

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

Highlights

The Property Assessment service's success highlights for the first six months of 2023 were:

- Extensive engagement with property owners regarding their 2023 property assessments contributed to securing an all-time high of 3,141 agreements for a total of approximately 36.8 billion in 2023 taxable property assessed value. This up-front work led to some of the lowest complaint numbers (2,048) since 1999 when market value assessments were first introduced and 99.6 per cent of properties did not file a complaint.
 - The 2023 property assessment roll consisted of over 567,000 accounts and approximately \$352 billion in assessed value. Despite a 1.5 per cent increase in accounts, all required quality standards were met or exceeded.
 - Customers made approximately 6,331 phone inquiries throughout the 2023 Customer Review Period up from 3,925 in 2022. Surveys of customers showed an 80 per cent customer satisfaction score in 2023 up from 78 per cent in 2022.
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Challenges

The Property Assessment service's top challenges faced for the first six months of 2023 were:

- The Organization Realignment merged the Property Assessment and Taxation services into the Assessment & Tax business unit in 2022. This has been a positive change overall, but optimization of that merge is resource intensive and continues in 2023 via projects such as integrating Taxation and Property Assessment tools, products and processes; determining the ideal future workplace; renovating workspaces; realigning information storage; and moving a considerable number of staff to a new workspace.
- The CIAO+ (Calgary Integrated Assessment Office) Program has had continued vendor resource challenges which, if not remedied, may lead to the go-live date of this program being extended. CIAO+ will replace Property Assessment's core valuation software, is the primary capital priority, has a target of being completed by the end of 2024, and is having a recovery plan be created to get back on track.



Measuring Our Performance

Legend

— Actuals

■ Expected Future Performance

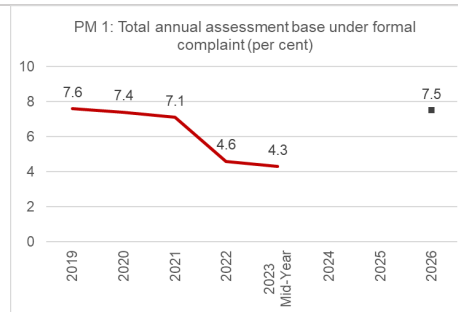
➡ Progressing as planned

⬅ Not progressing as planned

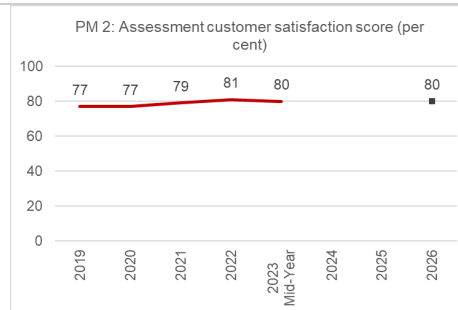
Performance Measures

Story behind the numbers

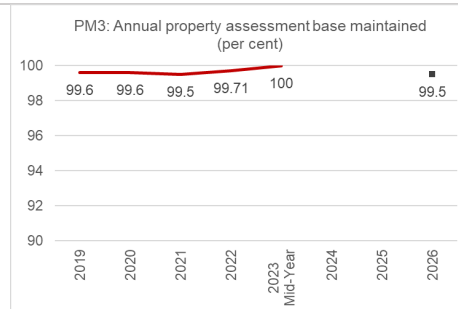
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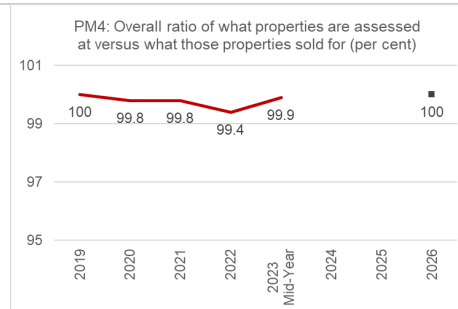
This performance measure had been steadily rising until a significant effort to reverse this trend was made in 2018 leading to 2023 having the lowest result since moving to market value assessments in 1999. This significant turn has been primarily due to increased collaboration with non-residential property owners and their agents before property assessments are finalized and has resulted in decreased financial risk for The City.



Property Assessment conducts a transactional customer satisfaction survey any time a customer who has called in agrees to undertake one. Historically, results had generally stayed over a very healthy 80 per cent but fell below this target in 2018-2021. Efforts to reverse the trend and move back towards the historical 80 per cent level using a combination of organizational/culture change, process/systems improvement, and staff training have been successful in 2022 and so far in 2023.



This performance measure is how Property Assessment measures the overall effectiveness of all parts of its operations. Commonly called "Roll Stability", results that move too far below 100 per cent erode The City of Calgary's ability to rely on the sizeable and stable property tax base to fund services. Due to wide-reaching internal and external initiatives, recent results have been the best results achieved since moving to market value assessments in 1999 and, while early, initial results in 2023 look to be even better.



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.



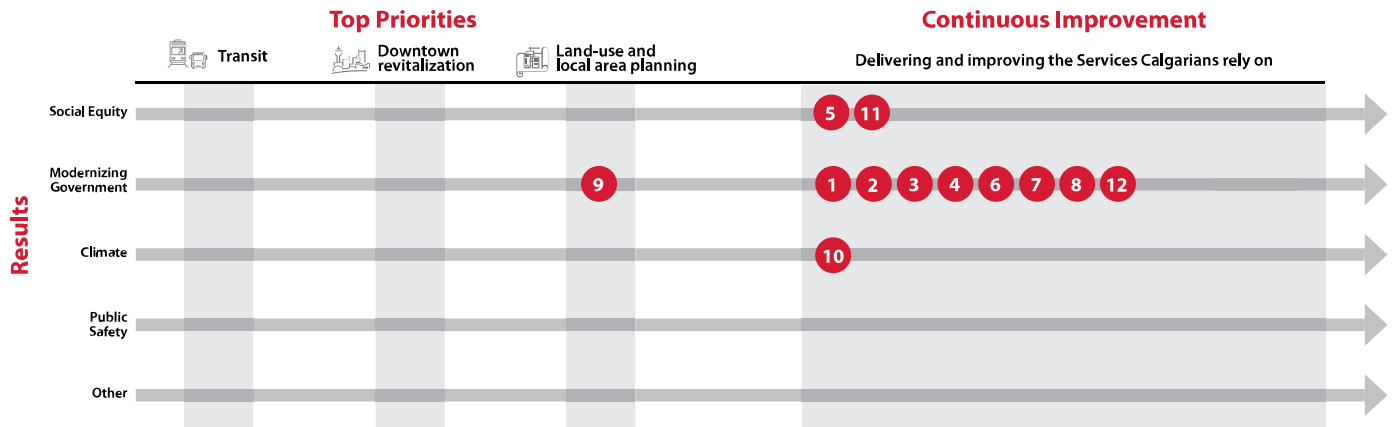
Note: Not all performance measures were reported on for this report. To see the 2022 data for performance measures, please visit [Service plans and budgets \(calgary.ca\)](https://www.calgary.ca/service-plans-and-budgets). Additional measures that will be included in the 2023 year-end performance report include:

PM 5: Service cost per property assessment account (dollars)



Progress on Service Delivery

Alignment with Council Refined Priorities and Result Areas



Legend



Completed



Progressing as planned









Not progressing as planned



Initiative number

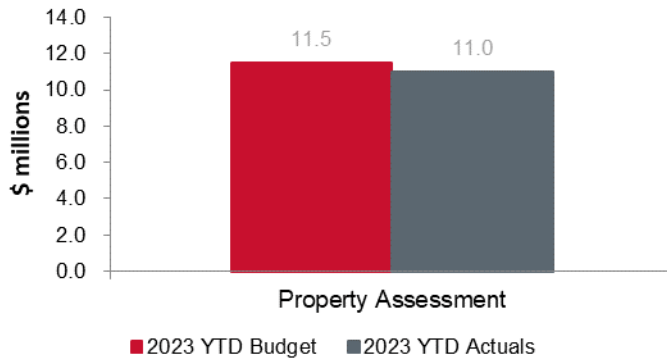
Initiative	Initiative Update	Status
1 Meet and exceed all legislated requirements and industry standards by preparing fair and equitable property assessments for all Calgary properties.	The 2023 property assessment roll consisted of over 567,000 accounts and approximately \$352 billion in assessed value. Despite a 1.5 per cent increase in accounts, all required quality standards were met or exceeded.	
2 Improve the customer experience by focusing on improving Calgarian's understanding and providing more online services and self-service options.	Customers made approximately 6,331 phone inquiries throughout the 2023 Customer Review Period up from 3,925 in 2022. Surveys of customers showed an 80 per cent customer satisfaction score in 2023 up from 78 per cent in 2022 with team members resolving 78 per cent of inquiries on the first phone call.	
3 Manage The City's financial risk and improve relationships with Calgarians by actively collaborating with property owners and agents regarding their property assessments.	Property Assessment extensively engaged with non-residential property owners of their 2023 property assessments which contributed some of the lowest complaint numbers (2,048) since 1999 when market value assessments were first introduced. 99.6 per cent of properties did not file a complaint.	
4 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.	Property Assessment again increased its collaboration efforts to all-time highs securing 3,141 total 2023 agreements for a total of approximately 36.8 billion in 2023 taxable property assessed value. After removing Multi-Residential from the above numbers, this represents about 54.5 per cent of the 2023 non-residential taxable property assessment base with signed agreements in place which ensures tax revenue stability and security for The City.	
5 Ensure exemption legislation is correctly interpreted and applied by managing the taxable and non-taxable status of properties.	Property Assessment's property tax exemption processing times stayed below 2023 targets 75 per cent of the year to date.	
6 Better serve Council and Calgarians by smoothly transitioning the Property Assessment and Taxation services into the Assessment & Tax business unit.	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 in progress to optimize the new business unit. These projects include integrating Taxation and Property Assessment tools, products, and processes; determining the ideal future workplace; renovating workspaces; realigning information storage; and moving a considerable number of staff to a new workspace.	

Initiative	Initiative Update	Status
7 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 overall turnover for the Assessment & Tax business unit is currently at three per cent year-to-date to the end of June 2023 for core employees. In 2018, Calgary had the lowest percentage of appraisal staff accredited in Canada at 14 per cent. Efforts to address this continue and Calgary now sits at 47.8 per cent. Creating a Learning Strategy is a 2023-2026 priority which is currently active and is aimed at improving all aspects of staff development.	
8 Pursue future efficiency and effectiveness gains by continuously investing in technology and process improvements.	Considerable progress was made on the Calgary Integrated Assessment Office+ (CIAO+) Program despite continued vendor resource challenges which, if not remedied, may lead to the go-live date of this program being extended. This program will replace Property Assessment's core valuation software and is the primary capital priority for Property Assessment. The CIAO+ Program has a target of being completed by the end of 2024, and a recovery plan is being created to get the vendor back on track.	
9 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.	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 for 2023 have been hired and a part of their focus is on providing property assessment information to internal and external data requesters.	
10 Address the climate emergency by reducing Property Assessment's carbon footprint using both technological and process related tools.	Property Assessment increased efforts to have more property owners use eNotices rather than have their property assessments mailed. As of 2023 June 30, over 58,000 property owners have signed up to receive an eNotice which is up approximately 12 per cent since this time last year. This eNotice participation rate increase along with conducting many Assessment Review Board hearings via videoconference, reducing mailing/printing, and staff working primarily with a telework agreement have all contributed towards reducing The City of Calgary's carbon footprint.	
11 Advance equity efforts at The City by making decisions after first considering all Equity, Diversity, Inclusion, & Belonging implications.	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 is expected to conclude by 2024 May 31. This project will see a partnership with the University of Calgary Department of Economics' research group. It will explore issues of equity in The City of Calgary's residential property assessment and tax system and develop targeted and operational refinements to better meet the needs of diverse Calgarians and to support greater equity.	
12 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.	The Assessment & Tax 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.	



Service Updates on Financial Performance

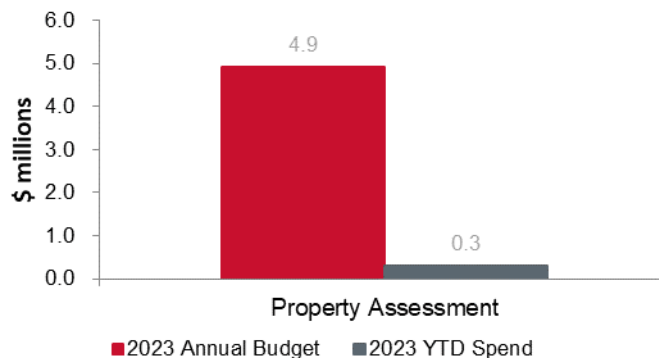
Net Operating Budget and Actuals as of June 30, 2023



Operating Budget Updates - 2023 YTD net operating budget vs actuals:

The Property Assessment service line favourable variance of \$0.55 million is primary due to savings in salary and wages from intentionally managing the workforce of \$0.46 million, \$0.07 million related to funds received for Equity in Service Delivery program from Community Strategies for which expenses are expected to be incurred late 2023, and the remaining \$0.02 million favourable variance from various small variances.

Capital Budget and Spend as of June 30, 2023



Capital Budget Updates - 2023 total capital budget vs 2023 YTD spend:

The capital budget spent by the Property Assessment service line is at 6 per cent. The CIAO+ program will replace Property Assessment's core valuation software and is the primary capital priority for Assessment and Tax. Considerable progress was made on the CIAO+ Program despite continued vendor resource challenges which, if not remedied, may lead to the go-live date of this program being extended. The CIAO+ Program has a target go live of the end of 2024, and a recovery plan is being created to get the vendor back on track. The current spend rate for 2023 is low due to vendor delays in development delivery. Once all development is complete the program will focus on User Acceptance Testing and Training.