



Financial Conversations Report #1
Mid-Cycle Adjustments: Conversations with Citizens about Budget: A Summary of
Citizen Input on The City of Calgary's Budget and Services

October 8, 2020

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Introduction

This report incorporates a summary of data and insights, collected over the past year's research, engagement and social media activities, as viewed through the budget and value for tax dollars lens.

Previous reports from research surveys, engagement activities and social media commentary have been incorporated into this report to provide a clearer picture of what citizens value, and what factors they hope The City will consider when making budget and service impacting decisions.

In addition, new activities were executed to gather and present citizen perspectives through research, engagement, and social media. Statistically representative research measures were integrated with social media and engagement input that provided additional context through deeper and more personal conversations. This approach represents a refinement of previous approaches to budget and engagement data presentations to satisfy a need for deeper insight.

Key Takeaways: Research, Engage, and Social Media

Economic uncertainty, the challenges of the COVID-19 pandemic, job losses and business closures, demands for social change, and many other recent issues all have an impact on Calgarians' perspectives, how they see different levels of government, and the reality of their day to day lives. At a municipal level this can be seen in discussions about service delivery, value, and investment priorities. As seen in this summary of recent research, engagement, and social media commentary, Calgarians are indeed concerned about fiscal restraint, taxes, and efficiency – but also express worry about the future of Calgary, what information they get from The City, transparency, and the provision of services for everyone – including those most impacted by economic and social challenges. While “Taxes” have emerged as one of the top three most important issues facing Calgarians, survey research shows that slightly more Calgarians prefer increasing taxes at or beyond the inflation rate to maintain or expand services compared to those who prefer cutting services to maintain or reduce taxes.

1. **Focus on Budget and Spending.** Engagement findings highlight that for most participants “maintaining focus on budgets and spending” remains the top expectation of City Council and Administration.
2. **Increase Investment in Social Services.** When it comes to investment in services, survey research shows that affordable housing and social services are citizens' most desired areas for increased investment. Other priority areas for investment include roads, 9-1-1, Calgary Police Service, and the Calgary Fire Department. Although this is reflected in engagement findings as well as social media comments, there were cases where some citizens wanted to see funding for these departments reallocated, while others wanted to focus on future quality of life oriented services.
3. **Increase Transparency.** Although there were an array of suggestions on how Administration and City Council respectively could meet expectations around budget and spending, a key theme that emerged was what some saw as a lack of transparency. Specifically, participants commented that both Administration and Council need to do a better job of sharing information about the way decisions are made regarding the allocation of budget dollars across services. Many also wanted to see regular, plain language summaries of what is being done and why. This sentiment is strongly supported by survey research and social media commentary.

4. **Continue Seeking Input.** Engage findings underscore research and social media findings that emphasize the importance of receiving public feedback. Feedback related to transparency, listening to citizens, and public engagement opportunities has remained on par with what has been heard in past budget engagements. This also includes an appreciation for 311 and engagement as points of feedback for citizens.
5. **Improve Trust.** Calgarians express a higher level of trust in The City's COVID-19 response than they do for overall trust. The most recent research shows that overall trust in The City has significantly declined in the past year to some of the lowest trust in The City scores since tracking began.

Approach and Considerations

Citizen Engagement and Insights

To inform annual budget adjustment decisions, the Citizen Engagement and Insights service line has planned and executed a comprehensive strategy combining research, engagement and social media activities and data to provide Council and Administration with a greater breadth of insight into citizen values and perspectives and the drivers that determine them.

This coordinated approach leverages the strengths of each input channel to maximize the value of insights gleaned from existing data and newly planned activities. While this yielded a number of useful inputs, it is important to acknowledge the following considerations:

- Engagement and research results provide useful insight into the overall sentiment of citizens, but are only intended as one input into the decision-making process and need to be considered alongside other important factors.
- As demonstrated in recent research and engagement results, there remains a significant public interest in topics such as budget, spending, taxes, and the economy. Moreover, there are varying levels of understanding regarding how budgets and plans are drafted and executed. However, given the challenges of the COVID-19 pandemic, topics such as personal wellbeing, the state of the economy, and the future of Calgary are also important and growing areas of concern. Engage findings continue to highlight a misunderstanding of what order of government is responsible for what service, and what order of government can go into debt.
- The operational requirements and investment needed to support individual services is complex, not easily summarized, and often interdependent with other services. As a result, it is difficult for citizens to identify opportunities for cost reduction or solutions regarding service investment and delivery strategies.
- With a topic as broad as the overall budget for The City and its services, it is challenging to arrive at a meaningful and consistent depth of discussion on a topic. The topics that come up most frequently tend to be those that are top of mind, because a citizen may use those services frequently, they are a City and Council priority, or because of media coverage. As a result there is no consistent answer to questions of reductions or investments that would satisfy all citizens uniformly.

Methodology

Research

The primary objective of research is not to be inclusive of all interested parties, but rather to gather information that best represents the larger population objectively and quantifiably.

Market, public opinion, and other social research is a professional discipline that involves the systematic gathering and interpretation of information about individuals, organizations, or products and services. Research uses statistical and analytical methods, techniques and principles of applied social sciences to gain insights. There are best practices and guidelines for collecting, analyzing and reporting on data and information gathered through the research process.

Engagement

Engagement at The City of Calgary is defined as purposeful dialogue between The City and stakeholders to gather information to influence decision making. The Engage Resource Unit works with project teams at The City to meet project needs and ensure citizens have their say about those projects.

Unlike Research, Engagement opportunities are inclusive and usually open to all interested parties who would like to have a say about the issue or topic at hand. The nature of these inclusive techniques mean that information collected is directional and, as with qualitative research, cannot be generalized to the larger population. The outputs of Engagement activities are descriptive and provide a deeper understanding of the views and sentiments of the participants.

Social Media

Social media channels were used to share information, interact with citizens, provide information and, through The City's social listening practice, capture conversations and general citizen sentiment. As citizens increasingly consume, share content and engage with brands online, digital channels are crucial sources of citizen perspectives. Social listening tools assemble information in real time, to analyze and present conclusions about themes and citizen priorities, while still catching individual conversations and unexpected points of view. Citizen sentiment and reactions to content can be captured and considered on a large scale at a low cost.

Findings

The following sections detail the combined insights received from citizens across the above methodologies. Given the breadth of the topics and the wide-range of conversations results have been categorized into four (4) distinct and over-arching themes:

- Theme 1: Citizen Expectations on Cutting Taxes and Lowering Spending
- Theme 2: Citizen Expectations on Investing Wisely and Focusing on the Future (also includes perceptions of investment in services)
- Theme 3: Citizen Expectations on Effective and Accountable Decision-making
- Theme 4: Citizen Expectations on Increased Transparency, Listening to Citizens and Public Engagement

Theme 1: Citizen Expectations on Cutting Taxes and Lowering Spending

“Taxes” have emerged as one of the top three most important issues facing Calgarians.

In Fall 2020, survey respondents were asked on an unaided (open-ended) basis to identify the most important issue facing their community.

- Although Calgarians continue to cite “infrastructure, traffic and roads” as the most important issue, this issue has slightly dropped from previous surveys, with “crime, safety and policing” and “taxes” now moving up in prominence.¹

Residents’ perceived value for their property tax dollars has remained consistent.

Most Calgarians continue to believe they receive “good value” from their property taxes: slightly more than one-half of Calgarians give The City a “good value” rating for the value of their property tax dollars.²

- Fewer than two-in-ten Calgarians say they receive “poor value” from their property taxes.
- This is on par with previous surveys conducted in the spring of 2020 and Fall of 2019.³

A slim majority of Calgarians prefer increasing taxes at or beyond the current inflation rate to maintain or expand services

When it comes to balancing taxation and service delivery, survey research shows that slightly more Calgarians prefer increasing taxes to maintain or expand services compared to those who prefer cutting services to maintain or reduce taxes.

- Historically, surveys have shown that a majority of Calgarians have preferred tax increases over service cuts. However, beginning in 2016, Calgarians became much more closely split in their views. In 2019, for the first time since 2006, Calgarians said they would rather cut services to maintain or reduce taxes rather than increase taxes to maintain or expand services.⁴
- In recent surveys however, this sentiment has again changed: in order to balance taxation and service delivery levels, a slight majority of Calgarians now say they are more likely to support tax increases to maintain or expand services at or beyond the current inflation rate rather than support service cuts to just maintain or further reduce taxes.⁵
 - Of those who prefer tax increases to maintain or expand services, significantly more Calgarians would prefer an increase in taxes at the current inflation rate to maintain services at current levels compared to an increase in taxes beyond the current inflation rate to expand services.⁶

¹ Citizen Satisfaction Survey, Fall 2020

² Citizen Satisfaction Survey, Fall 2020

³ Spring Pulse Survey, Spring 2020

⁴ Citizen Satisfaction Survey, Fall 2019

⁵ Citizen Satisfaction Survey, Fall 2020

⁶ Ibid

While a strong majority of research respondents express interest in knowing how their property taxes are invested, only slightly more than one-half of Calgarians say The City does a “good job” of providing enough information about how their property tax dollars are invested.

Calgarians continue to express strong interest in knowing how their property tax dollars are spent: the vast majority of citizens are interested in knowing how their property tax dollars are invested in various City services, including a majority who “strongly” agree that they would like to learn more.

- However, a much smaller proportion agree that The City does a “good job” of providing citizens with information about how their property tax dollars are invested in various City services.⁷ Although survey research shows that just over one-half of Calgarians report being knowledgeable about how tax dollars are spent, many feel The City is not giving them the information they need.

Citizens expect City Council and Administration to maintain focus on budgets and spending.

Engagement findings highlight that ‘Maintaining focus on budgets and spending’ remains most participants’ top expectation of City Council and Administration. When asked what it looks like when City Administration and City Council respectively meet that expectation, the themes outlined below were heard consistently for both groups:

- Participants talked about stopping or limiting tax increases and even lowering property taxes. For some that was indicated by stressing spending within means and keeping spending to approved budgets. For others, this prompted suggestions to lower budgets and overall levels of spending across the board.
- One of the most commonly suggested ways to achieve these savings included feedback around reducing the number of City staff or cutting staff and Councillor salaries.
- To a lesser extent, suggestions about outsourcing work to save money were raised, although some expressed concern that overusing external vendors could drive up costs.
- Additional comments in this group also touched on interest in a ‘sunshine list’ to publish wages, limiting or reducing pensions, public audits of Council and Administration expenses, as well as comments that contrasted City staffing levels and salaries with cuts or reductions in the private sector.
- While transparency and accountability emerged as overall themes on their own, some respondents that prioritized spending cuts and lower taxes also talked about a lack of transparency, or a perception of it, and how both Administration and Council needed to do a better job of sharing information about decisions in general and specifically about how budgets are allocated across services.

⁷ ibid

Theme 2: Citizen Expectations on Investing Wisely and Focusing on the Future

Calgarians are concerned about the future of Calgary and whether the city is moving in the right direction.

Recent surveys have found there is a growing proportion of Calgarians who do not believe Calgary is on the right track or moving in the right direction. With the pervasiveness of the COVID pandemic, economic downturn, dropping price of oil, and other factors this should not be unexpected.

- While seven-in-ten Calgarians agree that “Calgary is on the right track to being a better city 10 years from now,” this represents a statistical drop from Fall 2019, and a considerable 16-point drop since the Fall of 2016.⁸
- A larger proportion of young adults are statistically more likely to agree with this vision for the future than are those aged 25 and older.⁹
- Moreover, only one-half of survey respondents believe Calgary is “moving in the right direction to ensure a high quality of life for future generations.” The proportion of Calgarians who believe this has also dropped a substantial 16 per cent since 2016.¹⁰
- Young adults are notably more likely to agree that ‘Calgary is moving in the right direction to ensure a high quality of life for future generations’.¹¹

When it comes to investment in services, survey research shows that affordable housing and social services are the most desired areas for increased investment.

When asked if The City should invest more, less or the same amount in specific services and programs, key areas Calgarians say The City should **invest more** in include affordable housing and social services for individuals such as seniors or youth. This is followed by road maintenance including pothole repairs, and snow removal.¹²

Results of a research survey focused on services and investment found that Calgarians want to see more investment in 911, Police services, Affordable housing, and the Calgary Fire Department.

Corporate Research conducted a survey with a focus on services and investment in the summer of 2020. A type of trade-off analysis was completed to identify the services in which citizens would like The City to invest more in over the next three years, providing a clear picture of the investment priorities of Calgarians.

⁸ ibid

⁹ Calgary Attitudes & Outlook Survey

¹⁰ Citizen Satisfaction Survey, Fall 2020

¹¹ Calgary Attitudes & Outlook Survey

¹² Citizen Satisfaction Survey, Fall 2020

- Results of the data analysis indicate that 9-1-1, Calgary Police Service, affordable housing for low-income Calgarians, and Calgary Fire Department were identified priorities for Calgarians and seen as the most important to invest more in over the next three years.¹³
- Conversely, City services seen as the least important for The City to invest in were Arts and Culture, Libraries, Recreation, and Sidewalks and Pathways.¹⁴

With respect to the importance of infrastructure projects in Calgary to the future of Calgary, research findings show the Green Line is seen as the most important, followed by the Event Centre.

When asked about the importance of specific infrastructure projects to “the future of Calgary, 10 years down the road and beyond,” survey results show a majority giving Green Line the highest levels of importance.¹⁵

- This is followed by almost three-quarters of Calgarians who believe the Event Centre infrastructure project is important, followed by the BMO Centre expansion, the Foothills Fieldhouse, and the Arts Commons Expansion.¹⁶

Social media commentary around value for services focused on what many thought of as “essential services” including Roads, Parks, Calgary Police and the Fire Department.

In terms of value for services, many citizens say they would like The City to spend money on essential services only, like Roads, Parks and greenspace, Police and Fire.

- Some comments specifically asked to “Take care of the city - equally!” or focused on “appropriate adjustments” and focusing on value for service.
- Some also asked to focus on sidewalks, pathways and roads – specifically potholes: “we have pot holes and huge cracks - on our roads and sidewalks etc. Fix the city!”

While early 2020 survey results showed most Calgarians believe now is a good time for The City to invest in infrastructure, trust in The City to make the right decisions about infrastructure investment decreased significantly.

While a majority of Calgarians believe now is a good time for The City to invest in infrastructure, a smaller proportion agree they trust The City to make the right decisions about infrastructure investment.¹⁷

¹³ Citizen Perspectives Survey – Service Investment, August 2020

¹⁴ Citizen Perspectives Survey – Service Investment, August 2020

¹⁵ Calgary Attitudes & Outlook Survey

¹⁶ Calgary Attitudes & Outlook Survey

¹⁷ Economic Perspectives Survey, March 2020

Social media commentary around infrastructure spending tends to be against inordinate spending in favour of spending on priorities.

Comments on social media posts are mainly against infrastructure spending if it does not focus on maintenance and maintaining infrastructure.

- Comments tend to focus on “staying on budget” or how “Council can spend millions on infrastructure but neglect to budget maintaining that infrastructure as well as never finishing some projects.”

Echoing both research and social media commentary, engagement findings highlight that value for money, efficiency, safety, security and long-term vision are key when it comes to investment in infrastructure and services. Importantly, many comments also focused on investment in services and social infrastructure to meet the needs of all Calgarians, including those most impacted by economic and social challenges.

Engagement findings highlight how even though spending cuts and tax savings were prioritized by many participants, there was still substantial interest and feedback on the expectation to “invest in our infrastructure in the right ways, now and in the future”. Participants were asked to describe that this would look like when City Administration and City Council met that expectation, and again similar feedback was heard for both groups.

- Comments in this group emphasized value for money and efficiency but focused on the positive impacts of investment to infrastructure and services, rather than simply limiting spending. While some focused directly on infrastructure and maintenance of roads and facilities, many spoke to services that supported the health and wellbeing of Calgarians. Homelessness, affordable housing, mental health, transit, parks and cycling were the key services that people wanted to see addressed now and in the future.
 - Safety and security were commonly mentioned, as was investing in infrastructure to support the economy. There was also a strong emphasis on libraries and family programs, parks and the need for ongoing transit investments and to make the city more walkable.
 - Prioritizing long-term vision over short-term issues was also heard, with some participants acknowledging the challenges that Administration and Council face in trying to plan long-term but manage issues and make decisions day-to-day.
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- Many of these comments also focused on investment in services and social infrastructure to meet the needs of all Calgarians. This included support for programs for all Calgarians, especially those experiencing economic and social challenges, as well as some comments about re-prioritizing or re-directing police funding into programs, services, or organizations that address the root causes of crime and addiction.
 - Both research and engagement have found that there is little agreement about how to define which services are considered to be essential?

Theme 3: Citizen Expectations on Effective and Accountable Decision-making

Overall, Calgarians' perception of City transparency and degree of citizen input into decision-making remains strong.

Perceptions of transparency and citizen input have remained stable over the past year, with almost three-quarters of Calgarians agreeing that “The City of Calgary practices open and accessible government” and seven-in-ten respondents agreeing they are “confident that The City of Calgary is working to improve how it includes citizen input into important decisions.”

- Furthermore, a majority of Calgarians also agree that The City “uses input from Calgarians in decision-making about City projects and services” while most agree ‘The City “allows citizens to have meaningful input into decision-making.”¹⁸

A majority of Calgarians believe that City Council and City Administration are working well together in the best interests of Calgary.

Overall, two-thirds of Calgarians believe that “City Council and City Administration work collaboratively to make the best possible decisions for the future of Calgary,” a finding on par with previous research.¹⁹

Accountability, transparency, and making “hard decisions” are key areas for engagement participants when it comes to decision-making

Citizen feedback on effective and accountable decision-making largely focused on expectations of City Council; however, some themes related to this also emerged from feedback about expectations for Administration.

- Much of the feedback in this area focused on a desire to see Council making ‘hard decisions’, instead of deferring or delaying. Interestingly, there was a split between those advocating for hard decisions around cutting spending, and those advocating for hard decisions around strategic investment in services or infrastructure.
- Another common theme in this group was personal accountability on the part of Councillors. Citizens felt that building trust should be prioritized. We heard that Councillors should be accountable for what they say in Council chambers and in public, and that all should commit to working together. Some comments touched on a need for less ‘grandstanding’ and more thoughtful decisions, while others asked for a more productive relationship between Council and Administration, as well as an easier way to connect to Councillor offices by the public.
- When feedback touched on accountability within City Administration, it tended to focus on financial transparency and accountability in spending decisions.
- Some comments also raised the theme of evidence-based decision making. They expressed an expectation that Administration is well trained and does the work being asked and that Council then uses that advice, evidence, and information to make the well-informed decisions.

¹⁸ Citizen Satisfaction Survey, Fall 2020

¹⁹ Citizen Satisfaction Survey, Fall 2020

Theme 4: Citizen Expectations on Transparency and Listening to Citizens

Although there had been a slight increase in trust for Council and The City at the onset of the COVID-19 pandemic, Calgarians' overall trust in The City has significantly declined in the past year, and most recent research shows some of the lowest trust in The City scores since tracking began.

While trust in The City and Council slightly increased at the onset of the COVID-19 pandemic, survey research shows that Calgarians' overall trust in The City has markedly declined since spring 2020 and Fall 2019. Distrust in The City has remained statistically consistent with previous research however, indicating Calgarians attitudes are more neutral when it comes to trusting The City.²⁰

- However, almost one-quarter of Calgarians consider themselves to be “advocates” of The City, a finding consistent with previous research in Fall 2019. Moreover, two-in-ten Calgarians would act as “critics” of The City if asked, again on par with Fall 2019.²¹

Satisfaction with City Administration's performance continues to remain strong; perceptions related to City Council's leadership performance are also similar to results last year.

Approximately seven-in-ten citizens are satisfied with the way Council and Administration are running The City, consistent with previous research.

- Survey research also shows that two-thirds of Calgarians believe that City Council and City Administration work collaboratively to “make the best possible decisions for the future of Calgary,” findings that are on par with previous research.

The majority of citizens are positively inclined toward The City's opportunities for input.

Around two-thirds of Calgarians agree that they're confident The City is working to improve how it includes citizen input into important decisions.

- Further, a majority agrees The City allows citizens to have meaningful input into decision-making while a similar proportion agrees The City uses input in decision-making about City projects and services.²²

Social media commentary on transparency asks The City to take time to listen to all Calgarians.

Citizens ask that we take social media comments into account when making decisions.

- Comments on this theme included asking The City to “pay attention” to social media posts, and “you asked for our opinion and feedback you best do something with it.”

²⁰ ibid

²¹ ibid

²² Citizen Perspectives Survey – Service Investment, August 2020

Engage findings underscore research and social media findings and emphasize the importance of receiving public feedback.

Feedback related to transparency, listening to citizens, and public engagement have increased over what we have heard in past budget engagements. This theme was seen across a wide range of comments, being important to respondents that were talking about the need for spending cuts, as well as in feedback where respondents advocate for increasing services or investment.

- Participants emphasized the importance of clarity and accessibility of information. Plain language was listed as important, as was sharing unvarnished or accurate information; not always trying to put a positive spin on things. Engagement activities were specifically seen as important with emphasis on accessibility either online or when appropriate, in the community.
- Imbedded with comments about the importance of engagement was the desire to see both Council and Administration acting in good faith. Examples of this included asking before decisions are made, and actually listening to input and addressing citizen concerns. Some also reminded that Council should provide appropriate timelines for meaningful engagement to occur.
- Above and beyond hearing about the importance of listening, many respondents emphasized the importance of acting on what was heard, along with a request to more often connect the dots between what was heard and what both Administration and Council did with that information.
- Other aspects of that were raised included ensuring we hear from all citizens, including those who are hard to reach and with an emphasis on youth. There was a perception in some comments that sometimes more powerful voices get heard more often than others. Specific to City Council, respondents noted that it was important to listen even to those you don't agree with.

Research Reports and Engagement Activities Cited in this Report

Research findings in this report are a statistically representative reflection of citizen perspectives.

Research Activities:

To provide greater context and understanding, elements of the 2020 Citizen Satisfaction Survey and other surveys are included in this report.

2020 Quality of Life and Citizen Satisfaction Survey

- Telephone survey conducted with a randomly selected sample of 2,500 Calgarians aged 18 years and older between August 17th and September 6th, 2020. Both landline (55%) and cell phone (45%) sample were used to obtain a random and statistically representative sample of Calgarians.
- The margin of error (MOE) for the total sample of n=2,500 is ± 2.0 percentage points, 19 times out of 20.

Economic Perspectives Survey

- Telephone survey conducted with a randomly selected sample of n=500 Calgarians between February 24th and March 8, 2020 using both landline (33%) and cell phone (67%) sample to obtain a random and statistically representative sample of Calgarians.
- The margin of error (MOE) for the total sample of n=500 is ± 4.4 percentage points, 19 times out of 20.

Citizen Perspectives – Service Investment Survey

- Telephone survey conducted between July 13th to 22nd, 2020 with n=501 Calgarians. The survey was conducted using numbers from both landlines (48%) and cell phones (52%) to obtain a random and statistically representative sample of Calgarians.
- The margin of error (MOE) for the total sample of n=501 is ± 4.4 percentage points, 19 times out of 20.

Calgary Attitudes & Outlook Survey

- Online survey conducted between August 20th to September 8th, 2020 with n=769 Calgarians, including 369 aged 18-24. Online panelists were recruited via Ipsos' online panel of Calgarians, supplemented with panel sample from subcontractors (Maru Blue and Schoolfinder).
- As this survey was conducted using an online panel, a margin of error cannot be stated.

New Engagement Activities Included in this Report:

- Online engagement was conducted on The City's engage portal from August 12 to September 6, 2020. Conversations were focused on citizen priorities, information preferences and perspectives and the values that drive perceptions of value for taxes.
- Engagement opportunities were translated into additional languages as part of the Multicultural Strategy for Communications and Engagement including Arabic, Simplified Chinese, Traditional Chinese, Punjabi, and Spanish.
- Engagement opportunities were also shared via Calgary Public Library computers and available through 311 to improve accessibility for Calgarians without internet access.
- Activities were also shared with over 40 community partners for additional promotion