

Property Assessment

Led by: Director of Assessment & Tax

Service Description

The Property Assessment service prepares market value property assessments annually as a mechanism to fairly and equitably allocate municipal and provincial property taxes. These taxes are used to fund the provision of public services. Provincial legislation largely directs our service's activities which, while broad and complex, can be summarized as preparing, collaborating on, and explaining property assessments.

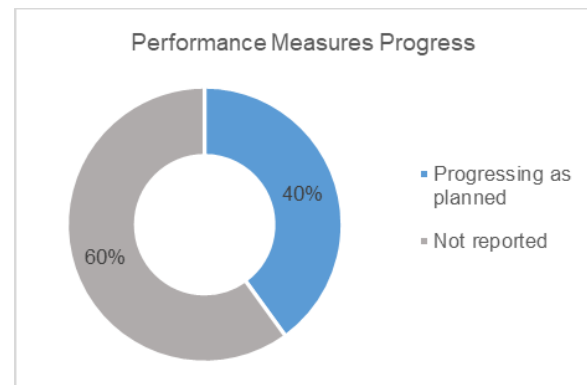
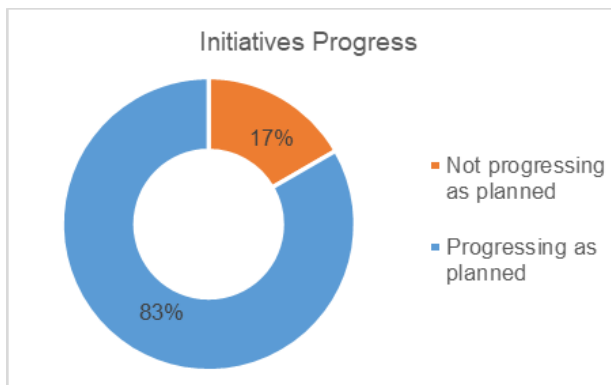
Service Updates

Key service results

The Property Assessment service's key service results for 2024 were:

- Customers made 4,562 phone inquiries throughout the 2024 Customer Review Period (CRP), down from 6,330 in 2023. CRP surveys of customers showed a 78 per cent customer satisfaction score in 2024, down from 80 per cent in 2023.
- Property Assessment extensively engaged with multi-residential and non-residential property owners regarding their 2024 property assessments which contributed to only about 13 per cent of total tax revenue being under complaint and 99.5 per cent of the total number of properties not having a complaint filed in 2024. This was due to the great work done during Pre-Roll Consultation to arrive at an all-time high of 3,281 total 2024 agreements for a total of approximately 34.2 billion in 2024 taxable property assessed value.
- The Assessment & Tax business unit successfully applied to the "Equity in Service Delivery Fund to undertake the ProperTEA (Tax Equity Assessment) project. This project is a partnership with the University of Calgary and explores issues of equity in The City of Calgary's residential property assessment and tax system and develops targeted and operational refinements.

Progress summary



Risk(s) impacting the progress

Unforeseen property market shifts within an assessment class.
Reduction in public confidence and Property Assessment's reputation with customers.
Business Improvement Areas not being managed appropriately.



Measuring Our Performance

Legend

— Actuals

■ Expected Future Performance

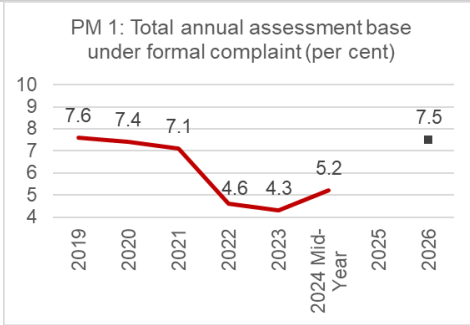
➔ Progressing as planned

⊖ Not progressing as planned

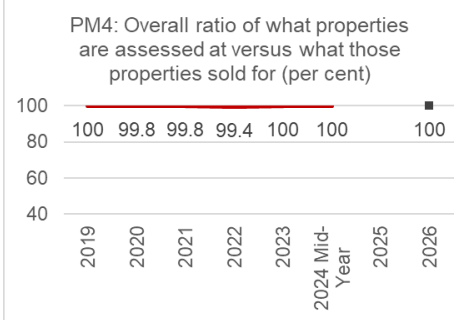
Performance Measures

Story behind the numbers

Status



This performance measure had been steadily rising until a significant effort to turn the curve was made in 2018 leading to 2024 having some of the lowest results since moving to market value assessments in 1999. This significant turn has been primarily due to increased collaboration with non-residential property owners and their agents before property assessments are finalized and has resulted in decreased financial risk for The City.



This is the most fundamental performance measure to evaluate the quality of the property assessment roll. Commonly called the "Assessment to Sale Ratio", anything close to 100 per cent means that, on average, properties are selling for close to what they are assessed at. Performance measure results have stayed around 100 per cent for many years due to Property Assessment's continued focus on meeting and exceeding legislated standards.



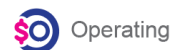


Progress on Service Delivery












PROGRESS STATUS







FUNDING TYPE



Initiative 1		Impact Area: City-wide	Funding Type:
Meet and exceed all legislated requirements and industry standards by preparing fair and equitable property assessments for all Calgary properties.			
UPDATE 	The 2024 property assessment roll consisted of over 581,000 accounts and approximately \$387B in assessed value. Despite a 2.5 per cent increase in accounts, all required quality standards were met or exceeded.		
Initiative 2		Impact Area: City-wide	Funding Type:
Improve the customer experience by focusing on improving Calgarian's understanding and providing more online services and self-service options.			
UPDATE 	Customers made 4,562 phone inquiries throughout the 2024 Customer Review Period (CRP), down from 6,330 in 2023. CRP surveys of customers showed a 78 per cent customer satisfaction score in 2024, down from 80 per cent in 2023. Team members also resolved 73 per cent of inquiries on the first phone call, down from 78 per cent in 2023, and had a recommend to contact score of 69, down from 75 in 2023, which measures a customer's willingness to recommend Property Assessment services to a friend. The biggest reason for lower results in 2024 was a, now resolved, problem issuing access codes.		
Initiative 3		Impact Area: City-wide	Funding Type:
Manage The City's financial risk and improve relationships with Calgarians by actively collaborating with property owners and agents regarding their property assessments.			
UPDATE 	Property Assessment extensively engaged with multi-residential and non-residential property owners regarding their 2024 property assessments which contributed to only about 13 per cent of total tax revenue being under complaint. This was one of the lowest proportions since tracking began and down from the 2008 high of 47.9 per cent. This was due to the great work done during Pre-Roll Consultation to arrive at an all-time high number and value of agreements with non-residential property owners. Overall, 99.5 per cent of the total number of properties did not have a complaint filed in 2024.		
Initiative 4		Impact Area: City-wide	Funding Type:
Maintain equity for all property owners by listening, reviewing, understanding any complaints, and working to collaboratively resolve any Calgarian's concern by exchange of information, amended notice, and if necessary, by explaining our assessments before the Assessment Review Board.			
UPDATE 	Property Assessment again increased its collaboration efforts to all-time highs securing 3,281 total 2024 agreements for a total of approximately 34.2 billion in 2024 taxable property assessed value. This represents about 10 per cent of the 2024 taxable property assessment base with signed agreements in place which ensures tax revenue stability and security for The City.		
Initiative 5		Impact Area: City-wide	Funding Type:
Ensure exemption legislation is correctly interpreted and applied by managing the taxable and non-taxable status of properties.			

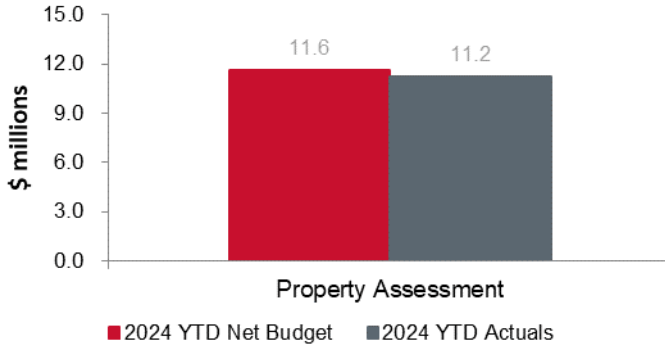
UPDATE 	In 2024, 32.9 per cent of the non-residential assessment base was exempt from taxation which is a decrease from 33.9 per cent in 2023. Assessment & Tax is advocating for improvements to the Community Organization Property Tax Exemption Regulation (COPTER) to improve the overall exemptions process. The business unit is also currently partnering with the Elevate Calgary team to review and propose enhancements to the current intake, data management, customer interaction processes and structure of property tax exemption in The City.	
Initiative 6	Impact Area: City-wide	Funding Type: 
Better serve Council and Calgarians by smoothly transitioning the Property Assessment and Taxation services into the Assessment & Tax business unit.		
UPDATE 	The merge of the Property Assessment and Taxation services into the Assessment & Tax business unit was successfully implemented and now there are a number of projects that have been completed or are in progress to optimize the new business unit. These projects include improving property assessment notices; integrating Property Assessment and Taxation tools and customer service, products, and processes; determining the ideal future workplace; renovating workspaces; realigning information storage; and moving a considerable number of staff to new workspaces.	
Initiative 7	Impact Area: City-wide	Funding Type: 
Make the Property Assessment service a more attractive long-term career choice by focusing on staff attraction, development, and retention.		
	Property Assessment only has access to a small pool of qualified staff and the 2023 overall turnover for the Assessment & Tax business unit is currently at 2.3 per cent for core employees. In 2018, Calgary had the lowest percentage of appraisal staff accredited in Canada at 14 per cent. Efforts to address this resulted in getting this all the way up to 47.8 per cent and now, due to some staff transition, Calgary sits at 34.1 per cent. In 2023, a "Transforming Learning" strategy was launched, which is aimed at improving all aspects of staff development, attraction, and retention.	
Initiative 8	Impact Area: City-wide	Funding Type:  
Pursue future efficiency and effectiveness gains by continuously investing in technology and process improvements.		
UPDATE 	The CIAO+ Program will replace Property Assessment's core valuation software with a new vendor supported software solution. This Program is the primary capital priority for Property Assessment and represents a large investment of resources. The Program has experienced vendor delivery delays which will affect the go-live date of the new software. The go-live date has moved into year-end 2025. Development and configuration of the new solution continues, but thorough system and user testing is scheduled for July 2024 through June 2025.	
Initiative 9	Impact Area: City-wide	Funding Type: 
Support evidence-based decision-making across The City and the industry by providing property assessment information to internal and external data requesters for such issues as downtown revitalization, affordable housing, etc.		
UPDATE 	As part of the 2023-2026 service plans and budgets process, the Property Assessment service received additional funding to hire new staff. Those new staff have been hired and a part of their focus is on providing taxation information to external and internal data requesters to support priorities like the Downtown Strategy, Housing Strategy, and Citywide Growth Strategy.	
Initiative 10	Impact Area: City-wide	Funding Type: 
Address the climate emergency by reducing Property Assessment's carbon footprint using both technological and process related tools.		
UPDATE Not progressing as planned	Property Assessment implemented a contest to incentivize more property owners to use eNotices rather than have their property assessments mailed. As of 2024 June 30, around 65,000 property owners have signed up to receive an eNotice which is up approximately 12 per cent since the start of the year. This eNotice usage increase along with conducting many Assessment Review Board hearings via videoconference, reducing mailing/printing, moving more services online, and staff working primarily with a telework agreement all contributed to an unmeasured reduction in The City's carbon footprint.	

Initiative 11	Impact Area: City-wide	Funding Type: 
Advance equity efforts at The City by making decisions after first considering all Equity, Diversity, Inclusion, & Belonging implications.		
UPDATE 	After successfully applying to the "Equity in Service Delivery Fund" the Assessment & Tax business unit has \$70,000 to undertake the ProperTEA (Tax Equity Assessment) project which will conclude in 2024. This project is a partnership with the University of Calgary Department of Economics' research group. It explores issues of equity in The City of Calgary's residential property assessment and tax system and develops targeted and operational refinements to better meet the needs of diverse Calgarians and to support greater equity.	
Initiative 12	Impact Area: City-wide	Funding Type: 
Increase resilience and consider how best to operate in a future that is increasingly volatile, uncertain, complex, and ambiguous by proactively preparing for unexpected challenges.		
UPDATE 	The Assessment & Tax Business Continuity Plan, Labour Action Business Continuity Plan, and the entire internal business planning & reporting process are in the process of being completely rewritten to reflect the changes made as part of the Organization Realignment and bring things up to industry best practices. Reporting has begun on the first ever multi-year Assessment & Tax Strategic Plan and operational planning and reporting improvements are currently underway.	



Service Updates on Financial Performance

Net Operating Budget and Actuals as of June 30, 2024



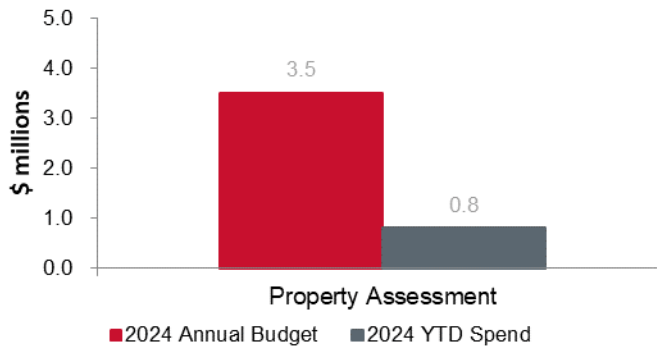
Operating Budget Updates - 2024 YTD net operating budget vs actuals:

Property Assessment has a favourable operating variance of \$0.4 million. The main reason that has contributed to the variance is savings in salary and wages from intentional management of the workforce.

As of June 2024, Property Assessment:

- Mailed a high-quality property assessment roll to over 581,000 accounts.
- Had 28 per cent fewer customer inquiries during the 2024 Customer Review Period.
- Saw only 13 per cent of total property tax revenue and 0.5 per cent of total properties under complaint.
- Made exceptional progress on validating sale transactions after being behind due to high volume in 2023.
- Automated access code retrieval.

Capital Budget and Spend as of June 30, 2024



Capital Budget Updates - 2024 total capital budget vs 2024 YTD spend:

Property Assessment has spent 22.9 per cent of the 2024 approved capital budget.

In 2024, the capital expenditures have been used to deliver progress towards one main capital priority. The CIAO+ Program will replace Property Assessment's core valuation software with a new vendor supported software solution. This Program is the primary capital priority for Property Assessment and represents a large investment of resources. The Program has experienced vendor delivery delays which will affect the go-live date of the new software. The go-live date has moved into year-end 2025. Development and configuration of the new solution continues, but thorough system and user testing is scheduled for July 2024 through June 2025.