questioned, and to this end it will be transparent and accountable for any future transfers.

We hope that these fixed-percentage transfers will give The City a reliable stream of funds for the municipal infrastructure that is vital for the Calgary’s continued growth. These transfers would allow The City to plan appropriately for the future, but we remain sceptical about the long-term political viability of this proposal.

Efficiencies

We urge The City of Calgary to find a minimum of 10% efficiencies across all departments, over the long term. We encourage The City to eliminate redundancies, and streamline departments and its fiscal processes. We ask that The City do more with less, by adopting more cost-effective methods. We would redirect these savings towards infrastructure investment.

We encourage The City to use different efficiency tools, including public-private partnerships, privatization of services, out-sourcing, and to reduce red-tape exercises that slow development and add to the cost of services.

We also recommend an external, impartial assessment of achievable efficiencies across The City, and that the recommendations of this assessment be implemented promptly and with transparency.

We would like to see The City of Calgary get more bang for its infrastructure buck. This will allow The City to fund more of its infrastructure priorities. This will also give The City greater credibility overall for its other revenue tool proposals



Participants at the Citizens Commission's public roundtable meeting give members feedback on their values.

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in the eyes of taxpayers, other jurisdictions and other levels of government.

We also recommend The City develop a system for measuring efficiencies and demonstrating savings.

We recognize the difficulties inherent in changing the culture of municipal government, which will be necessary to achieve these efficiencies. Labour reductions might be a reality. This might result in pushback or resistance from The City's employees and unions. We want to underscore, however, that efficiencies should not come at the cost of cutting existing services.

We believe these efficiencies will help improve interdepartmental communication and encourage innovative thinking. They can also lead to a better allocation of human resources, and again, free up more funds for infrastructure investment.

Borrowing

We recommend The City adopt borrowing as a tool to fund capital expansion over a multigenerational period, especially at a time when interest rates are so low.

Borrowing needs to be anchored in plans to repay the funds over the long term. This funding tool should be used as a last resort, and not adversely affect The City's credit rating. In fact, The City might explore legislation that requires that other funding methods have been exhausted before borrowing occurs. At the maximum, we suggest that The City borrow an additional \$125 million a year.

We believe borrowing can be used to fill funding gaps, expedite important infrastructure projects, lock-in infrastructure projects at lower rates, increase flexibility during contract negotiations, and spread out the costs of the infrastructure projects over the long term. This will help The City achieve cost-savings over time. We expect that borrowing will only be used for infrastructure projects of the highest priority.

We remain concerned that The City will rely too heavily on this funding tool, and borrow excessively. This may jeopardize The City's credit rating. We are also concerned that The City have a reliable source of 'repayment funds', especially in light of the fact that some of The City's revenue sources are market-sensitive and thus unpredictable, and the fact that interest rates may increase over time.



Danvir Virdi discusses the tradeoffs involved with different revenue tools.

Member profiles

Eduardo Bagtas: Originally from the Philippines, I have made Calgary home for the last 10 years. I have a degree in Business Administration with a major in Accounting. I've worked in accounting over the last 35 years in the Philippines, in Saudi Arabia, and now in Calgary. I hope my experience will allow me to contribute to the work of the Citizens Commission, and to the city of Calgary.

Leigh Beaton: I was born and raised in Calgary and I attend the University of Calgary in Civil Engineering. I am currently doing a 16-month internship with a construction company in Calgary before returning to school for my final year. I enjoy learning about infrastructure challenges in a city that has been growing so rapidly, as I can see some of the issues in my own neighbourhood. I also enjoy exploring different parts of Calgary and getting out to the mountains. I look forward to participating and contributing to the Citizens Commission, and learning about the ways we fund infrastructure in Calgary.

Judy Bergeson: I was born in Montreal and moved to Calgary when I was 20, although my roots here go back to the 1890s as both my parents and one grandmother were born in Calgary. I worked in the Oil and Gas industry until I had my two daughters, and then I became a stay-at-home mom. After my first daughter was born I went to the University of Calgary and graduated with a BA in the Social Sciences. I spent many years volunteering at various levels in their schools and activities. I am also an active volunteer with the Calgary Stampede and my church. In my spare

time I enjoy travelling, reading, knitting and walking. I think Calgary is a wonderful place to live and hope that my experiences living in and visiting other interesting cities can help to make it even better.

Christine Cook: I am a born and raised Calgarian. I graduated from the University of Calgary with a Registered Nursing degree. I have worked with Mount Royal College and in many clinical areas of health care for over 25 years. I currently work with Alberta Health Services in Information Technology, bridging the provincial clinical and IT needs of health care. I have raised my 2 kids in Calgary and have lived through a population increase in the city of over 800,000 people. I have seen the city grow and mature along with its vast infrastructure changes, into an amazing place to live. I am excited to be a part of this Commission to contribute to maintaining the high quality of life that Calgary and its communities have come to know.

Veronica Crane: I was born and raised in Toronto, Ontario. I have traveled throughout Europe and around Australia. I have been living in Calgary since 2007. Volunteering in my children's schools and in my community are important activities for me. I love running throughout the neighbourhoods of NW Calgary. I hope that this Citizens Commission can positively affect decisions made regarding Calgary's future growth.

North Darling: My background is in Municipal Government. I was the Deputy Mayor for Peace River, and a Vice President with the Alberta Urban Municipalities

Association. Healthy and strong municipalities are vital to healthy and strong lives. I am currently the Executive Director for the Montgomery Business Revitalization Zone in Calgary. Calgary feels like a small town, but acts like a national leader.

Zeinab El Kady: Originally from Egypt, I've made Calgary home for the last 33 years. I am a professional engineer, with extensive experience in electrical engineering, consulting, maintenance, systems operation and project management. I have worked for some of Calgary's largest consulting companies, designing oil and gas projects. I am also an active volunteer. Currently, I'm on the board of directors of my residential community association, and South Fish Creek Recreation Centre. I'm also a judge at the Calgary Youth Science Fair. Formally, I've been president of the Egyptian Canadian Association of Calgary, a board member for the Women in Engineering and Science Association, and a translator and interpreter for the Calgary Immigrant Aid Society and Language Bank. I hope that my volunteering experiences, as well as my analytic and problem solving skills, will help me contribute to the Citizens Commission. I'd like to see Calgary remain a city of opportunity with a high quality of life.

Red Feist: Originally from Saskatchewan, I've been in Calgary since 1965. Over the years I've worked on the railroads, as well as in construction, farming, and ranching. I am now retired. I volunteered for a while at the Kirby Centre. I live in downtown Calgary, and have a garden plot in the community garden. I joined the Citizens Commission to get a better understanding

of how The City runs.

Jennifer Flanders: I have lived in Calgary for 14 years and love everything this City has to offer. I am a mother of two small boys and have continued my career as an interior designer on a part time basis since having them. My husband and I have made Acadia/Willow Park area in the south east our home for the past 10 years. We love the accessibility of our neighbourhood. I would like to help ensure Calgary has strong, healthy infrastructure that meets our needs today and in the future.

Jonathan Hanna: I came to Calgary 19 years ago with Canadian Pacific Railway's (CPR's) corporate head office move from Montreal. I retired from the CPR as the railway's Corporate Historian Emeritus after a 25-year career in the company's archives, its advertising, marketing communications, photographic and public relations departments. I currently teach English as a Second Language (ESL) to Canadian immigrants at Maple Leaf Academy and Bredin Centre for Learning. I am active in Calgary's museums as a member of the Heritage Park Society, a Friend of Heritage Park and a member of the park's Historical, Interpretive and Education Committee. I also volunteer at the Glenbow Museum. I have written history-based articles, brochures, and web-postings, including co-authoring Portraits of Canada – a picture book with historical sidebars.

I graduated from Concordia University in Montreal with a B.A. in History and Geography, and holds an ACE TESOL certificate in English language teaching.

Mariana Iftinca: I was born and raised in Bucharest, Romania. I moved with my husband to Canada in 1996 and have lived in Calgary since 1997. I graduated with a Master of Engineering from the Technical University of Bucharest and worked in pharmaceuticals for 13 years. After moving to Canada I changed

my profession by entering the oil and gas industry working as a Professional Engineer in a highly controversial field. I am a big supporter of children, arts and animal charities. I love classical music and opera and I learned to play piano when I was 7 years old. I believe Calgary is one of the Canadian cities with a most exciting future and high growth rate and I would like to be one of the small contributors helping shape its potential and wellbeing.

Paula Kingsley: I grew up in rural Alberta and moved to Calgary for university many years ago. Since that time, I've lived and worked in different cities and provinces, returning to Calgary four years ago. I work for one of Alberta's largest employers delivering projects to support employee health and safety. My husband and I enjoy many of Calgary's unique destinations and events. As homeowners in Calgary's far south, we have recently benefited from major developments such as the Stony Trail extension and opening of the South Health Campus. Our area continues to experience significant growth and change, making infrastructure planning a common topic around the dinner table and office lunch room. Because of all this, it's a unique privilege to be able to personally contribute to the Commission's work.

David Lapp: I am born and raised and grazed Calgarian. I love this city and I am a raving fan of all its aspects. Working as a community coordinator for a neighbourhood non-profit, The Summit Group, I want to see teams of young professionals collaborate to change their surroundings.

Nicole Lavoie: I was born and raised in Calgary, Alberta. Currently, I am a student at Mount Royal University studying in the Bachelor of Business Administration program. In my spare time I can be found teaching gymnastics to children of all ages and curling up with a great novel. I love the friendliness of Calgarians and the assort-

ment of diverse cultures that Calgary is home to. I am proud to reside in a beautiful neighbourhood in Southwest Calgary. As a citizen, I am interested in understanding more about the process of decision-making that our local government goes through to benefit the residents of Calgary. I am excited to contribute to the discussion of Calgary's future and look forward to this opportunity.

Robert Macdonald: *no biography made available.*

Alex MacKinnon: I was born and raised in Calgary, but only recently moved back in June after living in Toronto for the last four years raising my two kids. I support a couple businesses in digital marketing - but am looking to take on a new direction within the renewables or building automated sustainable buildings. I have always been interested in what makes a city tick. Through extensive traveling I have experienced great innovative infrastructure projects, which I hope Calgary can one day implement.

Dorett Maverley: I was born in Jamaica, West Indies. Moved to England, and then immigrated to Canada in 1966, where I first settled in Montreal, Quebec. Equipped with a diploma in Social Sciences from Dawson College and one in Child Day Care Management, Accounting and the Concept of Business, I moved to Calgary in 1978. Five years later I founded the then Miss Tibbs Child Care. In 1993 I purchased a Coffee Shop in the Inglewood area. I complemented my savvy business skills with the social services and accepted a Special Needs Educator position with the Ethel Johnson Elementary School for one year.

While working towards my diploma in Social Work at Mount Royal College, and a degree in Behaviour Science at the Ambrose University College, my passion for community service started to blossom. I became a member of the Alberta College of Social Workers. In 2003 I opened a Group Home for mentally challenged adults. I now have two homes enhancing

the lives of some of those in need of shelter, emotional and spiritual support. I've also dedicated much of my time volunteering to various community initiatives.

Neal Morrison: I have lived in Calgary for the past 33 years. I am currently retired after a few years flying small aircraft out of Fort St. John, BC oil patch area and several years working in computer-related business, including 25 years with the Calgary Airport Authority. I initially moved to Calgary, partially because it was cited as one of the sunniest locations in Canada, and have frequently enjoyed the walking and biking trails here especially the ravines in the Strathcona Park area. Calgary has been an area of opportunity for myself and so many others who live and work here with a plethora of attractions both in and nearby the city.

I am interested in the Commission to learn how the municipal infrastructure process works. Having been involved with both operational and capital projects at the Airport Authority, I will be especially interested in The City's process and funding sources and hopefully contribute some ideas that may be useful. I'm sure this Commission will be an informative and rewarding experience.

Nathaniel Mulder: At 23, I am a part of a growing group of young professionals in the city of Calgary. I am a recent graduate of the University of Calgary, where I received a Bachelor's of Science in Civil Engineering, and have been working over the past few years towards my P. Eng. designation in Alberta. As an Engineer-In-Training, 17-year resident of the city, and someone who is looking to start a family, I have a particular interest in The City's infrastructure. This interest lies not only in working to ensure we can maintain the current assets for future generations, but also in equipping The City with the necessary resources to manage future growth. I hope that through this Commission a sustainable funding model is put forward that will help The City stay energetic and vibrant for many years to come.

Gary Murray: I am originally from London Ontario and graduated with a Masters Degree from the University of Western Ontario in 1980. I was transferred to Calgary in 1981 and have changed employers twice to remain here in Calgary. I have spent over thirty years in the Land Development business, running my own company since 1993. I retired fully in 2014. I have been an active member of the Rotary Club of Calgary since 1996 and believe in the Rotary motto, "service above self". My wife and I are active volunteers, love our adopted city and plan on remaining in Calgary during our retirement. I was excited to be given the opportunity to serve on the Commission to give back to our community and feel that my extensive work experience throughout North America will be of benefit to the Commission and my Commission colleagues.

Rakesh Pankhania: I was born and raised in Kenya and am East Indian by culture. I arrived in Canada 14 years ago with my Family. I have family in India, Kenya and the U.K. I have therefore had a chance to live in or visit these countries. I am an Electrical Designer by profession and am currently working with SUNCOR Energy.

Neither my family nor I have ever thought of, or had the desire to live anywhere but Calgary. In the past, Calgary has been declared the cleanest city and our mayor has also just been declared the world's best Mayor. These facts, among others, make us proud to call ourselves Calgarians.

We have witnessed tremendous growth and change in Calgary since we first arrived here. Through the Citizens Commission, I hope to contribute meaningfully to the continued success and growth of this wonderful city we call home.

Sue Paton: I am originally from Vancouver, B.C. but have lived in Alberta for over 40 years. I have a Liberal Arts degree from the University of Denver with majors in Math

and Art History. I have worked as a planning consultant for over 30 years, primarily designing residential communities, so I have a passion for how our City is developed and managed. Calgary has a unique spirit and it is exciting to be involved in a process which can contribute to its healthy growth and continuing prosperity. My husband and I currently live in the northwest sector of the city as do our children and grandchildren.

Helen Perry: I was born and raised in England and trained there as a nurse. I emigrated to Canada in 1957 with a friend. Our intention was to go around the world. She went as far as New Zealand, I became delayed in Calgary! My husband and I have lived in Calgary for over 50 years. We have four sons and nine grandchildren most of whom have scattered across the country. In between visiting them I am a keen gardener, birdwatcher and reader. I worked as a nurse when first in Canada and then was a stay at home Mum. During this time, I became active with Girl Guides and have been so ever since, volunteering as a Unit leader and in administration for over 45 years. When the invitation came to join this Citizens Commission I was very pleased to have the opportunity to contribute something more to my community and the city as a whole.

Raj Shah: I was born in India, raised in Qatar, and then moved to Calgary in 2010. I have lived in north west Calgary for the past five years, during which I completed grade school and received my high school diploma. I am currently studying engineering at the University of Waterloo. Throughout the five years, I have been active in the community. During my spare time, I have led a couple of high school clubs, as well as volunteered at various events and non-profit organizations. Since Calgary has offered me many opportunities for personal and professional growth, I would like to keep contributing to the community by serving as a member of the Commission.

Elaine Smith: I have lived in Calgary my entire life, and in our current house for 32 years with my husband and our 2 sons. I am retired, but worked in the grocery industry, with experience related to leadership and strategic planning. I received a bachelor's degree in Personal Psychology with a minor in business from the University of Calgary, and have certifications in Food Safety and Environmental Compliance. I currently sit on the boards of the Calgary Co-op, Federated Co-op, and Granary Road, a family edutainment centre. I volunteer within the community for the Calgary Police Service and am a League Chair for Hockey Calgary. My husband and I have spent many hours cheering for our two boys as they play Canada's game, and I also enjoy travelling. I am grateful for the opportunity to help with the planning for the future of our great city!

Adrian Specogna: I grew up in a rural community in Ontario and have called northwest Calgary my home since 2005. Professionally, I am a medical researcher with a PhD, as well as a masters and undergraduate degree from separate universities across the country. I am interested in the process of medical research, how we study diseases, and how research findings can be used to improve health. Personally, I am very interested in maintaining and promoting the wellbeing of Calgarians, and understand that working infrastructure is a core part of achieving that goal. The citizens of Calgary have enriched my life over the past 10 years. I joined this Commission as a way to, not only learn more about the workings of the city, but also to give back to the citizens and help ensure they have a voice and are able to live the happy and healthy lives they deserve.

Wayne Symington: I grew up in the Toronto area then attended Carleton University in Ottawa, graduating with a Bachelors of Engineering degree in 1980. Then as newlyweds my wife and I immediately moved to Calgary. I have been a home owner in N.W. Calgary for over 30 years where we had the privilege of raising a family

of three children. During this period, we naturally relied on all the classic utility type infrastructure required to run a household, but also made use of and enjoyed much of what else Calgary had to offer including transit, parks, bike paths, libraries, music and cultural festivals and sadly even Calgary cemeteries.

I have recently retired after a 34-year career in the Oil and Gas industry primarily in capital project work with respect to the design and construction of gas processing and transportation infrastructure. My background, as well as having witnessed Calgary's rapid growth with its associated benefits and challenges, sparked my interest in volunteering as a member of this Citizens Commission. Calgary has provided an outstanding environment to raise a family as well as affording many meaningful career opportunities. I want to see it continue to stay attractive for my children and future generations, so they too can enjoy those same benefits of living in a safe, vibrant community with all the activities and amenities a modern city should offer. Hopefully my participation on this Citizens Commission can be a small piece of achieving that goal.

Wrygg Blyken Timbal: I am a 27-year old, originally from the Philippines. I came here 28 months ago as a Temporary Worker under the Live-in Caregiver Program for an 18-month old boy. Currently, I am in the process of waiting for my Open Work Permit Visa and Permanent Residency application. Since I am a registered nurse back home in the Philippines, I generally spend most of my spare time in reviewing and studying books and articles pertaining to my profession in the hope of practicing my chosen field once my credentials are assessed and completed. In addition to this, I write blogs about basketball and continuously study books, tapes and other resourceful materials about the game. There are many things that I find fascinating about Calgary, but two things generally stand out which is the city's cleanliness and the conceptual organization of the city. I wanted to be part of the Commission to be of service to the

city and use my skill set to help improve this beautiful place and grow as a person in this whole experience.

Danvir Virdi: I have been in Calgary for over 10 years. I have worked in the manufacturing sector here in Calgary and in New Delhi. I have an MBA from New Delhi and recently completed my Masters in Financial Management from the University of Alberta.

I love the proximity to the mountains, and how people in this city are always ready to volunteer to help their community. I personally volunteer with my community association and both my children's school councils. I joined the Commission because I thought it was an important opportunity to participate in a democratic process.

Cheryl Welsh: I am married with two grown children and enjoy the outdoors. I enjoy running, cycling, hiking, and just being outside. Recently I have taken up the pursuit of ultra-marathoning. I moved to Calgary in 1973 and have called it home since, except for three years that I lived overseas. While living overseas, I travelled often, seeing and experiencing most of Asia and Europe. Travel is something I still enjoy, the more off-the-beaten-path the better. I grew up here, raised my family here, and hope to see more of my family grow here. For the past twenty-five years I have worked in restaurant management all over the city. Becoming part of the process is an opportunity to understand better what is involved in the making of a city such as Calgary.

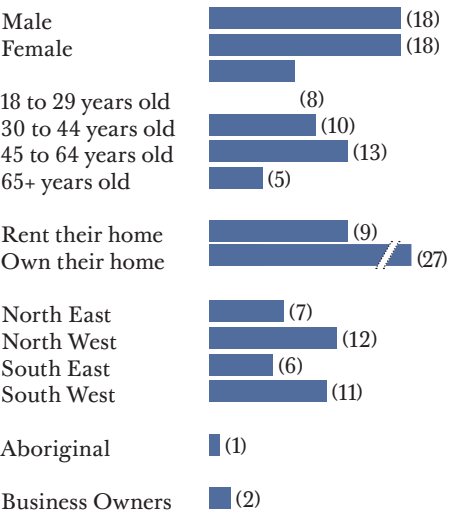
Martin Wilkins: I've lived in Calgary since the mid 70's and was part of the senior executive team that was relocated here from Vancouver when the Province of Alberta purchased Pacific Western Airlines. I've been an active community participant having worked on various volunteer committees with the Calgary Chamber of Commerce, Calgary Petroleum Club, Feed the Hungry, Inn from the Cold and others along with sitting on a number of Board positions for various organizations.

I currently am the head of an orga-

nization providing change management, productivity improvement, optimization and management development for firms in Transportation, Oil & Gas, Manufacturing, Food Services and Utilities. I'm happily married, celebrating 25 years in October and have two adult sons currently finishing undergraduate degrees and going on for graduate programs of studies. I believe we can all contribute to the continued growth of the fine City of Calgary through various ways and means.

Tracy-Ann Wolfe: I am married with no children, but with three dogs. I am 39-years old, and have lived in Calgary since I was 6 years old (moved from Saskatoon). After graduating high school, I went on to take Esthetics at a local school and enjoyed that career for over 10 years. At which point I decided to get some updated computer skills through McBride. Over the years, I've worked as a managing cosmetics counter-sales rep for a beauty supply company and then for LTL freight company, and for a family-owned garage door repair company. For the past 4 years, I have worked at Robertson College, a vocational college. I started in recruiting, and then moved into the role of Career Service Coordinator. I love helping the students move forward in their new career path. Through my volunteering with the Commission, I hope to be the voice for the people I work with, the students that come through our college, and all the dog lovers of the city!

Commission Profile





Judy Bergeson presents draft recommendations to fellow Commission members.

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Minority Reports

Following the conclusion of the Commission, each member was invited to contribute a minority report in which they could express their personal perspective concerning the Commission process and its recommendations. Ultimately eight members of the Commission opted to do so. The words are their own and unedited, and represent the views of their author.

Zeinab El Kady: The City of Calgary infrastructure plans are great. However, Calgary is a rich city, and yet more than 4000 people are homeless, including working families. Affordable housing should have the first priority, after that Police and Emergency Services.

Other than property taxes, I think only the federal and provincial governments should have the authority to tax the people of Alberta. As of the latest report from the Canadian Federation of Independent Business (CFIB), and published in the Calgary Herald on November 4th, 2015, excessive city spending took an extra \$8,500 from each household over the past decade. Calgary has 464,000 households, i.e. the city over charged the residents by \$3,944,000,000. As per CFIB report efficiencies and cutting spending on operations is a big factor to solve the infrastructure deficit.

The City claimed that any house takes more than 20 years to pay for its infrastructure and utilities. If the new homeowner instead paid the cost for infrastructure initially, it would add only 5,000 to

10,000 on the median house price—now \$495,000. I do not think that this additional sum would not defer someone from buying a house. Rather, the benefit would be that all the revenue from property taxes could be dedicated to operations and replacement infrastructure projects.

Most of the new housing developments are under the control of resident associations, i.e. the city is not responsible for any road maintenance or snow removal. In the old days the developer would build community centers and recreation facilities when developing new areas. I do not know why this was changed? The city has not built any recreation facility for more than a decade, all new recreation facilities were built by communities through private fundraising and volunteers. In addition, resident associations have been responsible for replacing playground equipment. The operating staff of City-operated recreation facilities should be efficient and run off the funds from user fees, like the South Fish Creek Recreation Centre, also known as Cradle Home South. At this facility, the user fees are less than the city operating facilities.

All of The City's Civic Partners charge user fees, therefore they should cover their own operation, maintenance and lifecycle funds.

The city has \$260 million dollars from the \$52 million/year return property taxes from the province; this \$52 million dollars will continue every year, and can use it to lower the infrastructure deficit or can use as lifecycle fund for the recreation facilities that do not have one and make sure from

now on every recreation facility make its own lifecycle fund from its user fees.

Money captured from renting or selling city owned land around LRT stations for transit oriented development can be used to fund some of the transit deficit, and should be used for upgrading infrastructure in and around the area that will be developed. It should not go into The City's general budget.

David Lapp: The Commission has examined some important issues in its work. It has delved through much data to gain some understanding on infrastructure funding in Calgary. What it did not do, unfortunately, is grasp the point of all the data.

The point of all the data is that The City of Calgary wants to spend more money. They do not need to spend more money; they just want to. Let me elaborate a little.

It is positively humorous to note the contrast in perspectives of needs if one travels to a place like the Philippines in comparison with a place like Canada. I have been to the Philippines. Some people there live in dirty shacks on hillsides, with the smell of garbage everywhere, and ashy soot covering all. There, basic food, water, sanitation, and a road with enough room to avoid head-on collisions is sufficient for what people need.

Here in Canada, listening to what The City of Calgary says it needs, I had to suppress an incredulous chuckle:

- institutionalized budgets for public art on C-Train platforms

- barely-used on-street bike tracks in a winter city (that remove parking spaces in the process)
- money to cover self-voted City Council pay raises
- multi-million-dollar severance packages for high-level city administration employees and contractors
- city services delivered solely by highly-paid unions
- current legal bills for sexual assault lawsuits against city employees
- City Council lunches plus alcohol
- designer pedestrian bridges costing many hundreds of millions of dollars
- the largest urban recreational park system in North America
- the largest leisure bike path system in North America
- utilities having its own roads department
- city recreational centres costing many hundreds of millions
- proposals to mandate childcare across the city
- legal bills for a Mayor that has an election lawsuit against him.

These are just a small sample of some of the operational and capital expenditures the city is spending on. And that's just the tip of the iceberg. And we all know it. These are not "needs", gentle readers. No. Not a chance. These are "wants". It is wasteful. This is discretionary spending.

Unfortunately, the Commission was informed right off the bat that going through The City's operating budget was off the table. Mysterious. We all know The City's operating budget and capital budget influence each other. That's just common sense. First trim the fat from The City's operating budget; then the Commission can do some real work. I recommend The City go through a top-to-bottom examination by an external, independent auditor. Operational budget and capital budget. Real efficiencies of at least 25% need to be found. And that's a basement figure.

Everyone else needs to look in the mirror. Why not The City?

Neal Morrison: I would like to see bicycles (including otherwise non-licensed vehicles) be licensed with the proceeds going towards infrastructure. The purpose of this is to cover initial costs of infrastructure dedicated to these 'vehicles', as well as future capital-related maintenance costs.

I have seen where specific types of garbage pick-up are done every second week. I think The City should consider this option, which would result in savings of both operational costs and the capital costs of purchasing and replacing garbage trucks. It would be quite easily done for Blue Bin pick-up and would reduce the impact of the proposed Green Bin pick-up. Perhaps Green Bin pick-up can also be every second week.

Efficiency is also a very important issue and should be taken seriously. There were a total of 4 tree trimming crews on my street this summer. The multiple passes to accomplish a single purpose exhibits inefficiency and lack of planning. Most corporate entities promote efficiency as a method to cut costs and our City government should exhibit this approach of being a 'credible manager' rather than a seemingly irresponsible, unplanning bureaucracy. Promoting efficiency lends credibility to any corporate or public entity and, in the end, always makes financial and responsible sense. If the taxpayer funds were treated as 'one's own money', there would be a lot more thought, planning, and negotiation put into these work assignments and service/procurement contracts.

Elaine Smith: Although there are some suggestions that I don't support 100%, I thought the process of selecting priorities based on the majority of the Commission's recommendations, supports our democratic values. I thought the process of informing and educating the Commission members, and then letting them work through to the desired

recommendations was thorough and robust. Finally, I would like to thank the Chamber of Commerce and The City of Calgary for allowing me to participate in the process.

Adrian Specogna: I am very thankful for the opportunity to take part as a volunteer in this Citizens Commission. I enjoyed meeting and working with my fellow citizens to discuss different scenarios for revenue generation. This experience has affirmed my opinion on how hard working, intelligent and dedicated Calgarians are to their employers, families, and the city overall. This report exemplifies that Calgarians believe in the democratic process and have hope for the future of their city.

I commend the Calgary Chamber and The City for arranging this initiative. I believe this is a positive step forward in understanding public opinion and communicates to the public that their opinions will be considered in financial decision-making. I believe this is the best report we have to date on the opinions of the Citizens with regard to revenue generation and thus believe City Council has an obligation to consider the recommendations presented here.

Although this report may be informative, I also believe there are limitations with the process, which inevitably will affect interpretation, and are thus worth noting.

General Thoughts on Bias with

Recommendations: My understanding was the overall objective of the commission was to provide the municipal government with a report of the Citizens' feelings towards various revenue tools to inform financial decision making. If this was the objective, then for this report to be useful it would have to be an accurate representation of the people's feelings overall.

It appears the facilitators took the necessary steps to acquire a stratified random sample of the Citizens of Calgary to ensure the population was fairly repre-

sented in the commission. Readers should note however that having a representative sample by itself does not necessarily mean the opinions presented in the report are representative of the feelings of members of the Commission or the Citizen's of Calgary. Bias needs to be controlled throughout the process (i.e. in how information is presented, gathered, and assessed) in order to ensure the report is valid at the end.

I recommend City Council consult with its own experts and advisors to determine if they feel bias was reasonably controlled; as I believe this would be considered part of normal, responsible public service when asked to interpret a report of this kind.

I also believe it is reasonable to think any report such as this would not be completely free of all bias due to the complexity of the process, and thus relying on one report to make important decisions may be irresponsible. To address this, I also recommended The City support other citizen's commissions at later dates, with new citizen volunteers, advisors, and facilitators. This could allow City Council to gain a better perspective on citizen's feelings towards revenue generation; as multiple reports could allow for information to be combined and evaluated across different groups, while also allowing for the assessments of bias in these reports. Future reports could use a mixed-methods approach (i.e. using group discussion as well as formal objective assessment of opinion — an example of an objective assessment is voting).

Since the purpose of this commission was to obtain public opinion on how The City could increase its revenue and not on how that money could be spent, one should not be surprised that the level of detail given on the commission's infrastructure priorities was less than the that of the revenue tools in this report, and that no specific direction was given on specific infrastructure priorities. It is reasonable to believe that Calgarians would like to share their opinions on spending, so it is

recommended The City support another commission with this specific objective in the future.

When interpreting this report it is recommended that City Council place high consideration on the opinions presented in the minority reports when determining funding scenarios, as these statements would be less likely to be affected by any bias introduced as a result of the negotiation process.

Specific Limitations and Affect on Interpretation: It is reasonable to believe there could be experts who feel that raising revenue would be best achieved through means other than fees and taxes directly imposed on citizens, visitors, or businesses within the community. These experts did not meet with the commission, and thus this perspective could not be adequately assessed. Borrowing, investing, improving efficiency, and building revenue generating infrastructure (i.e. garbage incinerators) were mentioned but the specific details of the revenue generating potential were not discussed to the same degree as taxation. Thus the direction given to City Council with respect to these revenue tools in the report may seem vague due to lack of 'hard' data.

Proponents of some revenue tools (e.g. the penny tax) spoke to the commission on a couple of occasions, whereas others did not; when considering both formal and informal interactions. This may have influenced the Commission's opinions of these revenue tools (either way) and should be considered when evaluating the process.

The public should be reminded that the decision as to whether or not The City should raise revenue was not up for discussion in this commission. Rather the objective was to decide how they would raise revenue if it was needed. Thus members of the public who read this report should know that the support for specific revenue tools was decided in comparison to other methods of revenue generation not in comparison to nothing. In other words,

government officials and the public should not view this report as evidence that the Citizens approve of a tax on Calgarians at any cost.

Closing Opinion on Specific Revenue Tools:

Illness and disease are burdens on society. In the medical literature there is evidence to suggest that the direct and indirect cost of poor health is substantial. It is reasonable to see that unhealthy people are often unable to work to their full potential. It is also reasonable to believe that healthy people will work harder and more efficiently in their professions compared to unhealthy workers, and this hard work will likely pay off in the form of higher salaries and/or more lucrative careers. The City should consider that workers who earn more will likely pay more into fees and taxes. Thus, I believe the city has a financial incentive to support, or at the very minimum, not interfere with health promotion.

Given the challenges Citizens already face when deciding to improve their health, I believe it would be counter-productive to impose user fees on activities which may encourage healthy behavior (such as imposing user fees on cyclists for example). These barriers may not only negatively affect the individuals who already find healthy behavior challenging, but it may negatively affect the economy overall through poorer productivity. Further, the policy of charging fees for activities considered 'healthy' by the international community may be viewed negatively by individuals from different cities around the world; which may affect public perception and economic growth.

It became evident from discussions in the commission that these types of recreation-based user fees generate so little revenue overall, that in my opinion imposing them does not justify the implications of lower productivity and the negative perception this policy may illicit. Thus I recommend City Council consider the health and well-being of its citizens when making financial decisions;

not only to promote economic growth, but also to ensure passion and public engagement in city development and the democratic process.

Wrygg Blyken Timbal: City planning is an essential element to the realization of an efficient, economically vibrant, healthy, and self-sustainable city. In Alexander Garvin's 2013 book "The Planning Game: Lessons from Great Cities", he expounds on the importance of investing in municipal infrastructures for the public realm. Fundamentally, infrastructure doesn't grow on its own, it needs to be funded both for the capital and operational expenditures. As a Commission we have done a fantastic job in creating recommendations as to how we are going to pay for our City's internal improvements. Although we addressed the main tasks set out for us as a Commission, I think it would have been sensible to identify more precisely our infrastructure priorities—in numerical values or percentages. Infrastructure needs and the revenue tools to build and sustain them are relative to each other. To be sure, addressing this issue requires more time spent on careful analysis of the current municipal infrastructure status report, which we don't have access to as the latest version was created in 2013. My only reservation in the infrastructure priority section of our report, is that we could not do more to link our recommendations about revenue tools to a more detailed analysis of infrastructure priorities. Overall, I am very proud of our work. I'm not in anyway trying to look for errors, but merely apply constructive criticism to our project. Congratulations to all of us; I could not be prouder of our team!

Cheryl Welsh: I strongly recommend a mechanism for guaranteeing federal and provincial transfer payments. The construction and maintenance of municipal and rural infrastructure is necessary for a thriving economy and therefore for our Province and our country. A better system is needed that would allow for a predict-

able amount of money to be transferred, possibly based on the portion of provincial or federal infrastructure encompassed in a particular area, in order to allow municipalities to plan more accurately. Transfers occurring on whims of the Province or Federal government, or tied only to particular projects, is proving detrimental as capital to maintain existing infrastructure is falling behind. I believe the necessary funds are already being collected through existing provincial and federal taxes, but that a larger portion needs to be returned to cities. If city-centres are not thriving, the provincial and federal tax-base will dwindle.

Martin Wilkins: I urge The City of Calgary to implement Road Tolls after review to ensure new construction costs are offset. This is a common revenue tool used in many major cities as a means of revenue generation. Roads that could be tolled include: Highway 2 (Deerfoot Trail) within the Highway 201 ring road, Glenmore Trail west of Deerfoot Trail, Stony Trail, all of Highway 201 (the ring road), including the future section through southwest Calgary.

It is estimated that if these roads were tolled it could expect to generate approximately \$980 million over 10 years. Infrastructure costs could be amortized over a twenty-year period. Low interest costs are attractive at this point. Gantry installation, maintenance and operating costs are estimated at \$340 million.

Road tolls would likely be a sustainable source of revenue over the long term as there is a strong correlation with economic growth.

I also recommend City Council consider, after further study to address current traffic congestion, implementing High Occupancy Toll roads. This is a less costly alternative to full highway tolling and it is a popular revenue means in many US cities. It is expected that this could generate additional revenue of \$51 million over a 10-year period. This method could serve to alleviate current traffic congestion which is

increasing at an alarming rate due to our continued population growth.

Presentations to the Citizens Commission:

(In order of appearance)

Adam Legge

"Welcome and Why a Citizens Commission?", President and CEO at the Calgary Chamber.

Mayor Naheed Nenshi

"Welcome address", City of Calgary.

Professor Enid Slack

"The Municipal Dilemma", one of Canada's foremost experts in municipal finance and the Director at the Institute on Municipal Finance and Governance at the University of Toronto.

Justin Smith

"Economic Growth in Calgary", Director of Policy, Research and Government Relations at the Calgary Chamber.

Professor Jyoti Gondek "Growth and settlement in Calgary", Director of the Westman Centre for Real Estate Studies at the University of Calgary's Haskayne School of Business.

Professor Bev Dahlby

"How government uses taxes", Distinguished Fellow in Tax and Economic Growth and Professor of Economics at the University of Calgary School of Policy Studies Calgary.

Joel Armitage

"Defining our infrastructure need", professional engineer, Director of the Office of Land Servicing and Housing and Program lead for Build Calgary at The City of Calgary.

Casey Vander Ploeg

"Municipal Revenue tools and models", one of Canada's leading experts in urban finance and infrastructure, a former Senior Policy Analyst at the Canada West Foundation and currently Manager of Policy and Research at the National Cattle Feeders Association.

Randy Pecarski

"The Vancouver Experience", Senior Planner in City-wide and Regional Planning at The City of Vancouver.

Grace Lui

"Development and Infrastructure", registered planner and Senior Manager of Strategic Initiatives at Brookfield Residential.

Mark Wynker

"Development and Infrastructure", Senior Principal and Sector Leader of Community Development at Stantec.

Steve Wyton

"Calgary's infrastructure deficit", professional engineer, Manager of Corporate Asset Management at The City of Calgary.

Professor Chris Ragan

"Ecofiscal revenue tools", Professor of economics at McGill University and Chair of Canada's Ecofiscal Commission.

Patrick O'Rourke

"Calgary's economic forecast", Chartered financial analyst at Alta Corp Capital.

Karen Young

"Community needs in Calgary", former Director of Community and Neighbourhood Services at The City of Calgary and current Vice President and Chief Operating Officer of United Way, Calgary.

Patti Pon

"Calgary's Arts Infrastructure", President and CEO of Calgary Arts Development.

Terms of Reference

The Citizens' Commission on Municipal Infrastructure: How to pay for what we need

1.0 Objective of the Calgary Chamber

In establishing the Citizens' Commission on Municipal Infrastructure, the Calgary Chamber aims to provide an unprecedented opportunity to the residents of Calgary to help determine how we might pay for The City's growing infrastructure needs.

2.0 Mandate of the Citizens' Commission

The Citizens' Commission on Municipal Infrastructure will endeavour to represent all residents of The City of Calgary. The Commission will learn about the infrastructure needs of The City of Calgary and examine a range of revenue tools that municipalities use to pay for infrastructure maintenance and investment. The Commission will develop a set of recommendations on the infrastructure priorities for the residents of Calgary, and the best use and mix of revenue tools to support municipal infrastructure.

Specifically, the Citizens' Commission will develop:

- A set of values to guide decision-making about Calgary's infrastructure priorities and how to pay for them
- A set of recommendations outlining the Commissions' infrastructure priorities
- A set of recommendations concerning the best use and mix of revenue tools to support municipal infrastructure maintenance and investment

It is expected that these items will, to the greatest extent possible, represent the consensus view of the members of the Citizens' Commission. Divergent views of Commission members will also be included in the Citizens' Commission's Final Report.

To assist the members of the Citizens' Commission with their task, an extensive learning program will provide them with the opportunity to examine:

- The City of Calgary's current and projected infrastructure needs
- How The City of Calgary currently pays for infrastructure maintenance and investment
- A range of perspectives on the revenue tools municipalities use to pay for infrastructure maintenance and investment

During its learning and deliberations, the Citizens' Commission will also host a public roundtable meeting. The public roundtable will provide members of the Commission an opportunity to test and discuss their values and priorities with other Calgarians.

3.0 Schedule of the Citizens' Commission

The Citizens' Commission will convene during six, full-day Saturday sessions beginning in September 2015 and concluding in November 2015. Additional meetings of the Commission may be scheduled at the discretion of the Chair. The Citizens' Commission will also host a public roundtable meeting, which will be open to all residents of Calgary.

4.0 Reporting and Communications of the Citizens' Commission

The Citizens' Commission will communicate regularly about its work to the public and the Calgary Chamber.

The Citizens' Commission will conclude its work with a final report intended to inform future policy and public conversation about how to pay for needed infrastructure in Calgary. The Commission's final report will include:

- A letter from the chair outlining his or her satisfaction with the process.
- A summary of the proceedings of the Commission.

- A vision outlining the Citizens' Commission shared aspirations for The City of Calgary.
- A set of values to guide decision-making about Calgary's infrastructure priorities and how to pay for them.
- A set of recommendations outlining the Commissions' infrastructure priorities and what revenue tools are most appropriate to pay for them.
- Additional commentary concerning the recommendations from members of the Commission.
- Brief biographies of members of the Commission.

5.0 Composition of the Citizens' Commission:

5.1 Recruitment Process

Members of the Citizens' Commission will be randomly selected by Civic Lottery — a mechanism that ensures that a broad, representative cross-section of local residents are selected to participate. 10,000 letters will be sent to households inviting residents to register as a volunteer before August 10th 2015. On August 10th, a blind draw will select members of the Commission from the pool of registered volunteers.

5.2 Number of Members

The Citizens' Commission will consist of 36 members. In order to be eligible to serve on this Citizens' Commission, an applicant must:

- Reside within The City of Calgary; and,
- Be at least 18 years of age as of September 1, 2015.

Additional qualifications:

Prospective volunteers may only submit their name to the civic lottery once. Multiple applications will result in the applicant's disqualification.

All residents may volunteer to serve on the Citizens Commission. However, only one person per residential address (unit

in building) will be eligible to become a member of the Commission.

Employees of the Calgary Chamber or The City of Calgary, as well as elected municipal officials, are ineligible to serve as members of the Commission.

5.3 Commission Composition

The Commission will be composed of:

- 18 men and 18 women
- A proportionate number of members from four age cohorts: 18-29, 30-44, 45-64, 65+
- A proportionate number of renters and home owners
- A proportionate number of members from four quadrants in The City of Calgary
- At least one member who self-identifies as Aboriginal
- At least two members who own a business that employs five or more people.

Proportions will be established based on the most recent (2011) census profile.

To assist the Citizens' Commission members to participate, the Calgary Chamber will reimburse reasonable child-care, eldercare, and transportation costs. Assistance will also be provided to those members with differing physical or learning abilities.

The working language of the Commission is English. Translation services are not available.

6.0 Roles and Responsibilities:

6.1 Roles and Responsibilities of Citizens' Commission Members

Members of the Commission are expected to fulfil their duties and agree to:

- Attend each of the six Saturday sessions of the Citizens' Commission as well as the public roundtable.
- Work to understand and represent the varied perspectives of all residents and businesses of Calgary.
- Treat each other with respect and take an active role in the work of the Commission.
- Work collaboratively to achieve a strong consensus concerning the Commission's recommendations.

If a member of the Commission must withdraw owing to illness or unexpected events, his or her position may be filled from the pool of applicants at the discretion of the Chair.

6.2 Roles and Responsibilities of the Chair

The Chair of the Citizens' Commission will be appointed by the Calgary Chamber to design and host the proceedings of the Commission. The Chair will not be an employee of the Calgary Chamber and is expected to remain neutral with regards to the recommendations or direction of the Commission. The Chair, with the support of a project team, is charged to:

- Oversee a fair and representative member selection process.
- Develop a balanced learning program that involves residents, businesses, community organizations and experts to provide a range of perspectives.
- Support respectful dialogue and deliberation amongst members.
- Ensure that regular updates concerning the Commission's proceedings are made publicly available.
- Produce and deliver a Final Report concerning the Commission's activities and recommendations to the Calgary Chamber in December 2015.
- Exercise discretion in ensuring the integrity and sound conduct of the Commission.

The Chair will be supported by a project team, which will be comprised of experts in public deliberation, communication and facilitation.

6.3 Roles and Responsibilities of the Advisory Committee

An Advisory Committee will be formed to support the work of the Citizens' Commission. The role of the Advisory Committee is to provide guidance to the Chair and project team in order to:

- Ensure that the design and conduct of the Commission are consistent with good democratic practices.
- Ensure that the Commission's learning program is balanced, adequate and reflects a range of reasonable perspectives.

The Advisory Committee will not comment on the recommendations made by the Citizens' Commission.

The members of the Advisory Committee will be selected by the Chair and will include representatives with well-regarded expertise in cities and infrastructure financing, as well as key stakeholders from Calgary's social organizations and business community.

6.4 Roles and Responsibilities of the Calgary Chamber

The role of the Calgary Chamber staff is to support the Citizens' Commission. The Chamber will endeavour to:

- Provide expertise and access to current research.
- Give careful and timely consideration to the Citizens Commission's final report, responding fully to the Commission's recommendations, and advocating where appropriate to local and provincial governments.

The Calgary Chamber will respect and support the independence and integrity of the Citizens' Commission.



University of Calgary professor and advisory committee member Jyoti Gondek speaks to the Citizens Commission.

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Advisory Committee and Commission Team

Advisory Committee:

Joel Armitage, Director of the Office of Land Servicing and Housing at the City of Calgary

Darren Eurich, Senior Relationship Manager at ATB Corporate Financial Services

David Ford, Executive Director of the Urban Land Institute, Alberta

Professor Jyoti Gondek, Director of the Westman Centre for Real Estate Studies at the University of Calgary's Haskayne School of Business

Grace Lui, Senior Manager of Strategic Initiatives at Brookfield Residential

John Millington, Regional Vice President (Southern Alberta) Stuart Olson

Ray Mills, Partner of Public-Private Advisory Team at PwC, UK office

Franco Savoia, Executive Director at Vibrant Communities Calgary, and Non-governmental Co-Chair of the Alberta Inter Agency Council on Homelessness

Professor Enid Slack, Director at the Institute on Municipal Finance and Governance at the MUNK School of Global Affairs, University of Toronto

Gary Willson, Chair of the Board of Governors for the Alberta Real Estate Foundation, and Principal of GW Associates Planning Consultants, Ltd

Mark Wynker, Senior Principal and Sector Leader of Community Development at Stantec

Commission Team:

Peter MacLeod, MASS LBP Commission Chair

Rachel Magnusson, MASS LBP Commission Coordinator

Christopher Ellis, MASS LBP Civic Lottery Coordinator

Facilitators: Paul Boakye, Audrey Cheung, Lucas Czarnecki, Rachelle Haddock, and Nidhi Panwar

About MASS LBP:

Since 2007, MASS has led some of the country's most original and ambitious efforts to engage citizens in tackling tough policy choices while pioneering the use of Civic Lotteries and Reference Panels on behalf of forward-thinking governments. To date, MASS has conducted twenty-five major reference panels, citizens' assemblies and commissions for government involving more than 900 Canadians, and reaching 200,000 households. Cumulatively, this represents some 30,000 hours of deliberation on significant public issues, making MASS an internationally-recognized and unparalleled leader in the design and delivery of deliberative processes for government.

For more information, please visit masslbp.com

Calgary Chamber



Several members of the Citizens Commission are recognized for their participation on their final day. From left to right: Justin Smith, Calgary Chamber; Commission members: Mariana Ifinca, Zeinab El Kady, Wrygg Blyken Timbal, and Wayne Symington; and Franco Savoie, Vibrant Communities Calgary.



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Wrygg Blyken
Citizens Commission
on Municipal Infrastructure



Wayne
Citizens Commission
on Municipal Infrastructure





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**Citizens Commission
on Municipal Infrastructure**

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