

Financial Task Force Implementation Update

RECOMMENDATION(S):

That the Priorities and Finance Committee recommend that Council:

1. Endorse the planning and budget principles in Attachment 5 and direct Administration to:
 - (a) use the principles in order to develop a decision-making framework for the 2023-2026 service plan and budget cycle; and
 - (b) include the principles in the next update to the *Multi-Year Business Planning and Budgeting Policy*.

HIGHLIGHTS

- **Reason for recommendations:** A semi-permanent set of principles for planning and budgeting will help increase citizen understanding of the service planning and budgeting process. It supports Council's desire for improved communication and better understanding of the high-level aims of the service plans and budgets.
- **What does this mean to Calgarians?** Calgarians will see a better service planning and budgeting process. Administration is actively engaged in the implementation of the recommendations of the Financial Task Force.
- **Why does it matter?** A semi-permanent set of service plan and budget principles forms the foundation of a solid process and service plan and budget document that meets the needs of citizens and Council. The recommendations of the Financial Task Force seek to ensure more sustainable, long-term approaches to municipal fiscal issues.
- Administration remains committed to addressing each of the recommendations brought forward by the Financial Task Force and is actively engaged in implementing those recommendations.
- Progress has been made and there remains a lot of work ahead.
- The City's next four-year plan and budget process will be key to integrating the Financial Task Force recommendations.
- Strategic Alignment to Council's Citizen Priorities: A well-run city
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

The Financial Task Force report and recommendations were delivered to Council in July 2020. The scope of the recommendations is expansive and the implementation of the recommendations is a cross-corporate program. There were 35 recommendations made by the Financial Task Force and Administration responded to the recommendations with 73 administrative action items. A high-level overview of each recommendation and administrative action item is included in Attachment 2.

Overall Program Status

A member of Administration with relevant skills and experience has been assigned to each action item and asked to provide a proposal to address the item. Thus far, 61 of the 73 Administrative Action Items are being implemented through 33 proposals. A one-page summary featuring the substance of each proposal, the progress made thus far, and what to expect in the

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next 6 months has been included in Attachment 3. Where a proposal has not yet been drafted, it has been due to the lack of organizational capacity due to COVID-19 impacts, the organizational realignment or other competing priorities. It is anticipated that in December 2021, all the Administrative Action Items will have an implementation proposal. Potential future impacts on timelines could occur due to service plan and budget changes, COVID-19 impacts and the organizational realignment. The focus will be to integrate as much as possible into the upcoming 2023-2026 service planning and budgeting cycle.

Key Areas of Progress

Over the past 6 months, progress has been made on many fronts including: improving the understanding of municipal financial circumstances with The City's Financial Narrative and a new benchmarking initiative; working towards addressing crisis-level vacancy in downtown office properties through the downtown strategy; removing barriers to TIPP participation; accessing alternative revenue streams; and better engaging with partners through a provincial engagement strategy. Details on these success stories can be found in Attachment 4.

Real Estate Working Group

Real Estate Working Group has been established to provide advice to the Chief Financial Officer and has offered advice on a potential grant program to incent the development of industrial land. They will continue to work on Recommendations 19, 21 and 33 as originally outlined in their terms of reference.

Planning and Budgeting Principles

In responding to Recommendation 2, the Financial Task Force Implementation Team recognized that (a) forming principles around taxation could not be done in isolation from the larger service planning and budget process; and (b) a solid decision-making framework needs to be supported by foundational principles. The team reviewed principles for planning and budgeting that The City has used in the past, looked at the current principles used by large municipalities like Toronto and Vancouver, and reviewed principles from the Government Finance Officers Association and the Organization for Economic Cooperation and Development. The proposed principles in Attachment 5, though high-level, set the foundation for a solid decision-making framework for the 2023-2026 service plans and budgets and, with Council direction, will be included in the next update to the *Multi-Year Business Planning and Budgeting Policy*. These principles will be supplemented by tax setting principles to be included in the Taxation Policy, which Administration intends to present to Council in Q2 2022.

What's Next

In the next 6 months, the implementation work will continue. Council can expect additional items mentioned by the Financial Task Force, including:

- the delivery of The City's Long Range Financial Plan;
- recommendations on the TIPP program and potential changes to the TIPP bylaw; and,
- a scoping report on the appropriate distribution of tax share between the residential and non-residential classes.

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STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

Public communication or engagement was not required for the drafting of this report.

The Financial Task Force Implementation Steering Committee, comprised of experts both internal and external to The City, have been kept informed of Financial Task Force implementation progress and were consulted in the drafting of this report.

IMPLICATIONS

Social

Including equity as a principle for service planning and budgeting will raise awareness and increase our focus on achieving equity in service delivery.

Environmental

Not applicable

Economic

The implementation of the Financial Task Force recommendations includes supporting business friendly initiatives,¹ promoting fiscal responsibility and accountability for financial decisions,² and aiding in the prioritization of important initiatives to promote Calgary and encourage growth.³

Service and Financial Implications

No anticipated financial impact

The recommendations of the Financial Task Force have broad implications across The City. In general, the recommendations tend towards improvement to the assessment and taxation system, clearer communication of value, more diversity in revenue sources, more regional coordination and a clear focus on economic development.

RISK

The implementation of the Financial Task Force recommendations is a large and complex program composed of many projects. There are three significant risk categories.

Dependency on partners – many recommendations rely on our regional and provincial partners' collaboration and cooperation. While work on The City's position and approach will continue, actual implementation could be slowed or stopped due to disagreement about implementation

¹ Financial Task Force Recommendation #5, for example.

² Financial Task Force Recommendations #1,2, and 3, for example.

³ Financial Task Force Recommendation #33, for example.

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details with partners. City Administration will work hard to mitigate this risk by prioritizing early engagement on joint interest and responsibility issues.

Corporate context – the implementation of the Financial Task Force recommendations will take place in a context of change. Work on the organizational realignment underway may impact the amount of time that non-dedicated employees devote to Financial Task Force Implementation-related activities. In addition, the SAVE program will continue to require resources around the organization to continue to find savings for the 2022 budget adjustments. The one-time and base budget requests associated with the Financial Task Force help mitigate the risk.

Political sensitivity – the Financial Task Force has recommended increasing user fees to reduce the need for property tax funding or changing the taxation system. The impacts of these types of changes are likely to be felt acutely by certain users or taxpayers. Affected groups would likely express some degree of concern publicly. Where it is possible to foresee these acute impacts, the Financial Task Force implementation team will inform affected stakeholders about the potential impacts as early as possible.

ATTACHMENT(S)

1. Previous Council Direction, Background
2. Overview of Administrative Action Progress
3. Implementation Reports
4. Financial Task Force Q2 2021 Highlights and Successes
5. Service Planning and Budgeting Principles

Department Circulation

| General Manager/Director | Department | Approve/Consult/Inform |
|---------------------------------|--------------------------------------|-------------------------------|
| Carla Male | Chief Financial Officer's Department | Approve |
| Chris Arthurs | Deputy City Manager's Office | Inform |
| Doug Morgan | Transportation | Inform |
| Les Tochor | Finance | Consult |

Previous Council Direction

Context

Council directed work, through a Financial Task Force (FTF), on solutions to address the challenges of the current municipal property assessment and tax system. The Task Force identified eight success factors. On 2020 June 29, Council accepted thirty-five recommendations that contribute to achieving success. On 2020 July 27, Council directed the CFO to monitor and report on progress semi-annually in June and December through the Priorities and Finance Committee. For governance support, Administrative oversight includes members of the Task Force and the Senior Management Team (SMT).

Previous Council Direction

| DATE | REPORT NUMBER | DIRECTION/DESCRIPTION |
|------------|---------------|--|
| 12/14/2020 | PFC2020-1351 | <p>Financial Task Force Recommendations – Implementation Next Steps</p> <p>That the Priorities and Finance Committee recommends that Council:</p> <ol style="list-style-type: none"> 1. Direct Administration to bring a comprehensive provincial engagement plan to the Intergovernmental Affairs Committee no later than 2021 Q2; and 2. Direct Administration to incorporate engagement plan implications in the 2021 Q2 Semi-Annual FTF Implementation Update Report to the Priorities and Finance Committee. |
| 7/27/2020 | C2020-0815 | <p>Financial Task Force Recommendations – Implementation Approach and Resources</p> <p>Council adopted the following recommendations:</p> <ol style="list-style-type: none"> 1. Direct Administration to implement the 17 Financial Task Force recommendations that only require existing resources (expanded work programs or re-directed to prioritize the action items). 2. Direct Administration to implement the 18 Financial Task Force recommendations identified in Attachment 4 that require new one-time resources using the 2020 investment income attributable to the Fiscal Stability Reserve as the funding source for one-time funding components. 3. Approve up to \$4 million in one-time funding across City departments for 2020 and 2021 to be funded from the Fiscal Stability Reserve. 4. Direct Administration includes a request for the base funding required for implementation in 2021 and beyond in the Mid-Cycle Adjustment report to Council in November 2020 |

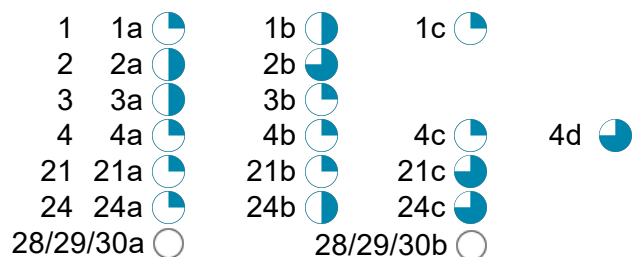
| | | |
|-----------|------------|---|
| 7/27/2020 | C2020-0815 | <p>Financial Task Force Recommendations – Implementation Approach and Resources</p> <p>Council adopted the following Motion Arising:</p> <p>1. To further assist the Chief Finance Officer with recommendation #19 (Distribute tax responsibility appropriately), as well as assisting the Business and Local Economy (BLE) team in tackling recommendation # 33 (<i>Investigate the crisis level vacancy in the downtown office market and respond with actions</i>), direct Administration to:</p> <ol style="list-style-type: none"> a. establish an Administration-led Real Estate Working Group by bringing a mandate and direction for the Real Estate Working Group (similar to the 2019 Tax Shift Assessment Working Group) to the October 2020 meeting of the Priorities and Finance Committee of Council; b. the Real Estate Working Group will liaise directly with the Priorities and Finance Committee of Council through a standing agenda item, until Administration recommends that the working group be disbanded; c. determine composition of the Real Estate Working Group to include but not be limited to interested members of the Real Estate Sector Advisory Committee of Calgary Economic Development, as well as the now disbanded Financial Task Force with real estate experience, and/or other experts within Calgary; d. Direct the City Manager to assign an Administrative Chair for the Real Estate Working Group other than the Chief Financial Officer (who is presently tasked with execution of the Financial Task Force recommendations); and e. As part of the scope of work of the independent consultant for recommendation #19, as led by the Chief Financial Officer, ensure appropriate stakeholder engagement, including the Real Estate Working Group.” Direct Administration includes a request for the base funding required for implementation in 2021 and beyond in the Mid-Cycle Adjustment report to Council in November 2020 |
| 6/29/2020 | C2020-0742 | <p>Report and Recommendations of the Financial Task Force</p> <p>Council adopted the following recommendations:</p> <ol style="list-style-type: none"> 1. Accept the reports and recommendations of the Financial Task Force in Attachments 2 and 3; 2. Direct Administration to scope the costs of implementation based on Administration’s responses and timelines in Attachment 5 and report to Council with a request for approval of resources, where appropriate by 2020 July 29; 3. Direct the City Manager to assign a lead to monitor and report back with a bi-annual schedule for reporting on the implementation of the Financial Task Force’s recommendations; 4. Receive a presentation and this report as part of the Council orientation in 2021; and 5. Thank the citizen volunteers for their professional contributions and their passion for Calgary’s success. |

Overview of Administrative Action Progress

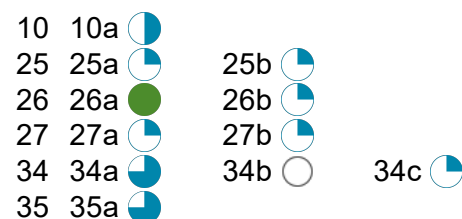
Administration is making progress on a number of the 73 actions and 35 recommendations across the 8 Financial Task Force themes. The table provides an overview of progress (whether there is not yet any information to report, or if the associated work is in the planning, installation, implementation, or benefits realization phase) and status (whether the associated work has been **completed**, is **on schedule**, is **delayed**, or has been **cancelled**). Details on specific projects are contained in the Implementation Reports in Attachment 2.



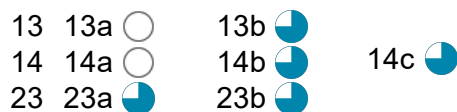
Responding to Calgary's Cyclical Economy using Existing Tools



Improving Tax Efficiency for Long-Term Fiscal Sustainability



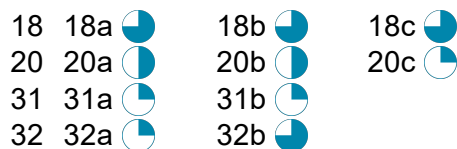
Improving the Understanding of Municipal Finance Circumstances



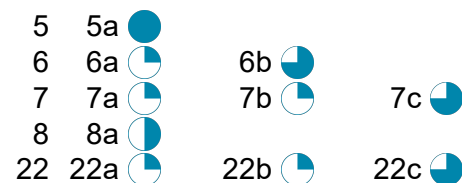
Bringing Property Taxation into the Twenty-First Century



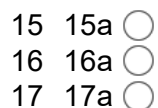
Making Calgary More Competitive, Livable and Attractive



Preparing for changes that would occur as the economy evolves



Supporting Regional Economic Development



Working Better with Partners in Achieving Progress



The City of Calgary

Financial Task Force Implementation Reports

Chief Financial Officer's Department
2021 June 01

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Annual Assessment Cycle Continuation

Led By: Property Assessment

Related Administrative Action: 26a

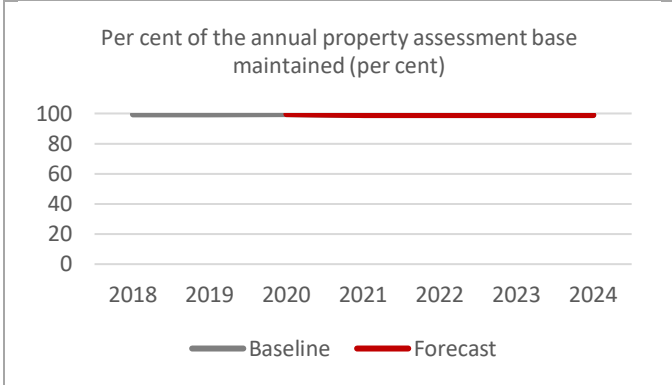
Description: Recommendation 26 was “do not sacrifice high-quality information available through annual property assessments that improve the ability to monitor and respond to underlying changes in the economy and real estate markets. The administrative action was "administration will continue the annual assessment cycle.”

| | |
|---|---|
| Implementation Phase: Benefits Realization | What has happened over the past 6 months: N/A |
| Expected Implementation Date: December 2020 | |
| Current Status: Completed | What’s next: N/A |

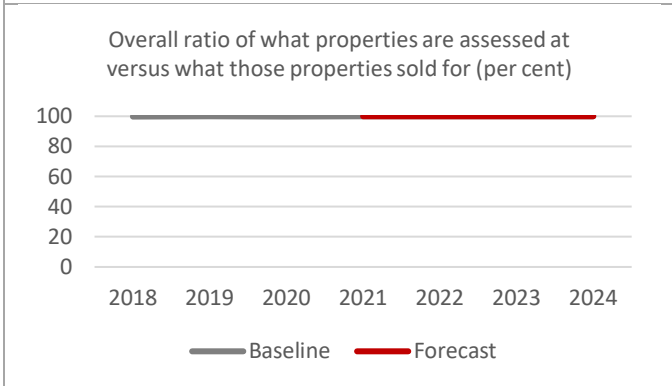
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|--|------------------------|
| Customers: Property owners, City of Calgary, and Government of Alberta | Partners: NA |
|--|------------------------|

| | |
|---------------------------------------|--|
| Overall Risk Rating: Slight | Strategic Alignment: A well-run city |
|---------------------------------------|--|

| Performance Measures | Performance Story |
|----------------------|-------------------|
|----------------------|-------------------|



“Per cent of the annual property assessment base maintained” is Assessment’s flagship performance measure and is at the core of everything Assessment does. Recent results have been historically strong and have been drastically outperforming set targets. Since this administrative action is maintaining the status quo there are no changes from originally set forecasts.



“Overall ratio of what properties are assessed at versus what those properties sold for” is Assessment’s preferred performance measure regarding the quality/accuracy of the assessment roll. There are a number of other performance measures that supplement this performance measure and provide additional context. Since this administrative action is maintaining the status quo there are no changes from originally set forecasts.



Financial Task Force Implementation Report

Assessment Smoothing Investigation

Led By: Property Assessment

Related Administrative Action: 35a

Description: Arising from FTF Recommendation #35, Administration was tasked with scoping a program along with required resources and present it to Council by the end of 2021.

The proposed plan is as follows:

- 1) Extract data required for analysis (complete).
- 2) Apply smoothing techniques per FTF (complete).
- 3) Research and analyze the results of the smoothing techniques and discuss in report (in process). Include analysis of practices in other jurisdictions.
- 4) Make recommendation based on the above for or against further pursuing assessment smoothing techniques. If for, proceed with scoping a program for effecting the required changes (not yet complete).

| | |
|---|---|
| Implementation Phase: Implementation | What has happened over the past 6 months: The data for the analysis has been extracted. Various smoothing techniques have been applied to property assessments. Administration is currently determining how to demonstrate the impacts of the smoothing techniques on property taxes. |
| Expected Implementation Date: March 2021 | |
| Current Status: On schedule | What's next: Complete research, demonstrate the effects of smoothing, and make recommendations for or against further pursuing assessment smoothing. |
| Customers: The City of Calgary Property Owners | Partners: Financial Task Force Finance - Corporate Budget Office Finance - Tax & Receivables |
| Overall Risk Rating: Low | Strategic Alignment: A well-run city |



Financial Task Force Implementation Report

Assessment Timeline

Led By: Property Assessment

Related Administrative Action: 4b, 27a, 27b

Description: Initial planning indicates that the proposed work to address administrative actions 4b, 27a, and 27b will potentially include efforts to:

- A. Move the assessment roll freeze earlier:
 - 2021 Freeze: December 11, 2020
 - 2022 Freeze: December 3, 2021
 - 2023 Freeze: November 17, 2022
- B. Deliver as much info as possible on the distribution of responsibility across classes
- C. Include impacts on a rate of tax rate decision on different classes and taxpayer groups at key times of the year
- D. Provide early tax shift information around preliminary roll timeframe (end of September)
- E. Affirm TSAWG recommendations requiring the same type of information for the indicative rate decision before the approved tax rate decision
- F. Seek legislative changes where necessary including regarding the December 31 property condition date
- G. Present information needed to make informed decisions in varied and more easily understandable formats

| | |
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| Implementation Phase: Planning | What has happened over the past 6 months: 1. 2021 Assessment Business Plan has been passed with an assessment roll freeze date established of December 3, 2021 which is eight days ahead of the last assessment roll freeze date - December 11, 2020. 2. Assessment Timeline project team established. 3. Planning has begun with the Assessment Management Team signing off on preliminary direction. |
| Expected Implementation Date: December 2022 | |
| Current Status: On schedule | What's next: 1. 2022 Assessment Business Plan will be passed with an assessment roll freeze date established of November 17, 2022 which is an additional sixteen days ahead of the last assessment roll freeze date. 2. Detailed planning will be completed. 3. Implementation will begin for low hanging fruit benefit realization with the larger impacts scheduled to be implemented in 2022. |
| Customers: Property owners, City of Calgary, and Government of Alberta | Partners: Finance - Corporate Budget Office; Corporate Initiatives; Assessment |
| Overall Risk Rating: Medium | Strategic Alignment: A well-run city |

| Performance Measures | Performance Story | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---------------------|---------------------|---------------------|------|-----|---|------|-----|---|------|-----|---|------|-----|-----|------|-----|-----|------|-----|-----|------|-----|-----|---|
| <p>Per cent of the total annual assessment base maintained (per cent)</p> <table border="1"> <caption>Performance Measures Data</caption> <thead> <tr> <th>Year</th> <th>Baseline (per cent)</th> <th>Forecast (per cent)</th> </tr> </thead> <tbody> <tr><td>2018</td><td>100</td><td>-</td></tr> <tr><td>2019</td><td>100</td><td>-</td></tr> <tr><td>2020</td><td>100</td><td>-</td></tr> <tr><td>2021</td><td>100</td><td>100</td></tr> <tr><td>2022</td><td>100</td><td>~98</td></tr> <tr><td>2023</td><td>100</td><td>~97</td></tr> <tr><td>2024</td><td>100</td><td>~96</td></tr> </tbody> </table> | Year | Baseline (per cent) | Forecast (per cent) | 2018 | 100 | - | 2019 | 100 | - | 2020 | 100 | - | 2021 | 100 | 100 | 2022 | 100 | ~98 | 2023 | 100 | ~97 | 2024 | 100 | ~96 | <p>Changes to well-established critical path dates may impact assessment roll quality and customer service due to a significantly compressed timeline. The “per cent of the annual property assessment base maintained” is Assessment’s flagship performance measure and is at the core of everything Assessment does. Recent results have been historically strong and have been drastically outperforming set targets but that trend may be difficult to continue if assessment roll quality and customer service are impacted by this shift. The ≥98.95% target is intentionally low due to a number of factors, a number of which are outside of Assessment’s control and these</p> |
| Year | Baseline (per cent) | Forecast (per cent) | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 100 | - | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 100 | - | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 100 | - | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 100 | 100 | | | | | | | | | | | | | | | | | | | | | | | |
| 2022 | 100 | ~98 | | | | | | | | | | | | | | | | | | | | | | | |
| 2023 | 100 | ~97 | | | | | | | | | | | | | | | | | | | | | | | |
| 2024 | 100 | ~96 | | | | | | | | | | | | | | | | | | | | | | | |



Financial Task Force Implementation Report

| | <p>administrative actions will affect these results but probably not enough to push below that target.</p> | | | | | | | | | | | | | | | |
|--|--|--------------|--------------|------|---|---|------|---|----|------|---|---|------|---|---|---|
| <p>Number of days assessment roll freeze advanced earlier in the year (per cent)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Baseline (%)</th> <th>Forecast (%)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>0</td> <td>8</td> </tr> <tr> <td>2022</td> <td>0</td> <td>16</td> </tr> <tr> <td>2023</td> <td>0</td> <td>-</td> </tr> <tr> <td>2024</td> <td>0</td> <td>-</td> </tr> </tbody> </table> | Year | Baseline (%) | Forecast (%) | 2021 | 0 | 8 | 2022 | 0 | 16 | 2023 | 0 | - | 2024 | 0 | - | <p>As directed by Council, Assessment will move the assessment roll freeze date earlier in the year starting in 2021 and finishing in 2022. This is being done to ensure that Council has the most accurate assessment data possible when they enter into budget deliberations.</p> |
| Year | Baseline (%) | Forecast (%) | | | | | | | | | | | | | | |
| 2021 | 0 | 8 | | | | | | | | | | | | | | |
| 2022 | 0 | 16 | | | | | | | | | | | | | | |
| 2023 | 0 | - | | | | | | | | | | | | | | |
| 2024 | 0 | - | | | | | | | | | | | | | | |



Financial Task Force Implementation Report

Business Licensing Cost and Value

Led By: Business Licensing

Related Administrative Action: 28a, 28b, 29a, 29b, 30a, 30b

Description: The FTF Report included a summary scope of work and resource implications for involvement from Calgary Community Standards (CCS). Three of the recommendations place emphasis on quantifying the cost and value of services and distribution of benefits for CCS service lines (#28, #29, and #30).

This implementation proposal is specific to the administrative action items for the business licensing service line, including a cost study and value study to help quantify the distribution of benefits to residents and businesses. Following this work, administration will leverage results into recommendations for service optimization and future user fee pricing reviews.

| | |
|---|--|
| Implementation Phase: Planning | What has happened over the past 6 months: A comprehensive cost and value study are currently progress for the business licensing service line. This work includes interviews with subject matter experts, development of a service delivery blueprint and research on other Canadian and U.S. municipalities business licensing services. The findings from this work are intended to help inform recommendations for business licensing, designed to help improve the value offered to citizens and businesses. |
| Expected Implementation Date: December 2022 | |
| Current Status: On schedule | What's next: Recommendation development. |

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|--|--|
| Customers: <ul style="list-style-type: none"> •Business Owners •Citizens •Visitors (non-residents) | Partners: <p>Internal</p> <ul style="list-style-type: none"> •Calgary Community Services •Calgary Building Services •Financial Task Force implementation team •Calgary Fire Department <p>External</p> <ul style="list-style-type: none"> •Business Advisory Committee •Alberta Health Services (AHS) •Alberta Gaming, Liquor, and Cannabis (AGLC) |
|--|--|

| | |
|------------------------------------|---|
| Overall Risk Rating: Low | Strategic Alignment: This project aligns with a number of citizen, council, corporate, and business unit goals: <ul style="list-style-type: none"> •A Well Run City: Calgary has a modern and efficient municipal government that is focused on resilience and continuous improvement to make life better every day for Calgarians by learning from citizens, partners, and others. •A Prosperous City: Calgary continues to grow as a magnet for talent, a place where there is opportunity for all, and strives to be the best place in Canada to start and grow a business. •2021 Corporate Goal: Support modernization of service delivery, optimization of investments, and financial sustainability at The City. |
|------------------------------------|---|



Financial Task Force Implementation Report

Business Perspectives Panel Research

Led By: Executive Leadership

Related Administrative Action: 5a

Description: Since 2017, The City has surveyed the business community quarterly through a Business Perspectives Panel, including follow-up discussions through randomly recruited business leader focus groups. The panel currently sits at approximately 800 business members across varied sectors and sizes of business.

Since 2019, The Business and Local Economy team has used the quarterly panel surveys and follow up focus group discussions to gain insights to inform strategies.

It also monitors four measures to support the success of the Business and Local Economy team's initiatives:

- 1) Perceptions of being business friendly – Why/why not
- 2) City recognized as acting to be business friendly (or not acting)
- 3) Awareness of Calgary in the New Economy strategy
- 4) Perception of City communications with businesses

| | |
|--|--|
| Implementation Phase: Benefits Realization | What has happened over the past 6 months: Q1 survey and follow-up interviews completed, results under review. |
| Expected Implementation Date: December 2021 | |
| Current Status: On schedule | What's next: Panel surveys with follow up interviews planned every quarter (4x per year) to measure success, keep a pulse on the business community and help inform future strategies. |
| Customers: Business and Local Economy team, and ultimately, the business community | Partners: Corporate Research Team (CSC) City Manager's Office |
| Overall Risk Rating: Low | Strategic Alignment: Business Sector Task Force alignment Calgary in the New Economy (Economic Strategy) Rethink to Thrive Strategy |

Performance Story

Businesses perceptions of The City being business friendly is strongly connected to trust in Administration. Businesses trust in The City has doubled since the pandemic, showing that when we increased transparency and support for businesses, they heard our messages and trusted us more.

We regularly measure businesses' awareness of City initiatives that support business to determine if information is permeating to the appropriate audiences, and what adjustments must be made if they aren't reaching the ears of business owners. During 2020, this measure was not taken and was instead replaced by awareness of COVID business supports during the pandemic, but it is noted the similar measures were the same.



Financial Task Force Implementation Report

Business Web Hub

Led By: Executive Leadership

Related Administrative Action: 5a

Description: The current business pages on calgary.ca create difficulties and inconsistent experiences for business users coming to The City for information and services in the following areas:

- Finding the content and service you want.
- Being informed about other content and services relevant to you as a business owner.
- Demonstrating value The City provides to business users.

This can lead to poor customer experiences business users have with The City.

This was originally raised as a gap at the Business Advisory Committee in 2019, but we lacked funding/resources to undertake it. We put an ask into Council, and they approved funding for us to do this work.

The new business hub design will incorporate new features and technology to the existing business pages and how they would be organized to improve overall customer experience business owners have with The City.

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| <p>Implementation Phase: Benefits Realization</p> | <p>What has happened over the past 6 months: The online hub was built out with a user experience lens and approved by CMO, and endorsed by members of Council. The site has been promoted to citizens and businesses and been well received. Since launch 6 weeks ago, the pages have received 11,574 pageviews with an average time on a page at around 2 minutes. The most popular pages continue to be, "Start a Business", and "Licensing and Permits".</p> |
| <p>Expected Implementation Date: April 2021</p> | |
| <p>Current Status: On schedule</p> | <p>What's next: As part of sustainment, further user experience testing will occur to help further iterations as more content is added, and more metrics are gathered to ensure the most user-friendly pages possible. Some new content in the works to be included is around investing in Calgary (tied to CED), and technical information for the film industry to entice them to consider Calgary.</p> |

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| <p>Customers:</p> <ul style="list-style-type: none"> -Business owners, managers and employees -Business Improvement Areas (BIAs) -Business Sector Task Force -Calgarians who support local business | <p>Partners:</p> <ul style="list-style-type: none"> -Customer Service and Communications -Calgary Emergency Management Agency -Calgary Community Standards -Planning & Development (primarily Calgary Building Services) -Roads -Transportation Infrastructure -Green Line -Calgary Neighbourhoods (primarily Meghan Mahoney) -Information Technology -Finance -Assessment -Waste and Recycling -Mayor's Office -City Council members |
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| <p>Overall Risk Rating: Medium</p> | <p>Strategic Alignment:</p> <ul style="list-style-type: none"> -Business Advisory Committee (highlighted as a gap by Councilors chairing committee and reinforced by industry on committee). -Rethink to Thrive Strategy (improved information to businesses and two-way communication with them) |
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Financial Task Force Implementation Report

| Performance Measures | Performance Story |
|----------------------|---|
| | <p>Based on quarterly surveys of a sample of Calgary's business community via the Business Perspectives Panel, the measure of satisfaction on the question, "I have enough information about support available from The City to businesses" increases post launch of the hub.</p> |
| | <p>Post launch, web traffic to the online hub is high, and visits supersede corporate benchmarks for other page and microsite launches. Moving beyond the launch, the traffic to the hub (visits to various pages within the hub) remains steady and relatively high for most of the content.</p> |



Financial Task Force Implementation Report

Corporate eCommerce Program

Led By: Data Analytics & Information Access

Related Administrative Action: 7a, 7b

Description: Leveraging the One Calgary capital budget, Corporate Analytics & Innovation, working alongside partners in Customer Service & Communication and Information Technology, is bringing in a standard Corporate technology solution for eCommerce.

In response to Task Force recommendations 7a and 7b, the Corporate eCommerce Program will bring in a standard technology offering to provide:

- 1) Consistent and improved user experience – to support ease of Calgarians and businesses transacting with The City.
 - 2) Potential financial savings – from reduction in discreet software solutions.
 - 3) Operational efficiencies – from utilization of a standard technology offering.
- The solution will first replace City Online (2020 revenues = ~\$2.4M). A concurrent SAVE business case is also being implemented in 2021 which will use the software solution to increase revenues via City Online to an estimated ~\$3.4M in 2021 and then to a total of ~\$4.4M in 2022, and every subsequent year thereafter.

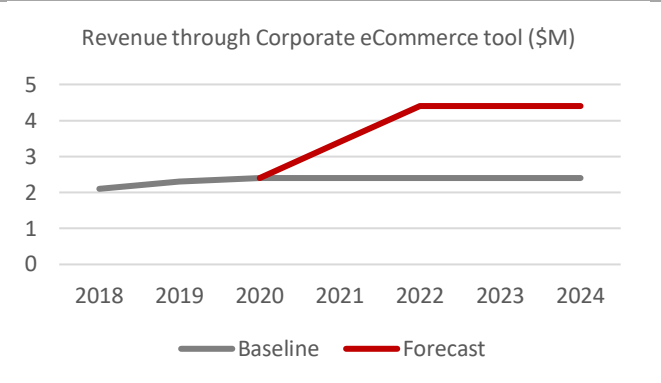
Through the Corporate eCommerce Program, a new technology solution will be implemented, City Online will be replaced and a high-level roadmap for other possible services to utilize the Corporate tool will be developed.

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| Implementation Phase: Planning | What has happened over the past 6 months: Contract signed with solution vendor |
| Expected Implementation Date: March 2022 | |
| Current Status: On schedule | What's next: 1) Install solution in City of Calgary environment 2) Design and build City Online replacement Risks: 1) Schedule will continue to be a risk 2) Estimated revenues are dependent on the Calgary region economy |

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| Customers: Calgarians and businesses who transact with The City | Partners: Corporate Analytics & Innovation, Customer Services & Communication and Information Technology |
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| Overall Risk Rating: Medium | Strategic Alignment: Digital Strategy, Digital Governance Committee, SAVE |
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| Performance Measures | Performance Story |
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It is anticipated that current and future revenues through a standard technology tool and replacement of City Online will increase with a more user-friendly tool. The developed roadmap for the inclusion of future products and/or services will provide a better clarity of future possible revenue potential when, and if, future services leverage the Corporate technology solution.



Financial Task Force Implementation Report

Council-approved Budget and Taxation Principles

Led By: Financial Support

Related Administrative Action: 2a, 11a, 20a, 31a, 8a

Description: This proposal would create a more permanent set of principles around service planning and budgeting, including principles for setting tax rates. These principles would be approved by Council through amendment to the Multi-Year Business Planning and Budgeting Policy (CFO0004).

The principles should be approved in 2022, prior to the beginning of the next four-year business planning and budgeting cycle (2023-2026).

In response to Task Force recommendations 20 and 31, the development of principles will include stability and predictability of taxes as a specific consideration. The development of principles will also consider the economic strategy Calgary in the New Economy in response to recommendation 8.

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| <p>Implementation Phase: Installation</p> | <p>What has happened over the past 6 months: Compiled principles related to planning and budgeting that have been used by the City in the past, examined current principles being used by large municipalities like Toronto and Vancouver, and reviewed principles and guidance from the Government Finance Officers Association and the Organization for Economic Cooperation and Development. Proposed principles are included in this report.</p> |
| <p>Expected Implementation Date: December 2021</p> | |
| <p>Current Status: On schedule</p> | <p>What's next: The principles will set the foundation for a solid decision-making framework for the 2023-2026 service plans and budgets and, with Council direction, will be included in the next update to the Multi-Year Business Planning and Budgeting Policy.</p> |
| <p>Customers: Council, the public, Administration planning and budgeting stakeholders</p> | <p>Partners: Corporate Budget Office; Corporate Initiatives</p> |
| <p>Overall Risk Rating: Low</p> | <p>Strategic Alignment: Multi-Year Business Planning and Budgeting Policy;</p> |



Financial Task Force Implementation Report

Countercyclical Fiscal Policy Report

Led By: Financial Support

Related Administrative Action: 32a

Description: Administration will prepare a report that details the options available to The City to employ counter-cyclical policy and identify optimal counter-cyclical policies. The report will be realistic about the options for The City given the limited fiscal capacity of The City when compared to other levels of government.

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| Implementation Phase: Planning | What has happened over the past 6 months: Foundational preparations for the report have begun, including review of relevant sections of the Municipal Government Act, The City's annual financial reports and the academic literature on counter-cyclical measures and levers. Further review of materials on municipal finance and counter-cyclical elasticity measures are underway. | |
| Expected Implementation Date: December 2021 | | |
| Current Status: On schedule | What's next: Plan to complete the report by the end of 2021 and make it available to Council. | |
| Customers: Council, Public | Partners: N/A | |
| Overall Risk Rating: Low | Strategic Alignment: Long-range Financial Plan | |



Financial Task Force Implementation Report

Differentiated Taxation

Led By: Property Assessment

Related Administrative Action: 6a

Description: Recommendation 6 is “consider differentiated taxation for businesses and organizations that make significant contributions to the character and fabric of the city. It would include

- Organizations like BIAs
- Non-profit organizations
- Owner-operated small businesses with limited financial means"

Administrative action 6a is “administration will continue to examine the best ways to apply available tools.”

Proposed Plan:

- 1) Summarize the existing tools of “differentiated taxation” per FTF recommendation #6 that are currently being administered and/or that have been explored and purposefully not administered by The City.
- 2) Review the legislation for additional, existing legislative tools not already administered and/or explored by The City.
- 3) Assess if the tools identified in Step 2 would be reasonable to implement, and if Administration feels it is so, provide a business case for proceeding using the following non-exhaustive criteria: The City’s objectives in implementing such tools, the capacity for the tools to achieve those objectives (e.g. will they reach the intended beneficiary, etc.); estimated costs vs estimated benefits (financial and non-financial); risks associated with implementing the tools and planned mitigation measures.
- 4) Assess if the current tools identified in Step 1 require improvement to better achieve their objectives, and if so, provide a business case explaining the reasons for the change based on the same or similar criteria as per the business case in Step 3.

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| Implementation Phase: Planning | What has happened over the past 6 months: N/A |
| Expected Implementation Date: July 2021 | |
| Current Status: On schedule | What’s next: Resource the project, begin conducting research and begin drafting report. |
| Customers: Property owners, City of Calgary, and Government of Alberta | Partners: Finance - Tax & Receivables |
| Overall Risk Rating: Slight | Strategic Alignment: A well-run city A prosperous city |
| Performance Measures | Performance Story |



Financial Task Force Implementation Report

| <p>Per cent of non-residential assessment base which is exempt from taxation (per cent)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Baseline (%)</th> <th>Forecast (%)</th> </tr> </thead> <tbody> <tr><td>2018</td><td>25</td><td></td></tr> <tr><td>2019</td><td>30</td><td></td></tr> <tr><td>2020</td><td>30</td><td></td></tr> <tr><td>2021</td><td>30</td><td>30</td></tr> <tr><td>2022</td><td></td><td>30</td></tr> <tr><td>2023</td><td></td><td>30</td></tr> <tr><td>2024</td><td></td><td>30</td></tr> </tbody> </table> | Year | Baseline (%) | Forecast (%) | 2018 | 25 | | 2019 | 30 | | 2020 | 30 | | 2021 | 30 | 30 | 2022 | | 30 | 2023 | | 30 | 2024 | | 30 | <p>The greater the percentage of the overall assessment base which is considered exempt for taxation means there are fewer properties contributing to the property tax base that is used to provide the important tax supported products and services that The City of Calgary provides every year. This measure has been trending upward.</p> |
|--|-------------------|-------------------|-------------------|------|----|--|------|----|--|------|----|--|------|----|----|------|---|----|------|---|----|------|---|----|--|
| Year | Baseline (%) | Forecast (%) | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 25 | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 30 | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 30 | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 30 | 30 | | | | | | | | | | | | | | | | | | | | | | | |
| 2022 | | 30 | | | | | | | | | | | | | | | | | | | | | | | |
| 2023 | | 30 | | | | | | | | | | | | | | | | | | | | | | | |
| 2024 | | 30 | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Number of available tools implemented and/or tools newly created via advocacy (number)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Baseline (number)</th> <th>Forecast (number)</th> </tr> </thead> <tbody> <tr><td>2018</td><td>0</td><td></td></tr> <tr><td>2019</td><td>0</td><td></td></tr> <tr><td>2020</td><td>0</td><td></td></tr> <tr><td>2021</td><td>0</td><td>1</td></tr> <tr><td>2022</td><td>0</td><td>1</td></tr> <tr><td>2023</td><td>0</td><td>1</td></tr> <tr><td>2024</td><td>0</td><td>1</td></tr> </tbody> </table> | Year | Baseline (number) | Forecast (number) | 2018 | 0 | | 2019 | 0 | | 2020 | 0 | | 2021 | 0 | 1 | 2022 | 0 | 1 | 2023 | 0 | 1 | 2024 | 0 | 1 | <p>The intent of this newly created performance measure is to provide an incentive to push for new tools and to push for the use of the tools which have already been provided to address Recommendation 6.</p> |
| Year | Baseline (number) | Forecast (number) | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 0 | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 0 | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 0 | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 0 | 1 | | | | | | | | | | | | | | | | | | | | | | | |
| 2022 | 0 | 1 | | | | | | | | | | | | | | | | | | | | | | | |
| 2023 | 0 | 1 | | | | | | | | | | | | | | | | | | | | | | | |
| 2024 | 0 | 1 | | | | | | | | | | | | | | | | | | | | | | | |



Financial Task Force Implementation Report

Downtown Survey

Led By: City Planning & Policy

Related Administrative Action: 33b

Description: • There are currently a series of 10 downtown specific questions that are asked of The City of Calgary Corporate Research Business Panel periodically

- The Business Panel is comprised of 800 decision-makers in small, medium and large-sized businesses throughout Calgary.
- This research is currently conducted and already budgeted for at The City; however, is likely not comprehensive enough to fulfill Recommendation 33B. It is, however, an excellent indicator of what could and should be asked of businesses should a net new survey be undertaken.
- Currently, there has only been data collected from the wider business community. This survey will seek to gather insights directly from the demographic of businesses that have relocated from the downtown core to suburban areas. This will provide a greater understanding of this trend, which will lead to better policy making to revert it. This information will help realize both the Downtown Strategy and FTF's ambition to understand and action their recommendations to assist in the City's economic recovery and financial resilience.

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| <p>Implementation Phase: Planning</p> | <p>What has happened over the past 6 months: The Downtown Business Survey is being considered as a part of a greater research and data strategy for the Downtown. We have a high level outline of what would be included in the survey (modeled after the existing Business Panel work); however, are considering how it works amongst other Downtown surveying and focus groups.</p> |
| <p>Expected Implementation Date: October 2022</p> | |

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| <p>Current Status: On schedule</p> | <p>What's next: Deciding on the research strategy (in conjunction with Corporate Research). There will then be a decision on the format and contents of this piece.</p> |
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| <p>Customers:</p> <ul style="list-style-type: none"> • Planning & Development • Downtown Strategy • Business & Local Economy • Downtown Business Community and Associated BIAs • Calgary Economic Development | <p>Partners:</p> <p>Internal</p> <ul style="list-style-type: none"> • Corporate Research • Financial Task Force (Implementation) • Downtown Strategy • Corporate Analytics & Innovation, Innovation Lab <p>External</p> <ul style="list-style-type: none"> • External Vendor for survey development and delivery • Calgary Economic Development |
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| <p>Overall Risk Rating: Low</p> | <p>Strategic Alignment: Financial Task Force (Implementation) Downtown Strategy Business & Local Economy</p> |
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Financial Task Force Implementation Report

eCommerce Taxation Research

Led By: Executive Leadership

Related Administrative Action: 9a, 22b

Description: In summary, FTF Recommendation #9 expresses concern that the decline of businesses with a physical presence highlights the need for municipalities to consider new ways of revenue collection beyond property tax, and advocate for change accordingly. For example, traditional real estate tax revenues may not effectively capture e-commerce transactions.

Administration will scope a research and analysis program, including an environmental scan, and determine the resources required to assess the decline of bricks and mortar and investigate the new ways of providing goods & services (including e-commerce) effectively. A decision to pursue the program will include resources (internal and external partners) required.

Proposed Plan:

- 1) Draft a scoping report with resource requirements (planning).
- 2) Solicit approval to proceed with evidence-gathering, analysis and reporting (installation).
- 3) Receive approval or denial. If denied, cease further action and report status to Council on the next scheduled report.
- 4) Draft a report that achieves scoping objectives and returns reasonable findings (implementation).
- 5) If findings prove advocacy is necessary, hand off to 9b Lead as part of Provincial advocacy (benefits realization).

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| Implementation Phase: Planning | What has happened over the past 6 months: With regards to eCommerce Taxation Research relating to the Financial Task Force recommendations, no action has yet been taken. |
| Expected Implementation Date: October 2021 | |
| Current Status: On schedule | What's next: Complete the project planning process, receive approvals as required, commence research. |
| Customers: The City of Calgary Property Owners Business Owners The Public | Partners: Finance – Corporate Budget Office Intergovernmental Affairs Law |
| Overall Risk Rating: Low | Strategic Alignment: A well-run city A prosperous city |



Financial Task Force Implementation Report

Economic Resilience Task Force (ERTF) Liaison

Led By: Financial Support

Related Administrative Action: 21a, 22a, 24a

Description: The Financial Task Force Implementation Team will coordinate with those bringing revenue related items through task force implementation processes to ensure that the Economic Resilience Task Force is aware and can provide feedback on the plans.

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| <p>Implementation Phase: Planning</p> | <p>What has happened over the past 6 months: The Economic Resilience Task Force has been meeting irregularly and once the Task Force resumes meeting on a regular schedule, a representative from the Financial Task Force Implementation Team will attend on a regular basis.</p> |
| <p>Expected Implementation Date: May 2021</p> | <p>What's next: A representative of the Financial Task Force Implementation Team will attend meetings of the Economic Resilience Task Force to solicit ideas for additional revenue streams. In addition, as ideas for additional revenues are brought forward through other streams of the Financial Task Force Implementation Program, the Economic Resilience Task Force will be consulted.</p> |
| <p>Current Status: On schedule</p> | <p>What's next: A representative of the Financial Task Force Implementation Team will attend meetings of the Economic Resilience Task Force to solicit ideas for additional revenue streams. In addition, as ideas for additional revenues are brought forward through other streams of the Financial Task Force Implementation Program, the Economic Resilience Task Force will be consulted.</p> |
| <p>Customers: Economic Resilience Task Force</p> | <p>Partners: External Economic Resilience Task Force Internal Services / BUs seeking or currently employing revenue mechanisms other than the property tax.</p> |
| <p>Overall Risk Rating: Low</p> | <p>Strategic Alignment: User Fee & Subsidies Policy</p> |



Financial Task Force Implementation Report

Fabrication Workshop

Led By: Fleet Management

Related Administrative Action: 21b

Description: This proposal would expand Fleet Management’s Fabrication Workshop’s compliment of staff by 6.0 FTEs to design and manufacture fabricated items for external municipalities. The proposal includes 1.0 FTE to project manage the work and support marketing along with 5.0 FTEs for journeyman welders.

ELT has approved Fleet Management’s business case to hire for these positions.

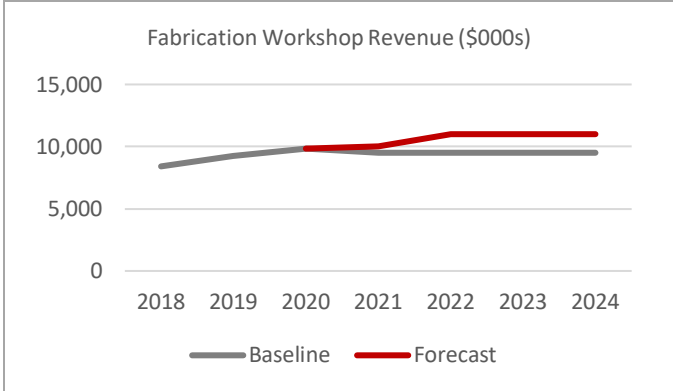
Corporate prioritization and lack of resourcing forces Fleet Management to often turn away requests from external municipalities and organizations. This proposal will allow to Fleet Management to complete these external requests and increase its revenue beyond the \$8-9 million each year. Fleet Management has committed to generating an additional \$.5 million in revenue in year one and \$1.0 million in year two. This revenue would then be captured into a Budget Savings Account as an annual “royalty”. As Fleet Management’s budget is net neutral, these positions are self-funded.

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| <p>Implementation Phase: Installation</p> | <p>What has happened over the past 6 months: Fleet Services will finish hiring the foreman and team lead positions. In the Installation Phase, Fleet Services the equipment needed to support the new shift. Fleet Services will then work in collaboration with Customer Service and Communications to develop and implement a marketing plan for external customers. Later in the period, Fleet Services will start manufacturing new products and will begin planning for after sale technical maintenance and parts support for customers.</p> |
| <p>Expected Implementation Date: January 2022</p> | <p>What’s next: Fleet Services received corporate approval to hire four technicians, one foreman, and one team lead. The hiring process is complete for the technicians, and we are working closely with HR to post for the foreman and team lead positions. We are working with Labour Relations, Human Resources, and union representatives to create a new shift in the Fabrication Workshop for these positions. Once we have approval for the new shift, Fleet Services will begin the Installation Phase.</p> |
| <p>Current Status: On schedule</p> | <p>What’s next: Fleet Services received corporate approval to hire four technicians, one foreman, and one team lead. The hiring process is complete for the technicians, and we are working closely with HR to post for the foreman and team lead positions. We are working with Labour Relations, Human Resources, and union representatives to create a new shift in the Fabrication Workshop for these positions. Once we have approval for the new shift, Fleet Services will begin the Installation Phase.</p> |

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| <p>Customers: External municipalities and organizations</p> | <p>Partners: Corporate Budget Office; Strategic Marketing and Communications; Procurement and Warehousing;</p> |
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| <p>Overall Risk Rating: Medium</p> | <p>Strategic Alignment: A well-run city</p> |
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| Performance Measures | Performance Story |
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Fabrication Workshop Revenue was \$9.8 million in 2020, up from \$9.2 million in 2019. This proposal will add a second shift to the Fabrication Workshop and start marketing its products to external municipalities and organizations resulting in a forecasted revenue of \$10.5 million and \$11 million in 2021 and 2022, respectively.



Financial Task Force Implementation Report

Financial Narrative

Led By: Strategic Marketing & Communications

Related Administrative Action: 2b, 23a, 34a

Description: The Financial Narrative will create a cohesive narrative connecting The City’s annual financial cycle initiatives (Planning & Budgeting, Assessment, and Taxes). In addition the narrative will include elements of service value, citizen opportunities and other information inputs, and continuous financial and process improvement initiatives. This will help to demonstrate value and create awareness and understanding of The City’s annual financial cycle.

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| Implementation Phase: Implementation | What has happened over the past 6 months: <ol style="list-style-type: none"> 1. Financial Narrative web presence has been created at www.calgary.ca/ourfinances 2. Combined tax calculator now includes year over year % and \$ changes, as well as a tax \$ value breakdown 3. Completed 3 videos as part of FN Video series (Property Tax Dollars at Work; and Determining Your Share of Property Tax. 4. Some visuals developed (FN overview; TIPP adjustment cycle, etc). 5. Service Value Campaign (including media and social media buys). 6. Launched the Financial Narrative Toolbox on Teams for Council and Sr. Leadership to keep them apprised of ongoing work and make messaging and visuals easily available. |
| Expected Implementation Date: November 2022 | |

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| Current Status: On schedule | What’s next: <ol style="list-style-type: none"> 1. updates to the Financial/City Facts page for ongoing updates to common misinformation 2. Additional Videos for the FN Video Series (service value, planning and budgeting) 3. TIPP promotion later this year 4. Live tweeting during budget process 5. Ongoing maintenance of website and FN toolbox on Teams |
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| Customers: Citizens, Businesses, Employees, Council, Media, and Non-Calgarians. | Partners: Financial Task Force; Intergovernmental and Corporate Strategy; Departments for service value. |
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| Overall Risk Rating: Medium | Strategic Alignment: <ol style="list-style-type: none"> 1. Planning and Budgeting 2. Assessment 3. Tax collection |
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Financial Task Force Implementation Report

Long Range Financial Plan Update

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| Led By: Financial Support | |
| Related Administrative Action: 1b, 20b, 3a, 10a, 24b | |
| <p>Description: The update to the Long Range Financial Plan currently underway explicitly incorporates: a broader view of the impact of City finances on the economy (1b), including a review of the validity and generalizations of recommendations 20 (20b); an analysis of the property tax impacts of future financial gaps outside of the current budget cycle (3a); a broader view of the link between The City’s financial projections, including the projected property tax increases, and the growth in the overall economy (10a); and a review of revenue sources (24b).</p> | |
| <p>Implementation Phase: Installation</p> | <p>What has happened over the past 6 months: The Long Range Financial Plan (LRFP) project team has updated the LRFP modelling system, validated assumptions, conducted projections for the base case and sensitivity tests, developed scenarios, and updated the financial strategies, tactics and implementation actions. Currently the project team is reviewing the first draft.</p> |
| <p>Expected Implementation Date: December 2022</p> | |
| <p>Current Status: On schedule</p> | <p>What’s next: The Steering and Working Committees will review and finalize the LRFP draft. We will also have an external peer review process before the Steering Committee’s final approval. The LRFP update will be reported to the ELT in October, to PFC in November, and to Council in December. Implementation of the LRFP financial strategies and tactics will follow after the reporting.</p> |
| <p>Customers: Council, the public, Administration planning & budgeting stakeholders</p> | <p>Partners: Corporate Budget Office; Finance;</p> |
| <p>Overall Risk Rating: High</p> | <p>Strategic Alignment: ImagineCALGARY, MDP&CTP, One Calgary</p> |



Financial Task Force Implementation Report

Long Range Financial Plan Update – External Review

Led By: Financial Support

Related Administrative Action: 1c

Description: The External Review process is to seek opinions and advice to The City’s Long Range Financial Plan (LRFP) Update from external reviewers with finance, economics, financial modelling and projection, and fiscal impact analysis expertise. The External Review Panel plans to have 3-5 members to ensure a good coverage of knowledge and to provide value-added advice to LRFP Update process and overall validation. The external review should provide an overall validation on the high level reasonability of the financial projections methodology and results.

This proposal should be approved after the completion of the first draft of the LRFP Update report in 2021 April, so that the external review can be conducted before the report is presented to the Executive Leadership Team, Priorities and Finance Committee and Council later this year.

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| Implementation Phase: Planning | What has happened over the past 6 months: The Long Range Financial Plan (LRFP) project team has been seeking recommendation from the Working Committee and the Steering Committee on the timing, potential candidates, review requirements and other related aspects for the external peer review process. |
| Expected Implementation Date: September 2021 | |
| Current Status: On schedule | What’s next: With the approval and direction from the LRFP Steering Committee, the project team will reach out to external reviewers and request for their review on the LRFP draft. Their recommendation and feedback will be discussed within the project team and incorporated before the draft finalization and Steering Committee approval. |
| Customers: Council, the public, Administration planning & budgeting stakeholders | Partners: Corporate Budget Office; Finance; External Reviewers |
| Overall Risk Rating: Medium | Strategic Alignment: imagineCALGARY, MDP & CTP, One Calgary |



Financial Task Force Implementation Report

Patio Program 2020/2021

Led By: Executive Leadership

Related Administrative Action: 5a

Description: On May 11, 2020, City Council unanimously approved a COVID-19 relief package to support temporary outdoor patios. As a result, City Administration developed a new process to support local establishments for approvals of temporary patios on public lands, as well as additional measures to process applications for those residing on private property. We are continuing those supports this year and launching the program earlier to give businesses more time to prepare for the season.

A temporary permission will be issued at no cost for an outdoor temporary patio. Development permits fees for patios are also waived. Food establishments, like restaurants, cafes and pubs can use a temporary patio to extend onto adjacent public road right of way by placing tables and chairs on the sidewalk. Establishments are required to acknowledge several conditions within the temporary permission including protecting pedestrian accessibility, insurance, and indemnification.

Other retailers may temporarily use a sidewalk, like a sidewalk sale, under the Land Use Bylaw. The use of outdoor space is one way to enable more physical distancing for both patrons and staff.

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| <p>Implementation Phase: Benefits Realization</p> | <p>What has happened over the past 6 months: The 2021 patio program has proceeded successfully with almost 200 patio applications processed over a weekend. The set ups and approvals were quick and received positive recognition from the business community.</p> |
| <p>Expected Implementation Date: March 2021</p> | <p>However, patios were closed due to the recent round of restrictions and as a result some temporary outdoor patios were removed to allow room for pick-up and delivery outside businesses.</p> |
| <p>Current Status: On schedule</p> | <p>What's next: Once restrictions are lifted, there will be further work to re-open the patios and potentially re-install those that were removed. There is also work underway with CADA to have local artists paint some of the barriers for patios on public property to make them more aesthetic.</p> |

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| <p>Customers: Businesses and retailers who want/need a patio (private property, public, temporary public)</p> | <p>Partners: Business Improvement Areas (BIAs) Mayor's Office + Council Tourism Calgary Calgary Parking Authority (CPA) ENMAX Alberta Gaming and Liquor Commission (AGLC) Calgary Building Services (PD) Calgary Growth Strategies (PD) Community Planning (PD) Stream 3 (PD) Roads Calgary Community Standards (Community Services) Calgary Neighborhoods (Community Services) Fire Corporate Analytics and Innovation (DCMO) Customer Service and Communications</p> |
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| <p>Overall Risk Rating: Medium</p> | <p>Strategic Alignment: Calgary in the New Economy (Economic Strategy) Rethink to Thrive Strategy Business Sector Task Force TOR</p> |
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Financial Task Force Implementation Report

| Performance Measures | Performance Story |
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| | <p>Streamlining of patio process, fee relief and addition of temporary patios on public lands provided support to businesses during the COVID-19 pandemic and enabled 116 businesses to extend their capacity under restrictions and thus keep them in business in 2020. The 2021 patio season is just beginning, and those numbers will be included by fall 2021.</p> |
| | <p>From the 17 Ave BIA patio survey in 2020 (approx. 50 respondents, 98% food industry/restaurants), 64% of respondents found the process to obtain the permit for a patio extension somewhat to very easy. It is estimated that satisfaction in 2021 will increase as The City built upon and improved the program. Additionally, in 2020 close to 47% advised that 21-50% of their revenues came from the patio extensions, while 22% advised that 50-100% of their revenue came from the patio extensions. It is anticipated that these numbers will remain the same. 90% of respondents agreed the patio extensions helped their businesses stay open, a sentiment supported by members of the Business Sector Task Force (not surveyed).</p> |



Financial Task Force Implementation Report

Promoting Calgary - Downtown Strategy

Led By: City Planning & Policy

Related Administrative Action: 33a

Description: Downtown is central to Calgary’s economic recovery. Downtown is the economic and cultural heart of Calgary. It’s our central hub for business, innovation and creativity. What happens downtown, especially in terms of real estate, has a direct impact on the rest of the city. Calgary needs a strong core to grow our economy, create jobs and fund the City services we rely on every day. To increase vibrancy and economic vitality of the downtown, on April 26, 2021, Council approved the Greater Downtown Plan and initial investment for implementation including the following:

- Financial incentives for office conversion, office replacement and new residential development
- Financial incentives to offset +15 Fund contributions for residential development
- Funding for impactful capital projects to improve public spaces, create vibrancy and support complete neighbourhoods
- Funding to activate downtown public spaces with festivals, events and community spaces to build vibrancy
- Funding over four years for a dedicated City of Calgary Downtown team
- Funding for Arts Commons Transformation

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| Implementation Phase: Implementation | What has happened over the past 6 months: On April 26, 2021, Council approved the Greater Downtown Plan and initial investment for implementation. |
| Expected Implementation Date: | |

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| Current Status: On schedule | What’s next: For the next 6 months, The Downtown Strategy will focus on developing the proposed office to residential (adaptive use) incentive program terms of reference and report back to Priorities and Finance Committee and Council in July 2021 before officially launching the incentive program. |
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| Customers: The City of Calgary Business Owners Institutions (Post-Secondary, for example) | Partners: CED, CMLC, UofC, Tourism Calgary, BIAs |
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| Overall Risk Rating: High | Strategic Alignment: Calgary in the New Economy, Resilience Strategy, Industrial Land Strategy |
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Financial Task Force Implementation Report

Promoting Calgary - Economic Strategy

Led By: Economic Development & Tourism

Related Administrative Action: 33a

Description: Vision: Calgary is the city of choice for the world’s best entrepreneurs. We embrace technology to solve the world’s greatest challenges: cleaner energy, safe and secure food, efficient movement of goods and people, and better health solutions. Calgary in the New Economy: An economic strategy for Calgary is a community built and supported strategy, that was guided by the community’s business and community leaders representing a variety of industries, post-secondary institutions and municipal agencies. Insights were also gathered from community stakeholders and citizens. Calgary Economic Development stewards implementation of the strategy in collaboration with other stakeholders including Civic Partners

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| Implementation Phase: Implementation | What has happened over the past 6 months: Please refer to PFC2021-0556 for highlights from results achieved in 2020, and year to date highlights up to 2021 May. |
| Expected Implementation Date: | |

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| Current Status: On schedule | What’s next: Implementation of Calgary in the new economy continues, and further details are included in PFC2021-0556. In 2021, Calgary Economic Development is undertaking a minor refinement of the Strategy to pressure test the Strategy against current and future global trends to ensure long term shared prosperity and resilience, and better monitor and measure progress towards achieving outcomes under each pillar and the vision of the Strategy. The Strategy continues to guide The City’s work including alignment with plans and strategies including Calgary’s Greater Downtown Plan approved 2021 April 26 (PUD2021-0220). |
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| Customers: The City of Calgary; Business Owners; Jobseekers and entrepreneurs; Institutions (Post-Secondary, for example); Visitors; Meeting and event planners; Investors | Partners: CMLC, Post Secondaries, BIAs, community and business leaders, Civic Partners including Calgary Economic Development, Tourism Calgary, Platform Calgary, Calgary TELUS Convention Centre and other stakeholders |
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| Overall Risk Rating: High | Strategic Alignment: Calgary in the New Economy, Resilience Strategy, Downtown Strategy, Calgary’s Destination Strategy, Enough for All poverty reduction strategy |
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Financial Task Force Implementation Report

Provincial Engagement Plan

Led By: Corporate Governance

Related Administrative Action: 4d, 6b, 7c, 9b, 12a, 13b, 14b, 14c, 21c, 22c, 23b, 24c, 32b

Description: The Financial Task Force’s final report includes 12 recommendations whose successful implementation will depend on support from other orders of government, primarily the province, ranging from legislative or regulatory change to improved coordination and communication.

The engagement plan itself differentiates between FTF recommendations that are “advocacy ready” and those that require further research or development. In both cases, the plan proposes to enlist a combination of four different tools. Advocacy ready items will be dealt with on an accelerated timeline.

The selection of each of the different tools is based on past advocacy experience with the same or similar issues, the current intergovernmental context, and anticipated risks and opportunities.

The tools proposed are as follows: 1) aligning FTF recommendations with the Government of Alberta’s existing legislative priorities and engagement opportunities, including the ongoing Red Tape Review process; 2) enlisting FTF and other partner voices in a campaign for change, including public messaging; 3) engaging the Government of Canada in a tri-lateral conversation about municipal finance reform; 4) where opportunities exist for the Mayor and other Members of Council, sharing the aim of fiscal reform with local Members of the Legislative Assembly and Members of Parliament.

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| <p>Implementation Phase: Implementation</p> | <p>What has happened over the past 6 months: As directed in 2020 December (PFC2020-1351), a provincial engagement plan was brought to the Intergovernmental Affairs Committee in Q2 2021.</p> |
| <p>Expected Implementation Date: March 2022</p> | <p>The Intergovernmental Affairs Committee endorsed the engagement plan laid out in IGA2021-0615 to address the Financial Task Force recommendations that require cooperation or legislative change from other orders of government.</p> |
| <p>Current Status: On schedule</p> | <p>What’s next: The plan will be implemented following the timeline laid out in IGA2021-0615, returning with a progress update to IGA in Q1 2022.</p> |
| <p>Customers: N/A</p> | <p>Partners: Government of Alberta; Government of Canada; Financial Task Force and Economic Resilience Task Force members; AUMA;</p> |
| <p>Overall Risk Rating: Low</p> | <p>Strategic Alignment: A well-run city</p> |



Financial Task Force Implementation Report

Residential property taxes and utility charges survey

Led By: Financial Support

Related Administrative Action: 18a, 18b, 18c

Description: In response to Task Force recommendation 18a, Corporate Economics will continue to ask participants in the City’s Residential Property Tax Survey what the non-residential property taxes per square foot are in their municipality. Additionally, when survey participants, and other municipalities who chose not to participate in the survey, do not provide this information, Corporate Economics will use reasonable best efforts to collect this information from public sources.

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| <p>Implementation Phase: Implementation</p> | <p>What has happened over the past 6 months: Corporate Economics sent out this year's property tax survey questionnaire asking participants the added question about what the non-residential property taxes per square foot are in their municipality. So far, CE got four cities' responses including The city of Toronto. Toronto's early reply is a good progress compared to previous years. We expect the completion of report on schedule this year.</p> |
| <p>Expected Implementation Date: October 2021</p> | <p>What's next: If survey participants do not provide the new information asked, Corporate Economics will use reasonable best efforts to collect this information from public sources.</p> |
| <p>Current Status: On schedule</p> | <p>Partners: Participating municipalities</p> |
| <p>Customers: City Council, Administration leadership team, taxpayers and potential investors who want to know the competitiveness of Calgary’s property taxes</p> | <p>Strategic Alignment: Recommendations of the Task Force</p> |
| <p>Overall Risk Rating: High</p> | |



Financial Task Force Implementation Report

Restaurant/Brewery Experience Improvement Program

Led By: Executive Leadership

Related Administrative Action: 5a

Description: The Business Advisory Committee (BAC) working group had identified the restaurant and brewery industry as a key priority for BAC to address in 2020. BAC hosted three confidential meetings with representatives from the restaurant and brewery sector in 2020 July with the objective to collect their feedback on their experiences with The City.

The whiteboarding sessions resulted in BAC advising Administration to make tangible improvements for report back in Q2 2022 on:

- Customer experience: relationship between business customers and The City.
- Education & training: knowledge for a successful journey and a consistent service.
- Business licence: value articulation and modernization.

The progress of the improvement program so far has created an ideal environment to continue executing the solutions to address the issues identified by the restaurant/brewery stakeholders. Even though the focus of the work has been on the restaurant/brewery sector, the solutions being implemented will support the entire business community in Calgary.

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| Implementation Phase: Implementation | What has happened over the past 6 months: The customer journey map for the Restaurant/Brewery Experience was presented to the Business Advisory Committee and Administration was tasked with improvements to address specific gaps in the customer journey. |
| Expected Implementation Date: March 2022 | |
| Current Status: On schedule | What's next: Calgary Building Services in Planning and Development is working on these improvements to be presented back to the Business Advisory Committee in Q1, 2022. |

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| Customers: -Restaurant/Brewery industry -Impacts hotel and hospitality industry as well as other connected retail businesses. | Partners: Planning and Development Community Services Business Advisory Committee City Manager's Office Stakeholders from Restaurant/Brewery Industry |
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| Overall Risk Rating: Medium | Strategic Alignment: Council Direction – Business Advisory Committee mandate Rethink to Thrive Strategy Calgary in the New Economy (Economic Strategy) |
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| Performance Measures | Performance Story |
| | Business Experience Representative Pilot: launched end of Q1 2021 to gather appropriate customer insights on an ongoing basis. |



Financial Task Force Implementation Report

Revenue Review

Led By: Financial Support

Related Administrative Action: 22b, 24b, 21b, 1a

Description: Administration will conduct a review of all revenue sources available to The City and examine whether there are additional revenue opportunities available.

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| <p>Implementation Phase: Planning</p> | <p>What has happened over the past 6 months: Review of historical FTF work including council report (dated June 29, 2020), recommendations, and alternative revenue sources in North America.</p> |
| <p>Expected Implementation Date: March 2022</p> | <p>Review of historical FTF work completed, including the history of Calgary's tax policy, Tax Review Committee findings, recent tax/revenue developments, and provincial attitudes/approaches to taxation.</p> |
| <p>Current Status: On schedule</p> | <p>What's next: Updating recent revenue developments. Examining how revenue options may or may not interfere with the private sector. List pros and cons of any additional revenue opportunities.</p> |
| <p>Customers: Citizens / Customers of City Services</p> | <p>Partners: Enmax Calgary Parking Authority</p> |
| <p>Overall Risk Rating: Slight</p> | <p>Strategic Alignment: Long Range Financial Plan; User Fee Policy; SAVE Program</p> |



Financial Task Force Implementation Report

SAVE Program Integrated in Budget Adjustments

Led By: Executive Leadership

Related Administrative Action: 31b

Description: On 2019 November 29 (C2019-1052), during the 2020 Adjustments to One Calgary Service Plans and Budgets Strategic Meeting, Council directed SISV to inform the 2020 November budget deliberations by identifying the strategies and tactics to reduce the responsibility of taxpayers for the remainder of the One Calgary cycle, including targeting: a reduction in operating budgets of \$24 million in 2021 and \$50 million in 2022 to deliver modern and affordable municipal lines of service within our City mandate; new or improved revenue streams for the City, and ensure all current initiatives being undertaken related to savings and efficiency be wrapped into the above process going forward.

The Solutions for Achieving Value and Excellence (SAVE) program Wave 1 business cases were integrated in the Mid-Cycle Adjustment process, achieving \$26.4 million in base budget reductions in 2021.

During the Mid-Cycle Adjustments, Council directed an additional \$6M in savings through the SAVE program to replace the projected cost of a one-time 2021 residential property tax rebate with permanent reductions in 2022. This cost was amended to \$1.2M with passage of the property tax bylaw in March 2021. SAVE will bring Wave 2 and 3 business cases to the budget adjustments process in November 2021, targeting an additional \$51.2 million in base budget reductions for 2022 (a \$1.2M increase from the original \$50M).

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| Implementation Phase: Implementation | What has happened over the past 6 months: The Solutions for Achieving Value and Excellence (SAVE) program Wave 1 business cases were integrated in the Mid-Cycle Adjustment process, achieving \$26.4 million in base budget reductions in 2021. |
| Expected Implementation Date: November 2021 | The Solutions for Achieving Value and Excellence (SAVE) program Wave 1 business cases were integrated in the Mid-Cycle Adjustment process, achieving \$26.4 million in base budget reductions in 2021. |
| Current Status: On schedule | What's next: SAVE will bring Wave 2 and 3 business cases to the budget adjustments process in November 2021, targeting an additional \$51.2 million in base budget reductions for 2022 (a \$1.2M increase from the original \$50M). |
| Customers: Council and by extension citizens and businesses. | Partners: Corporate Initiatives Corporate Budget Office Various services impacted by business cases |
| Overall Risk Rating: Low | Strategic Alignment: SAVE Program Multi-Year Business Planning and Budgeting Policy (CFO004) |
| Performance Measures | Performance Story |
| | The SAVE program achieved more than expected for 2021. For 2022 SAVE is striving to achieve \$51.2 = \$50 million + \$1.2 million for the residential rebate. The original target was \$50 million. |



Financial Task Force Implementation Report

Service Plans and Budgets 2023-2026 Program Plan

Led By: Executive Leadership

Related Administrative Action: 4a, 10a, 1a, 1b, 1c, 2a, 2b, 3a, 3b, 4b, 5a, 7a, 7b, 8a, 9a, 11a, 18a, 18b, 19a, 20a, 20b, 20c, 21b, 23a, 24b, 25a, 27a, 27b

Description: Service plans and budgets serve as the foundation for understanding our service delivery, the value it provides, and how this contributes to the quality of life in our community.

The One Calgary program team has started drafting the program plan for 2023-2026 Service Plans and Budgets (SPB). The program team will focus on program coordination as a key requirement of the project plan. Coordination will create a line of sight between different segments of work, completed over several years by different groups, supporting Council and citizens to use that information to provide feedback and enable evidence-based decisions.

Key links for coordination include, but are not limited to:

- Long-Range Financial Plan
- Economic Outlook
- Revenue Review
- Assessment processes

The program team proposes to develop templates (Attachment, PowerPoint slide and 'visual cue') for use by all stakeholders bringing information to citizens, business and Council in order to link to 2023-2026 SBP. Strategic alignment between each individual report supports Council decision-making.

Both the One Calgary program team and the Financial Task Force Implementation Team will support the rollout and use templates by stakeholders.

Success of this proposal entails a program plan which contains related work being completed across the corporation (financial or service) to ensure that line of sight is achieved through focused coordination, shared understanding and alignment of financial decisions.

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| <p>Implementation Phase: Planning</p> | <p>What has happened over the past 6 months: Program plan is currently in development, including initiation of communications support.</p> |
| <p>Expected Implementation Date: April 2023</p> | <p>What's next: Program plan will be finalized, and the program will be initiated.</p> |
| <p>Customers: Citizens, businesses and Council</p> | <p>Partners: Corporate Initiatives Corporate Budget Office Infrastructure Calgary Calgary Growth Strategies Intergovernmental and Corporate Strategies Assessment Finance CFOD (Including Communications) Financial Task Force Implementation Team Corporate Economics Long-Range Financial Plan Team</p> |
| <p>Overall Risk Rating: Medium</p> | <p>Strategic Alignment: Multi-Year Business Planning and Budgeting Policy Rethink to Thrive</p> |



Financial Task Force Implementation Report

| Performance Measures | Performance Story | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--------------|--------------|------|----|---|------|----|---|------|----|---|------|----|---|------|---|----|------|---|----|------|---|----|---|
| <p>The City does a good job of providing citizens with information about how their property tax dollars are invested in various City services. (Fall Survey only) (Percent agree)</p> <table border="1"> <caption>Performance Data (Percent Agree)</caption> <thead> <tr> <th>Year</th> <th>Baseline (%)</th> <th>Forecast (%)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>60</td> <td>-</td> </tr> <tr> <td>2019</td> <td>55</td> <td>-</td> </tr> <tr> <td>2020</td> <td>56</td> <td>-</td> </tr> <tr> <td>2021</td> <td>50</td> <td>-</td> </tr> <tr> <td>2022</td> <td>-</td> <td>55</td> </tr> <tr> <td>2023</td> <td>-</td> <td>55</td> </tr> <tr> <td>2024</td> <td>-</td> <td>55</td> </tr> </tbody> </table> | Year | Baseline (%) | Forecast (%) | 2018 | 60 | - | 2019 | 55 | - | 2020 | 56 | - | 2021 | 50 | - | 2022 | - | 55 | 2023 | - | 55 | 2024 | - | 55 | <p>With these additional tools to support citizen engagement and understanding, maintaining the historical levels of satisfaction should be achievable.</p> |
| Year | Baseline (%) | Forecast (%) | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 60 | - | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 55 | - | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 56 | - | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 50 | - | | | | | | | | | | | | | | | | | | | | | | | |
| 2022 | - | 55 | | | | | | | | | | | | | | | | | | | | | | | |
| 2023 | - | 55 | | | | | | | | | | | | | | | | | | | | | | | |
| 2024 | - | 55 | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>This would be a new question to include in the Lessons Learned sessions with Council. There is no previous data to use as a baseline.</p> | | | | | | | | | | | | | | | | | | | | | | | | |



Financial Task Force Implementation Report

ShopHERE powered by Google

Led By: Executive Leadership

Related Administrative Action: 5a

Description: The City of Calgary joined the ShopHERE powered by Google program to help independent business and artists build a digital presence and minimize the economic impact of the COVID-19 pandemic.

In May 2020, Google Canada announced a one-million-dollar investment to enable Digital Main Street to expand the program to municipalities across the country, offering more businesses the opportunity to build their own online store. Because the opportunities afforded by the digital economy are still limited if people don't have the right skills, the program also helped small businesses receive the digital skills training needed to participate in the digital economy.

The City allocated funds for a pilot in September 2020 and recently launched a second phase in February 2021 utilizing funding from Western Diversification Canada. The program utilized local MBA students hired by Digital Main Street to support the digitalization of these small businesses, creating jobs for students in the process.

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| <p>Implementation Phase: Benefits Realization</p> | <p>What has happened over the past 6 months: Phase 1 (pilot) and 2 (WD funded) roll-outs of ShopHERE were successfully rolled out. For the pilot, 198 businesses applied, 157 businesses were supported (not a full site but with training, help for their site), 45+ new sites were launched and four Canadian students were employed. In Phase 2, 293 businesses applied, 184 were supported, 77+ new sites were launched and 24 Calgary students were employed.</p> |
| <p>Expected Implementation Date: March 2021</p> | |

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| <p>Current Status: On schedule</p> | <p>What's next: This project is now wrapped up, however it has led to our involvement in the work the province's Business Link is doing to create and implement a strategy to support the digitization of AB's small businesses. This program is in initial stages with several cross-province partners including Chambers of Commerce, Universities, City of Edmonton, Alberta Innovates and Digital Main Street. At this stage we have only been initially engaged but plan to support where and how possible as the strategy unfolds.</p> |
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| <p>Customers: Small businesses and artists</p> | <p>Partners: -Digital Main Street (City of Toronto/Toronto Association of Business Improvement Areas) in partnership with Google Canada -Mayor's Office -Western Diversification Canada -Information Technology, Smart Cities Lead -Intergovernmental and Corporate Strategies Lead</p> |
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| <p>Overall Risk Rating: Medium</p> | <p>Strategic Alignment: Calgary in the New Economy (Economic Strategy) Rethink to Thrive Strategy Business Sector Task Force TOR + Business Advisory TOR</p> |
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Performance Story

The pilot of the ShopHERE program roll-out saw 198 businesses apply and 157 helped online. Phase 2 has already seen almost 250 businesses apply, with these applications currently being processed.

The pilot of the ShopHERE program roll-out employed 4 Canadian MBA students to create websites paying them for three months work. Phase 2 saw 26 local Calgary MBA students hired for three months each to get businesses online.



Financial Task Force Implementation Report

Subclass Investigation

Led By: Executive Leadership

Related Administrative Action: 26b

Description: Arising from FTF Recommendation #26, Administration will review the use of non-residential subclasses to mitigate the distributional impacts of changes in assessments.

The proposed plan is as follows:

- 1) Research and discuss how subclasses may be used to mitigate tax distribution changes, including to support targeted, temporary tax relief;
- 2) Explore existing legislative subclasses;
- 3) Explore potential subclasses, including an overview of any required legislative changes;
- 4) Draft a report making recommendations as to which subclasses Administration ought to make use of and how, including an overview of required legislative changes as applicable;
- 5) Report findings to Council, requesting that they direct Administration to pursue (or not pursue) subclass implementation based on findings;
- 6) If approval received under #5, pass off report findings to ICS to advocate to the province as necessary;
- 7) If approval received under #5, draft a project scoping report including requirements and timelines for implementation.

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| Implementation Phase: Planning | What has happened over the past 6 months: N/A |
| Expected Implementation Date: September 2021 | |
| Current Status: On schedule | What's next: Resource the project, begin conducting research and begin drafting report. |
| Customers: The City of Calgary Property Owners | Partners: Assessment; Finance - Tax & Receivables; Finance - Corporate Budget Office; Special Projects (Downtown Plan, Strategy). |
| Overall Risk Rating: Low | Strategic Alignment: A well-run city |



Financial Task Force Implementation Report

Support Local YYC campaign

Led By: Executive Leadership

Related Administrative Action: 5a

Description: A city-led campaign to support local businesses maintain support throughout a pandemic and into recovery.

Our campaign centred around storytelling. We featured prominent business owners and community members; letting them weave the business-friendly and support local narrative, rather than only telling the story ourselves.

Throughout the campaign, we had to balance with COVID-19 safety messaging, telling Calgarians how to support local in a safe way.

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| <p>Implementation Phase: Benefits Realization</p> | <p>What has happened over the past 6 months: During this time period, we ran our largest influencer campaign to date with 18 prominent social media influencers posting across Instagram, TikTok, Facebook, Twitter and YouTube, funded by Western Economic Diversification. They each picked Business Improvement Areas to highlight, with creative freedom to tell a personal story about why they choose to support local and highlighting the areas in different ways. We chose a variety of influencers, showing the diversity of our city across various niches like food, shopping, new Canadians, and more. Sentiment on all posts was positive, with high engagement on several.</p> <p>In total from Feb. 15-May 6, we reached over 1.8 million impressions with over 38,000 positive reactions from citizens. We also saw 17,879 public hashtag uses of #SupportLocalYYC, showing that citizens still care about this cause and want to share it on their own channels.</p> <p>Additionally, we shared new support local stats that were researched by Corporate Economics across our channels, which performed exceptionally well. On Twitter, our first tweet reached over 100,000 impressions, 10x our benchmark for this channel.</p> |
| <p>Expected Implementation Date: July 2021</p> | |

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| <p>Current Status: On schedule</p> | <p>What's next: Moving forward, we will continue to use the campaign organically but any further paid promotions or pushes will be done building of newer projects and initiatives to ensure the hash tag stays relevant.</p> |
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| <p>Customers: Citizens Businesses</p> | <p>Partners: Calgary Economic Development Calgary Chamber of Commerce Tourism Calgary Calgary Arts Development Association Business Improvement Areas (BIAs) Mayor's Office</p> |
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| <p>Overall Risk Rating: Medium</p> | <p>Strategic Alignment: Calgary in the New Economy (Economic Strategy) Rethink to Thrive Strategy Business Sector Task Force TOR</p> |
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Performance Story



Financial Task Force Implementation Report

Outside of our channels, Calgarians embraced the message. We were the top city in Canada for the #SupportLocal hashtag on Twitter in April, according to Twitter Canada, and saw over 55,000 uses of #SupportLocalYYC over the course of the campaign. Business stakeholders have noted to us the difference it made to their sales.

The campaign (to date) has been the most successful social media awareness campaign in The City of Calgary's history. With hundreds of posts, our campaign generated over 17.2 million impressions with over 133,000 positive reactions from citizens.



Financial Task Force Implementation Report

Tax Responsibility Study

Led By: Financial Support

Related Administrative Action: 19a, 19b

Description: The purpose of this plan is to examine how to proceed with a study about the tax share between residential and non-residential taxpayers and potential solutions to tax volatility. The plan is to provide a scoping report and then proceed with the study with results available to inform tax levy discussions as part of the 2023-2026 service plan and budget cycle. The scoping report will examine whether to contract with an independent expert to conduct the study.

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| Implementation Phase: Installation | What has happened over the past 6 months: Scoping report drafted for Council review. |
| Expected Implementation Date: December 2021 | |
| Current Status: On schedule | What's next: Depending on Council direction: procure the services of an Independent Expert or Administration to research and begin drafting report with recommendations. |
| Customers: The City of Calgary Residential and Non-Residential Property Owners | Partners: Finance – Corporate Budget Office Corporate Initiatives Assessment Customer Service and Communications (CSC) |
| Overall Risk Rating: High | Strategic Alignment: A well-run city |



Financial Task Force Implementation Report

Taxation Policy

Led By: Financial Support

Related Administrative Action: 19c, 20c, 34c, 26b, 31a

Description: This implementation will draft of a formal Council policy on taxation based on the current Council decisions and Administration processes. The draft will be used as a basis for discussion with Council and Senior Management to determine any changes that are required for Council approval.

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| Implementation Phase: Planning | What has happened over the past 6 months: Initial scoping has been done. |
| Expected Implementation Date: January 2023 | |
| Current Status: On schedule | What's next: Project planning, and identification and assembly of current tax policy elements. |
| Customers: Tax payers Council Citizens | Partners: Finance Assessment Corporate Initiatives |
| Overall Risk Rating: | Strategic Alignment: Multi-Year Business Planning and Budgeting Policy for The City of Calgary CFO004 Long Range Financial Plan |



Financial Task Force Implementation Report

TIPP – Modernization

Led By: Taxation

Related Administrative Action: 25a, 25b

Description: Review Tax Instalment Payment Plan (TIPP) program. Evaluate and identify actions that could improve customer satisfaction along with increase the uptake of enrolment into the program.

Attain ways to broaden access points and simplify enrolment process. By enhancing customer interaction points, making it easier for property owners to enroll, will encourage enrolment into the program. Review potential productivity gains to redirect focus on enhanced customer service activities.

Review financial motivational incentives tied directly to the program to evaluate effectiveness of promoting enrolment within the TIPP program.

Investigate ways to effectively communicate and correspond the value and benefits of TIPP to help shape and design the program in a way that will promote the value of the program.

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|--|---|
| <p>Implementation Phase: Planning</p> | <p>What has happened over the past 6-months:</p> <ol style="list-style-type: none"> 1. Administration engage Customer Service and Communications to assist with research/stakeholder engagement. Insights will focus on perspectives, awareness, recall, barriers to use, and other perceptions of the program. This research was conducted April 2021 with report back to administration in May 2021. This research is currently being reviewed to better understand the perspectives and perceptions of TIPP. 2. Administration is gathering requirements and is currently working to build a quote for system enhancement. This will be to develop an additional intake method for citizens to apply directly for the TIPP program through calgary.ca. 3. Engagement with communications to complete a comprehensive review of the marketing campaign to increase awareness of the benefits of the TIPP program, changes to the program, as well, as to encourage an increase in enrollment. |
| <p>Expected Implementation Date: May 2022</p> | |
| <p>Current Status: On schedule</p> | <p>What's next:</p> <ol style="list-style-type: none"> 1. Administration to report back to Council Q4, with recommendations for the TIPP program and potential changes to the TIPP Bylaw 2. Continue work with communications with the review of the marketing campaign to continue to advocate the benefits of TIPP, create awareness of the program and encourage enrollment in TIPP. 3. Continue system development of the additional intake method for citizens to enroll in TIPP. |
| <p>Customers: Residential and non-residential property owners</p> | <p>Partners: Taxation Law City Clerks (TBD) IT Customer Service Finance Communications support FTF Implementation Team</p> |
| <p>Overall Risk Rating: Low</p> | <p>Strategic Alignment: Financial Task Force Recommendation</p> |



Financial Task Force Implementation Report

| Performance Measures | Performance Story | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-------------------|----------------|----------------|------|---------|---------|------|---------|---------|------|---------|---------|------|---------|---------|------|---------|---------|------|---------|---------|------|---------|---------|---|
| <p>TIPP Participation Enrolment (#)</p> <table border="1"> <caption>TIPP Participation Enrolment Data</caption> <thead> <tr> <th>Year</th> <th>Baseline (#)</th> <th>Forecast (#)</th> </tr> </thead> <tbody> <tr><td>2018</td><td>250,000</td><td>250,000</td></tr> <tr><td>2019</td><td>260,000</td><td>260,000</td></tr> <tr><td>2020</td><td>270,000</td><td>270,000</td></tr> <tr><td>2021</td><td>280,000</td><td>280,000</td></tr> <tr><td>2022</td><td>290,000</td><td>290,000</td></tr> <tr><td>2023</td><td>300,000</td><td>300,000</td></tr> <tr><td>2024</td><td>310,000</td><td>310,000</td></tr> </tbody> </table> | Year | Baseline (#) | Forecast (#) | 2018 | 250,000 | 250,000 | 2019 | 260,000 | 260,000 | 2020 | 270,000 | 270,000 | 2021 | 280,000 | 280,000 | 2022 | 290,000 | 290,000 | 2023 | 300,000 | 300,000 | 2024 | 310,000 | 310,000 | <p>Providing broader access point to enroll within the TIPP program, focus on financial benefits of the program, remove barriers to entry into the program, along with improving the customer service experience. Tracking number or properties enrolled within the TIPP program.</p> |
| Year | Baseline (#) | Forecast (#) | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 250,000 | 250,000 | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 260,000 | 260,000 | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 270,000 | 270,000 | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 280,000 | 280,000 | | | | | | | | | | | | | | | | | | | | | | | |
| 2022 | 290,000 | 290,000 | | | | | | | | | | | | | | | | | | | | | | | |
| 2023 | 300,000 | 300,000 | | | | | | | | | | | | | | | | | | | | | | | |
| 2024 | 310,000 | 310,000 | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Property Tax Revenue collected through TIPP (\$M)</p> <table border="1"> <caption>Property Tax Revenue collected through TIPP Data</caption> <thead> <tr> <th>Year</th> <th>Baseline (\$M)</th> <th>Forecast (\$M)</th> </tr> </thead> <tbody> <tr><td>2018</td><td>1.5</td><td>1.5</td></tr> <tr><td>2019</td><td>1.5</td><td>1.5</td></tr> <tr><td>2020</td><td>1.45</td><td>1.45</td></tr> <tr><td>2021</td><td>1.5</td><td>1.5</td></tr> <tr><td>2022</td><td>1.5</td><td>1.5</td></tr> <tr><td>2023</td><td>1.5</td><td>1.5</td></tr> <tr><td>2024</td><td>1.5</td><td>1.5</td></tr> </tbody> </table> | Year | Baseline (\$M) | Forecast (\$M) | 2018 | 1.5 | 1.5 | 2019 | 1.5 | 1.5 | 2020 | 1.45 | 1.45 | 2021 | 1.5 | 1.5 | 2022 | 1.5 | 1.5 | 2023 | 1.5 | 1.5 | 2024 | 1.5 | 1.5 | <p>Monitoring the property tax levy collected through TIPP. This identifies the amount of revenue collected throughout the year for The City for those property tax accounts enrolled in the TIPP program. The higher the annual amount collected from TIPP will assist with smoother cash flow and provide more revenue stability.</p> |
| Year | Baseline (\$M) | Forecast (\$M) | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 1.5 | 1.5 | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 1.5 | 1.5 | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 1.45 | 1.45 | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 1.5 | 1.5 | | | | | | | | | | | | | | | | | | | | | | | |
| 2022 | 1.5 | 1.5 | | | | | | | | | | | | | | | | | | | | | | | |
| 2023 | 1.5 | 1.5 | | | | | | | | | | | | | | | | | | | | | | | |
| 2024 | 1.5 | 1.5 | | | | | | | | | | | | | | | | | | | | | | | |



Financial Task Force Implementation Report

User Fees and Subsidies Policy Review

Led By: Executive Leadership

Related Administrative Action: 4c

Description: The User Fee and Subsidy Policy will be reviewed based on CC046 Council Policy Program by 2024. The review will have two phases: an Update of the Policy itself; and implementation of the policy through Service Plan and Budget processes.

The project plan is currently under development and the following opportunities relate to Financial Task Force and will be considered in the scope of work:

- the societal costs for services to non-residents without discouraging non- Calgaryans from increasing economic activity through their spending;
- user fee reliability which may contribute to reduced reliance on property taxes;
- clear understanding of the legal restrictions for user fees and levies;
- cost of service guidance in the implementation process; and
- link to the outcomes of the Revenue Review to determine any policy implications.

| | |
|---|--|
| Implementation Phase: Planning | What has happened over the past 6-months: The project is currently being scoped and a project resource assessment is underway. |
| Expected Implementation Date: December 2024 | |
| Current Status: On schedule | What's next: Project initiation. |

| | |
|--|---|
| Customers: Citizens and businesses, visitors (non-residents) Council, Services with User Fees | Partners: Corporate Initiatives (One Calgary/Risk/PM/Reporting) FTF Implementation Team Corporate Budget Office CFO Departmental Strategist Economic Resilience Task Force Social Wellbeing Advisory Committee Intergovernmental & Corporate Strategies (Calgary Metropolitan Regional Board (CMRB)) City Clerks (Policy Review Program) Law Service Owners Departmental Planners & User Fee teams Subject Matter Experts (Social Well-Being, Environmental, Smart Growth, Economics, costing, etc.). Communications and Engagement |
|--|---|

| | |
|---------------------------------------|--|
| Overall Risk Rating: Medium | Strategic Alignment: 1. Council and Admin Policies: Triple Bottom Line; Transparency and Accountability; Social Wellbeing; and Multi-Year Business Planning and Budgeting. 2. Long-Range Financial Plan and Economic Outlooks. 3. Policy Review Program. |
|---------------------------------------|--|



Financial Task Force Recommendations

Q2 2021 Highlights & Successes

Achieving success on the Financial Task Force recommendations is a significant effort by the whole corporation. Many have contributed their talents, knowledge and experience to assist in making sure the full benefit of the task force's recommendations can be fully leveraged for the benefit of all Calgarians. The highlights below showcase the collaborative work by teams across the organization to help strengthen The City's financial system by implementing Financial Task Force recommendations.

Improving the understanding of municipal financial circumstances

The City's Customer Service & Communications team has responded to Financial Task Force recommendations focused on enhancing the approach to ongoing communications by establishing a cohesive financial narrative that connects The City's annual financial cycle and initiatives. The narrative includes elements of service value, citizen opportunities for input, as well as continuous improvement initiatives to:

- Improve transparency about services plans and budgets, and how property tax dollars are invested, starting with clarity about the provincial and municipal split.
- Demonstrate service value by highlighting the variety of services and programs The City provides through the municipal portion of property taxes.
- Communicate initiatives underway to reduce municipal government costs, such as the Solutions for Achieving Value and Excellence (SAVE) program.



The calgary.ca/OurFinances webpage provides a central place where citizens can go to learn about City Finances and how The City is working to ensure Calgarians receive good value for their property tax dollars, including:

- A [tax calculator](#) that shows the year-over-year change in property taxes, a breakdown of how much of your property tax goes to the province, how much goes to The City, and how your City tax dollars are invested in services that make life better.
- A video series to increase awareness and understanding of the financial cycle, inputs, property assessment, taxes and investments in municipal services.

The City implemented a service value campaign from March-to-June to improve understanding of municipal finances through multi-cultural marketing and social media. The campaign includes key messages about City finances and addresses misconceptions and myths about our finances, programs, and services at calgary.ca/financial-facts.

Sustaining Calgary's superior livability outcomes while maintaining competitive property tax rates

The Financial Task Force recommended The City further develop and sustain Calgary's superior livability outcomes while having competitive residential and non-residential property taxes to achieve the goal of tax competitiveness.

The City is committed to meeting the needs of Calgarians in a fiscally responsible way to help maintain some of the lowest property tax and utility rates compared to other Canadian cities, while also sustaining high scores on livability and quality of life. These factors – livability and tax competitiveness – play a vital role in attracting skilled labour and capital investments in Calgary.

The City measures its performance relative to other Canadian cities on an ongoing basis to identify where we are doing well and where we can improve. We also monitor how we compare against international cities based on various world ranking studies throughout the year. This knowledge strengthens The City's accountability and enhances transparency. Ongoing improvements to municipal measurement and benchmarking are underway in collaboration with other cities to enhance tax competitiveness. Visit calgary.ca/compare-municipalities to learn how Calgary compares to other cities.



Financial Task Force Recommendations Q2 2021 Highlights & Successes



Working with partners to achieve progress on downtown revitalization

Calgary, as a whole, benefits from a strong downtown, as it contributes to its economic success and The City's revenues, tax base, and ability to provide services.

Organizations across Calgary, including The City through Council direction, have undertaken research and planning initiatives that seek to address the crisis level vacancy in the downtown core and respond with actions. Downtown Calgary faces the challenges of a restructuring oil industry, office space oversupply and the impacts of the COVID-19 pandemic.

Downtown recovery will take time and requires intentional commitment from government, community, business, and partners to be bold and work together. The Downtown Strategy team is leading this charge and leveraging the collective efforts of The City and its public and private sector partners. Together, they respond to the prolonged economic challenges and capitalize on opportunities to create jobs, drive economic recovery, and revitalize and transform the downtown. The team, comprised of The City of Calgary, civic partners, community partners and business improvement areas, has developed a vision, roadmap and commitment to building a thriving, future-focused downtown.

In April 2021, City Council approved the [Greater Downtown Plan](#) and an initial investment of \$200 million to support the actions outlined in the plan. This investment allows The City and its downtown partners to take bold action and make intentional investments in public spaces, support vibrant neighbourhoods, and ensure that Calgary continues to create a downtown where people want to live and work.

More recently, the province established the Calgary Office Revitalization and Expansion (CORE) Working Group, whose purpose is to make recommendations on the best path forward to fill office towers and renew the vibrancy of Calgary's downtown core. The working group will assess existing findings and recommendations, determine their feasibility, and submit a final report by September 30, 2021.

New revenue through Fleet Innovations

Fleet Services is leveraging untapped revenue potential through the expansion of the Fleet Services' Fabrication Workshop. This innovation will enable Fleet Services to increase its revenue beyond the current \$8-9 million per year by designing and manufacturing fabricated items for external parties and municipalities.

The City often uses vehicles and equipment to meet service delivery requirements. Understanding the unique service requirements of customers leads Fleet Services to source the most appropriate solution to enable service delivery. Off-the-shelf solutions are often either not available in the market or require significant modifications to meet customer needs, which drives up costs.

In collaboration with Roads, Fleet Services designed, engineered and fabricated a slip-in asphalt carrier. This innovative piece of equipment, through its slip-in design, increases the utilization of the existing fleet of dump trucks. With the design of slip-in sanders and drip tanks, one dump truck now provides three distinct services:

- snow and ice control in the winter
- street clean-up in the spring
- asphalt recycler/carrier in the summer.

All three pieces of equipment are plug-'n-play using the same control system installed on the base dump truck. In less than 30 minutes, one operator can change the equipment and make the unit ready for the next application.



The design and manufacturing of slip-in products provides an innovative cost saving solution not readily available in the market, which has captured interest from external parties and municipalities. The design creates efficiencies in service delivery, reduces fleet expense and increases fleet utilization. Marketing and selling Fleet Innovations to external organizations creates a new revenue stream for The City while maximizing the use of existing facilities and equipment.



Financial Task Force Recommendations Q2 2021 Highlights & Successes



Incentives to increase TIPP participation through January 1, 2022

The Financial Task Force recommended The City strive for a higher uptake of the tax installment payment plan (TIPP) to smooth City cashflows over time and limit the strain on resources during the tax season.

TIPP is a popular program that allows property owners to pay their property taxes monthly instead of making one payment in June. TIPP helps property owners by making budgeting easier - enabling smaller monthly payments, while avoiding a lump sum payment in June and eliminating the risk of incurring a late payment penalty for missing the deadline.

To increase the uptake and participation in TIPP, Council waived the two per cent filing fee and there is no initial payment required for taxpayers who join TIPP between January 1, 2021 and December 31, 2021. This has resulted in an uptick in participation with approximately 289,000 property tax accounts being paid through TIPP. This is the highest participation rate in Canada (approximately 60 per cent). A comprehensive marketing campaign is underway to increase awareness of the benefits of TIPP and changes to the program, as well as, to motivate even more property owners to participate in TIPP.

Leverage the “Calgary in the New Economy” strategy and align decision-making priorities

Calgary Economic Development is collaborating with The City, partners and industry to create an environment where businesses, innovation and communities can thrive. The vision is for Calgary to be the city of choice in Canada for entrepreneurs who are embracing advanced technology to solve the world’s greatest challenges: cleaner energy, safe and secure food, efficient movement of goods and people, and better health solutions. *Calgary in the New Economy* emphasizes the pillars of Talent, Innovation, Place and Business Environment, taking a holistic approach to economic diversification and growth. This includes efforts to attract investment into the downtown core. Significant progress and achievements include:



- \$2.2 million saved in business costs from The City of Calgary COVID-19 Relief Package including waived and deferred Planning & Development fees, property tax relief, Business Improvement Area tax relief, and deferral of waste, water, and recycling charges.
- Calgary was identified as a national leader in 5G readiness and preparedness, compared with peer cities in Canada, and is working with wireless service providers and other organizations to create a digital zone downtown to test and pilot new technologies.
- Calgary became the first city in North America to permit mass testing of unmanned aerial vehicles beyond line of sight.
- Calgary attracted \$353 million in venture capital investment in local companies in 2020, led by the technology sector with over 33 deals, double the amount in 2019.
- Use of The City’s online permitting services increased 43 per cent from 2019, reducing the time and effort required to apply and receive required permits to start a business.
- Calgary was one of the first locations to reopen for filming and, through close partnership with The City of Calgary in permitting projects, conducted \$90 million in film production in 2020. Calgary ranked 10th across North America as one of the 2021 Best Places to Live and Work as a moviemaker by *MovieMaker Magazine*.
- Calgary is an emerging centre for innovation in aerospace and logistics technology. YYC Calgary International Airport saw an 11 per cent increase in air cargo landings from 2019 to 2020; was one of only four airports open during COVID-19 and continued to lead the country in connecting flights (43 per cent of passengers are connecting).
- The Southern Alberta Institute of Technology announced a \$30 million investment into a School for Advanced Digital Transformation. Opportunity Calgary Investment Fund invested \$8.2 million of \$19.8 million to create a downtown Digital Transformation Tech Hub to enable building foundational competencies for digital transformation in traditional industries.
- A new study estimated Calgary’s investment in technology and services that will enable a digital transformation of business practices, products and services will be \$7.5 billion by 2022.

Visit calgaryeconomicdevelopment.com to learn more.



Financial Task Force Recommendations Q2 2021 Highlights & Successes

Engagement and advocacy with other orders of government for better fiscal tools

The external Financial Task Force members made 12 recommendations whose successful implementation depends on support from other orders of government, ranging from legislative or regulatory change to improved coordination and communication. Intergovernmental & Corporate Strategy has developed a comprehensive plan to engage other orders of government for change. Engagement on advocacy ready items has begun to:

- Improve reliance on non-property tax revenue and reduce the shortcomings of over-reliance on property tax.
- Consider differentiated taxation for businesses and organizations that make significant contributions to the fabric of the city.
- Work with the province to allow legislator's intent on the definitions for non-residential subclasses.
- Collaborate with the province to authorize tools that address service costs that arise from provincial government direction or changes.



The engagement plan will use several strategies based on past advocacy experience with the same or similar issues, the current intergovernmental context, and anticipated risks and opportunities, including:

- Aligning Financial Task Force recommendations with the Government of Alberta's existing legislative priorities and engagement opportunities, including the ongoing Red Tape Review process.
- Enlisting Financial Task Force and other partner voices in a campaign for change, including public messaging.
- Engaging the Government of Canada in a tri-lateral conversation about municipal finance reform.
- Leveraging opportunities for the Mayor and Members of Council to share the aims of fiscal reform with local Members of the Legislative Assembly and Members of Parliament.

Engagement activities will proceed through the fall and return to Intergovernmental Affairs Committee with an update and discussion of the next steps in 2021 December. For Calgarians, this plan represents an opportunity to support Calgary's economic recovery and financial resiliency with innovative solutions recommended by an expert panel. Successful reform of the fiscal framework through advocacy should have positive long-term implications for The City to finance its social and environmental obligations and priorities

Draft Multi-Year Service Planning and Budgeting Principles

Context

The importance of service planning and budgeting principles

Service plans and budgets serve as the foundation for understanding our service delivery, the value it provides, and how this contributes to the quality of life in our community. An established set of principles to guide the decision-making process over multiple four-year cycles will inform general practice across all different aspects of planning and budgeting activities. Enshrining the principles in policy will better allow the process itself to focus on the prioritization and decisions required to develop our multi-year service plans and budgets.

Response to Financial Task Force recommendations

Administration relies on many Council-approved principles throughout the service planning and budgeting process, and past practice has seen principles repeatedly approved as part of the process. This results in our longstanding principles-based approach being contained in a number of Council presentations and report attachments, limiting transparency and accountability, as there is no single comprehensive document that can be reviewed, updated and measured against. Developing more permanent service planning and budgeting principles and integrating them into policy arises as a result of a number of Financial Task Force recommendations. Several Administrative Action Items relate to the establishment of Council-approved principles for service planning and budgeting, including principles for adjusting tax rates (2a; 11a) and provide factors for consideration in the establishment of the principles (20a; 31a; 8a). They follow on from the Financial Task Force's recommendation #1 ("Apply a decision-making framework that addresses forces within the control of The City."), and are related to other recommendations, including 12 (non-residential subclass legislation), 19 (tax levy split) and 20 (c. develop clear tax policy). More detail is contained in Appendix 1, [Related Recommendations and Administration's Responses](#).

The broader decision-making framework referred to in Recommendation 1 is reflected in various existing Council and Administration policies and procedures, though the overarching framework could be better described and integrated, and potential gaps could be identified in comparison to the [OECD Principles of Budgetary Governance](#) and the Government Finance Officers Association's [Framework for Improved State and Local Budgeting](#).

Existing Council-approved service planning and budgeting principles

An overview of existing Council-approved principles

At separate points in the process of preparing the 2019-2022 One Calgary Service Plans and Budgets, Council approved [The City's Strategic Plan Principles \(PFC2018-0445\)](#) and [Principles for Setting Indicative Tax Rates \(C2018-0304\)](#). While Appendix 2 has a full list of principles that inform some aspects of the multi-year service planning and budgeting process (including the Capital Infrastructure Investment Principles), these are the current set of overarching principles. The content of these two sets of principles are outlined in Table 1.

Broadly, these principles speak to providing services that achieve citizens' priorities and Council's directives in a way that is affordable and maximizes value for services by seeking efficiencies, continuously improving and focusing on long term economic and financial goals. They reflect accountability through performance monitoring and adjustment, as well as making things easy to understand and communicate with the public. They reinforce the integrated nature of our planning and budgeting across the organization and among operating and capital expenditures.

Table 1: Current overarching multi-year service planning and budgeting principles

| Strategic Plan Principles | Indicative Tax Rate Principles |
|---|---|
| <ol style="list-style-type: none"> 1. Vision: Address citizen needs and long-term quality of life aspirations. 2. Strategy: Use a Council-driven and corporately integrated approach to planning for service delivery. 3. Value: Focus on what matters most to citizens and customers and maximize their value for city services. 4. Accountability: Monitor the value generated through services by using performance measures and reporting. 5. Continuous Improvement: Seek to improve services and processes and adjust on an ongoing basis. | <ol style="list-style-type: none"> 1. Include consideration of citizens' needs and expectations, expressed through long term goals, Council directives, and citizen engagement and research. 2. Include consideration of financial situation of taxpayers (citizen affordability). 3. Meet legislative requirements. 4. Reflect a long-term sustainable and affordable balance among enabling Calgary's maintenance, growth and service changes that meet Council approved service levels and further our resilience agenda. 5. Maintain approval of four years with opportunity to adjust annually. 6. Rationale underlying tax rate decisions should be easy to understand and communicate. 7. Base the rates upon most recent information available at the time of approval. 8. Raise the care and attention that the Administration pays to restraining expenditures and continually seeking efficiencies with a focus on service value and intentional management. |

The specific gaps addressed by this update

Harmonizing existing principles: The City's approach to service planning and budgeting is presently guided by many principles and fulfilled through many Council and Administration policies. This includes those in Council-approved documents like the *Long-Range Financial Plan*, standalone principles that Council has approved at various points in the planning and budgeting process (e.g. the Capital Infrastructure Investment Principles, The City's Strategic Plan Principles, and the Principles for Setting Indicative Tax Rates), and other policies (e.g. the *Transparency and Accountability Policy* (CC039), and the *Budget Reporting Policies* (CFO006), etc.). More information is available in Appendix 2 and Appendix 3 ([Other Council-approved principles related to planning and budgeting](#)). This update seeks to enhance these principles to ensure they are consistent.

Completing the content of Council Policy: Though Council has approved the above principles in specific contexts, the Multi-Year Business Planning and Budgeting Policy (CFO004) does not currently outline the principles that guide Administration in its preparation and adjustment of service plans and budgets, or the principles used in setting and adjusting tax rates. Those sets of principles are the focus of this work. With Council approval, these proposed principles would inform a future update to the policy.

Consistent decision-making support: [The City's Strategic Plan Principles](#) (PFC2018-0445) and [Principles for Setting Indicative Tax Rates](#) (C2018-0304) are the primary principles that guide current decision-making. These two sets of principles are overlapping and reinforcing. The former set of principles has a stronger focus on the requirements to guide City Administration when developing service plans and budgets for Council approval. The latter set of principles focus narrowly on the tax rate decision that directly informs only part of the budget. In other words, there is a difference between our overall principles when preparing and adjusting service plans and budgets and those used specifically when recommending an indicative tax rate for Council approval to guide Administration's budget preparation and adjustments. Grounding conversations throughout the multi-year service planning and budgeting process in a uniform set of principles at various decision-making points would increase long-term stability in decisions and budget outcomes.

Principles, not priorities

This proposal would put into policy the underlying principles that guide the *process* of Administration turning Council direction into multi-year service plans and budgets. Cementing these procedural guidelines beforehand is intended to allow Council to have an even more strategic focus on its priorities as the plans and budgets are created. In line with the current approach outlined in the Multi-Year Business Planning and Budgeting Policy, Council will still provide direction on its *priorities* for a four-year period and guidelines and direction to Administration throughout the process of building the plans and budgets.

Proposed Multi-Year Service Planning and Budgeting Principles

Accountable: We focus on citizens by ensuring they can meaningfully engage and participate in budgetary choices. The City's service plan and budget documents are transparent, understandable, meaningful and available to all Calgarians. We measure and report on performance and service value and make adjustments as needed to meet expectations.

Aspirational: We identify and address the needs of all Calgarians as expressed in our existing long-term plans, policies, strategies and priorities. We use the best available evidence, including medium and long-term forecasts, to create realistic multi-year service plans & budgets.

Equitable: We consider Calgarians' diverse needs, strengths and social realities, recognizing that different barriers exist for diverse individuals and groups, and delivering services in a way that all people have the opportunity to benefit equally.

Integrated: We use a cross-corporate approach to planning, managing and reporting that includes risk management and attention to the relationship between operating and capital investments, while proactively involving our partners.

Value for money: We responsibly invest public funds in City services for long-term benefits while continuously seeking efficiencies in order to maximize the value that Calgarians receive from their municipal government.

These principles should be applied throughout the multi-year service planning and budgeting process and are reflected in the prioritization and decision-making at each stage. The principles are also consistent with Administration's *Rethink to Thrive Strategy*, with strong links to its goals of financial sustainability, optimized investments, and organizational focus, among others. Some examples of the implications for the service planning and budgeting process and decision-making framework are outlined in Table 2.

Further detail on how these principles impact decisions would be part of the service planning and budgeting process, and further outlined in the taxation policy. These principles are used to guide Administration's preparation of service plans and budgets, but the precise calculation and setting of annual tax rates – including how property tax responsibility is distributed between classes – is outside the scope of the Multi-Year Business Planning and Budgeting Policy.

Table 2. Example implications within the multi-year service planning and budgeting process

| Principle | Implications on the Service Plan and Budget Process |
|-----------------|---|
| Accountable | <ul style="list-style-type: none"> • Should be informed by the opinions of all Calgarians. • Rationale underlying all revenue including tax and user fee decisions should be easy to understand and communicate. • There need to be regular public updates |
| Aspirational | <ul style="list-style-type: none"> • Priorities should be set based on measurable population indicators used in existing plans, policies and strategies. Examples of population indicators include “the percentage of waste diverted from landfills” and “the percentage of Calgarians using in each mode of transportation” • Priorities should be multi-year to allow the necessary time to direct resources and see results. • Deliver multi-year service plans and budgets with the ability to adapt through annual and mid-cycle adjustments processes. • Where possible service performance measurement should align to priorities. |
| Equitable | <ul style="list-style-type: none"> • Equity thinking will be more integrated into the service planning & budget process by using tools like the forthcoming Equity Index produced by Calgary Neighbourhoods. • Services should consider specific demographics, population groups and under-served areas of the city. • Services should consider barriers to access, inclusion and civic participation. |
| Integrated | <ul style="list-style-type: none"> • Existing plans and policies including but not limited to <i>Imagine Calgary</i>, the <i>Municipal Development Plan</i> and <i>Calgary Transportation Plan</i>, <i>White Goose Flying</i>, <i>Rethink to Thrive</i>, <i>Calgary in the New Economy</i>, the <i>Climate Resilience Strategy</i>, the <i>Social Wellbeing Policy</i> and the <i>Resilient Calgary Strategy</i> inform the preparation of the service plans and budgets. • Recognize that many services may be able to contribute to one priority. • Consider how priorities and direction apply to enabling and governance services, which help drive down costs and increase value for money. |
| Value for money | <ul style="list-style-type: none"> • The number of priorities needs to align to budgetary realities including population growth and inflation and the long-term need for investment. • Should consider the financial situations of all Calgarians. • Understand The City’s competitive position, including the effect of changes on stakeholder decisions. • Include the impact of growth in the city and ensure a sustainable financial balance with existing services. • Balance the stability and predictability of service levels and the stability and predictability of property taxes and user fees. |

Appendix 1. Related Recommendations and Administration's Responses

Recommendation #2:

Develop and sustain the credibility of the decision-making process by:

- Committing to a principles-based process for adjusting municipal property taxes with strong accountability and ownership.
- Delivering analysis, in everyday language, of the upcoming year's property tax challenges ahead of the tax rate decisions for adequate reflection.
- Communicate, using standardized terms, the evolution of drivers of change and their fiscal impact before decision-making.

Recommendation #11:

Use globally accepted guiding principles that generate a well-functioning property taxation decision-making process to secure a property taxation mandate from Council that captures Council's taxation priorities initially by 2020 Q4 and on an annual basis after that.

- The principles should align with those for a sound property assessment and taxation system.
- The annual mandate would provide clarity to Administration on the expectations for property tax options for Council consideration.

The mandate would draw the link between the range of services, service levels and generally accepted principles for an effective taxation system.

Administration's responses:

Agree. As part of the business planning and budgeting process, The City outlines principles that guide decision making. The One Calgary Service Plans and Budgets outlined five principles that formed the basis for the service plans and budgets. However, these are not contained in Council approval.

The principle of Value includes consideration of affordability; however, it does not speak directly to property taxes. Council has approved capital infrastructure investment principles that guide decision making for capital investment. The analysis of property tax challenges, including drivers of change, is provided to Council as part of the indicative rates discussion early in the budget preparation process. However, communication in the planning stages tends to focus more on the reports and presentations to Council, with communication to citizens focused more after Council's decisions, including online and through social media.

There is an opportunity to create a more permanent set of principles around service planning and budgeting, and specifically highlight principles for setting tax rates. There is an opportunity to implement a more robust, performance-driven, strategic planning system to prioritize service level decisions. There is also an opportunity to focus more on clear, plain-language communication to citizens at every stage in the process, before decision making.

2a/11a. Administration will review the feasibility of establishing permanent Council approved principles before the beginning of the next planning and budgeting cycle.

Recommendation #20:

Calgary residential and non-residential taxpayers need to rely on stable property tax payments with low and predictable changes over time.

- Change the approach from determining the level of services before finding the tax dollars because it runs the risk of creating volatility.
- Reduce the risk of volatility by determining maximum revenue growth and then finetuning the level of service to meet the restricted revenue growth.
- Recognize that some thin-tail risk events, such as the COVID-19 pandemic, that would be challenging to accommodate.

Administration's response:

Agree – with potential modifications. Individual volatility can occur due to market-driven, redistributive forces within the assessment processes. Recommendations 12 and 19 are meant to address assessment-driven individual taxpayer volatility. In terms of tax-supported operating budget volatility, this appears to conform to The City's current approach, whereby Council provides an indicative tax rate at the outset of the process. The service planning and budgeting process includes a review of the financial projections and confirmation of the indicative tax rate before determining allocation to service levels. Furthermore, the property tax is determined after growth in other revenue sources is considered. Service levels are then identified within the ceiling of the indicative tax rates.

There is an opportunity to create more stability by establishing a permanent set of principles identified in Recommendations 2 & 11. **There is also an opportunity** to improve stability through the City policy resulting from Recommendations 12 & 19.

20a. Administration will include stability and predictability as a consideration in developing the principles, recognizing this must be balanced with the need for stability and predictability for services that citizens need.

Recommendation #31:

Adjust the taxation policy and its implementation to balance the level of service and taxation level in favour of long-term stability in taxes over stable services:

- Build flexibility to service delivery – plan for differentiated operational flexibility of service level provision, not the elimination of services that Calgarians have come to rely on, to allow adjustments to the costs to deliver services promptly. For example, adjusting the frequency of garbage collection to accommodate financial circumstances. It would be beneficial to:
 - Underlie the analysis that would inform decisions with a triple bottom line review of impacts to avoid defunding vulnerable groups or generating unintended consequences.
 - Outline and communicate the options available for consideration and the rationale for the Council decisions.

- Adjust to Taxpayer Preferences – Recent survey data, following the downtown tax shift, suggested that Calgary taxpayers are more tolerant of volatility in the level and breadth of services than tax volatility. Conduct additional survey analysis to verify the findings and update taxation policy as required to adjust by leveraging the flexibility built into service delivery.
- Exception for New Services – Recognize better acceptance of increases in taxes whenever new services or service improvements occur that lead to the increases.
- Private Sector Support – Adjustment to services in constrained environments should include contracting out services wherever possible. It would consist of a business case that confirms that cost savings would materialize – prioritizing the local business community where it makes the most sense. Consider adding the cost of administering the contracts (i.e. contract administration) as an administration fee.
- Municipal Finance Communication – Intensify communication on the link between taxes paid and services received. Recognize that many taxpayers have a tax input-to- service output view of municipal finances.
- SAVE Program Review – Embrace the findings from the detailed review of the balance of spending activities relative to existing taxation authority already underway.

Administration's response:

Administration proposed the following modifications. In the discussions, the Financial Task Force members recognized this could have a profound impact on service levels that Calgarians need and rely on, and could result in unintended consequences. The proposal from the Task Force would mean to achieve long term tax stability. Service delivery would be flexible, a concept such as temporary changes in service to maintain tax rate stability. The Task Force was concerned that necessary services for vulnerable populations could be at risk. In addition, approximately two-thirds of the tax-supported budget supports public safety and transportation services. Further research would need to be conducted to understand long term policy implications where surveys may indicate that taxpayer preferences may change from year to year. Administration believes the stability and certainty that is the goal of this recommendation can be achieved through Recommendations 2, 3 and 11. As noted in the response to Recommendation 20, the adjustment of service levels to affordability, as indicated by Council decisions, is a prominent step in developing service plans and budgets. The SAVE program was identified as a critical initiative and has continued to focus on increasing efficiencies and reducing costs, not limited to some of the concepts presented above. There may be circumstances that prevent preferences for tax stability over service stability. In that case, Council would be provided with evidence to make that decision. In addition, the recognition of tax increases for new services or service improvements assists in the development of policy.

There is an opportunity to include these factors in the principles developed in 2 (a) & (b).

31a. Administration will consider these factors in the development of principles in 2 (a) and 11 (a).

Recommendation #8:

Leverage Calgary's economic strategy –“Calgary in the New Economy.” Align decision-making priorities with the strategy.

- Focus activities on the four pillars of the strategy that involve making Calgary the destination for talent in Canada, the leading business-to-business (B2B) innovation ecosystem, the most livable city in Canada, and the most business-friendly city in Canada.
- Establish Calgary as a centre of excellence where businesses build the future. As a centre of excellence for energy, communicate specific initiatives that demonstrate long-term efforts at diversifying, including a sustainable energy sector and oil and gas industry. It should include tracking performance metrics, such as ESG scores, to demonstrate progress.
- As a centre of excellence for the digital economy, target initiatives addressing adaptable talent, digital governance and innovation, and corporate social responsibility.

Administration's response:

Agree. Administration supports the economic strategy and agrees that activities should align with the strategy. The City is committed to working with Calgary Economic Development and other partners and inleading initiatives such as the Downtown Strategy that directly align with the strategy. All four pillars of the economic strategy are vital to Calgary's success.

Administration is continually working towards being the most business-friendly city in Canada. We are strengthening our relationship with the business community. For example, during the COVID-19 response, The City collaborated with businesses by equipping them with resources and information to strengthen their resilience. Other efforts include improving our services and processes to attract, retain and support business opportunities. The City opened civic infrastructure (physical, digital and data) to the community to position Calgary as an innovation ecosystem, puts the customer first and adopts a “business-friendly” lens for City processes and initiatives.

There is an opportunity to explicitly align the principles underlying the service planning and budgeting process with the economic strategy, and include the impact of services on live ability and talent attraction in decision making. There is an opportunity to leverage aspects of The City's operations, such as The City's commitment to sustainable energy and being a centre of excellence for energy through focused communications. Administration will build on work to incorporate the economic strategy as an important consideration in developing and communicating the service plans and budgets.

8a. Administration includes the economic strategy as an input into developing strategic plan principles in 2(a).

Appendix 2. Overarching Council-approved principles related to planning and budgeting

The City's Strategic Plan Principles (2018)

In the process of preparing the last 4-year plan, at the 2018 April 23 Regular Meeting of Council ([PFC2018-0445](#)), "[The City's Strategic Plan Principles](#)" were approved:

1. Vision: Address citizen needs and long-term quality of life aspirations.
2. Strategy: Use a Council-driven and corporately integrated approach to planning for service delivery.
3. Value: Focus on what matters most to citizens and customers and maximise their value for city services.
4. Accountability: Monitor the value generated through services by using performance measures and reporting.
5. Continuous Improvement: Seek to improve services and processes and adjust on an ongoing basis.

Principles for Setting Indicative Tax Rates

Council has also approved principles for setting indicative tax rates (initially in C2011-31), which were updated at the 2018 March 21 Strategic Meeting of Council ([C2018-0304](#)), [Attachment 3](#) "Principles for Setting Indicative Tax Rates":

1. Include consideration of citizens' needs and expectations, expressed through long term goals, Council directives, and citizen engagement and research.
2. Include consideration of financial situation of taxpayers (citizen affordability).
3. Meet legislative requirements.
4. Reflect a long-term sustainable and affordable balance among enabling Calgary's maintenance, growth and service changes that meet Council approved service levels and further our resilience agenda.
5. Maintain approval of four years with opportunity to adjust annually.
6. Rationale underlying tax rate decisions should be easy to understand and communicate.
7. Base the rates upon most recent information available at the time of approval.
8. Raise the care and attention that the Administration pays to restraining expenditures and continually seeking efficiencies with a focus on service value and intentional management.

Appendix 3. Other Council-approved principles related to planning and budgeting

I Capital Infrastructure Investment Principles

On 2015 November 25, the Capital Infrastructure Investment Strategy was approved by Council (C2015-0855) and on 2017 March 6, Council directed that Infrastructure Calgary update this strategy as part of the capital planning for the 2018 budget process (C2017-0214).

On 2018 March 21 (C2018-0304), Council approved the Capital Infrastructure Investment Strategy. Council renamed this document the Capital Infrastructure Investment Principles.

These are the approved Capital Infrastructure Investment Principles, also last updated at the 2018 March 21 Strategic Meeting of Council ([C2018-0304](#)), [Attachment 4](#):

1. Support the delivery of City of Calgary services, at approved service levels
2. Promote the well-being of communities, environment, and economy
3. Build an adaptable, resilient and smart city
4. Enhance the long-term value of City assets
5. Integrate, coordinate and optimize The City's investment
6. Optimize financing and funding sources

II Long-Range Financial Plan Strategies and Tactics

The Long-Range Financial Plan identifies sustainability and resilience as its overarching goal, supported by five main financial strategies:

1. Flexibility
2. Efficiency
3. Sufficiency
4. Risk Management
5. Credibility

And the Long-Range Financial Plan also has 8 tactics:

1. Ensure adequate funding
2. Achieving diverse sources of funding
3. Managing expenditures
4. Providing for contingencies
5. Using debt strategically
6. Operating with prudent foresight
7. Maintaining sufficient cash flow
8. Strengthening resilience

III Guiding Principles for the \$60M permanent operating budget reductions

At the [2019 June 10 Special Meeting of Council re: 2019 Budget Strategies](#) Council directed through a motion arising:

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

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

V Multi-Year Business Planning and Budgeting Policy (CFO004)

The opportunities for Council to confirm or change the principles listed above have historically occurred throughout the process detailed in section 5:

Multi-Year Planning and Budgeting Approach

Operating and Capital Budgets, Business Plans:

- a. The Administration prepares long-term forecasts as background information to Council's preparation of guidelines for four-year business plans and operating and capital budgets.*
- b. Council prepares a statement of its priorities for a four-year period and provides budget guidelines to the Administration that frame the preparation of four-year business plans and corresponding budgets.*
- c. The Administration prepares business plans that reflect Council's priorities and guidelines, and which are achievable within the limits of the approved budget guidelines.*
- d. Council approves those business plans, including measures of performance.*
- e. Based on the approved business plans, the Administration prepares detailed proposed four-year operating and capital budgets for Council approval.*
- f. The budget includes four years of property tax rates, utility rates and user fees, as well as changes to those rates and fees.*
- g. The capital budget continues to include a five-year plan.*