

Chief Financial Officer's Report to  
Executive Committee  
2021 December 14

ISC: UNRESTRICTED  
Revised EC2021-1597  
Page 1 of 4

## Financial Task Force Implementation Update

---

### RECOMMENDATION:

That the Executive Committee recommend that Council give three readings to the proposed Bylaw (Attachment 7) to amend the Tax Instalment Payment Plan Bylaw 9M2002.

### HIGHLIGHTS

- **Reason for recommendations:** Some of Administration's proposed actions to support the ongoing relevance and utility of the Tax Instalment Payment Plan (TIPP) program require amendments to the enabling bylaw.
- **What does this mean to Calgarians?** Improved financial sustainability of their municipal government through implementing the recommendations of the Financial Task Force. Property owners will see fewer financial barriers and an improved experience when applying for the Tax Instalment Payment Plan.
- **Why does it matter?** 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.
- 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 2020 June. The expansive scope of the recommendations required a cross-corporate implementation 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 progress on each recommendation and administrative action is included on page 2 of 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, 70 of the 73 Administrative Action Items are being implemented through 34 proposals. A one-page summary featuring the substance of each proposal, the progress made thus far, and what to expect in the next 6 months has been included in Attachment 2.

#### *Key Areas of Progress*

Over the past 6 months, progress has been made on many fronts including:

- Updates to the Long Range Financial Plan, including external review and approval of one-time funds to create an implementation plan.
- Improvements to the Residential Property Taxes and Utility Charges Survey

## **Financial Task Force Implementation Update**

- Advancement of the Provincial Engagement Plan, including The City of Calgary's resolution regarding Advocacy on Financial Measures (IGA2021-0883) being adopted as policy by the AUMA membership.
- Real Estate Working Group delivered external advice related to the implementation of specific Financial Task Force recommendations.

Details on these highlights and more can be found in Attachment 3.

### *Tax Distribution Scoping Report*

The potential approaches to determine the distribution of taxes between the residential and non-residential classes and their implications are described in Attachment 4. Additional work is required to come to a recommendation on the approach including stakeholder engagement and a buildout of the comparative data. Administration is preparing a Taxation Policy designed to address many of the issues relating to Recommendation 19 of the Financial Task Force which will be completed before the end of 2022 Q2.

### *Tax Instalment Payment Plan Bylaw Changes and Implementation*

Administration is proposing several actions to support the ongoing relevance and utility of the TIPP program. These actions to support continued growth in the program are detailed in Attachment 5 and align with both survey results (Attachment 6) and the recommendations of the Financial Task Force. They include: the removal of the requirement for participants who join TIPP after January 1<sup>st</sup> of a given year to pay a 2% filing fee and to pay their missed instalments as a lump sum; the creation of an online application portal to improve user experience and administrative efficiency; and to enhance communication regarding the benefits of TIPP.

### *Challenges*

Most implementation delays reported in Attachment 2 reflect changes in delivery date for individual projects from 2021 Q4 to 2022 Q1.

Several Task Force recommendations rely on improved costing for services that offer a substantial benefit to non-Calgarians. Resource constraints related to organization realignment have meant this work has not yet been advanced, but Council approved an adjustment to the 2022 operating budget to fund additional financial reporting and analysis, which will enable an enterprise approach to service-specific costing.

Two FTF recommendations explicitly mention working with the Economic Resilience Task Force to explore alternative revenue options. As that group's mandate shifted in response to the pandemic, and their work has now concluded, Administration will look to solicit external input on revenue items from other sources.

### *What's next?*

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

- Taxation Policy

## **Financial Task Force Implementation Update**

---

- Results of investigations into assessment smoothing and subclass legislation
- Update on provincial advocacy measures
- Municipal finance options related to alternative revenue sources and countercyclical fiscal policy

### **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, though the proposed changes to the TIPP program were informed by a survey of a random sample of property owners in Calgary who are responsible for paying property tax.

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**

Remaining responsive to the needs of Calgarians is a critical social consideration. Responding to the recommendations of the Financial Task Force will provide direct and indirect benefits to Calgarians, the details of which will be articulated in the report back on the implementation of individual recommendations.

#### **Environmental**

Not applicable

#### **Economic**

The implementation of the Financial Task Force recommendations includes improving the understanding and long-term sustainability of municipal finances, responding to long-term and cyclical changes in the local economy, working closely with regional and government partners to achieve progress, and making Calgary more competitive, livable and attractive.

#### **Service and Financial Implications**

No anticipated financial impact

Implementing the recommendations of the Financial Task Force has broad implications across The City. In general, the recommendations tend toward improvements 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.

## **Financial Task Force Implementation Update**

---

### **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 details with partners. City Administration is working to mitigate this risk by prioritizing early engagement on joint interest and responsibility issues.

Corporate context – the implementation of the Financial Task Force recommendations is taking place in a context of change. Work on the organizational realignment and budget adjustments has impacted the amount of time that non-dedicated employees devote to Financial Task Force Implementation-related activities. The one-time and base budget funding 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, and to make changes to the taxation system, which impacts the amount and distributions of property tax paid. The impacts of these types of changes are likely to be felt acutely by certain users or taxpayers. Affected groups may 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. Implementation Reports
3. Financial Task Force Q4 2021 Highlights and Successes
4. Tax Distribution Scoping Report
5. Tax Instalment Payment Plan Update Report
6. Results of TIPP Program Engagement Survey of Property Owners
7. Amendments to Bylaw 9M2002 Tax Instalment Payment Plan
8. TIPP Bylaw 9M2002

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	Inform

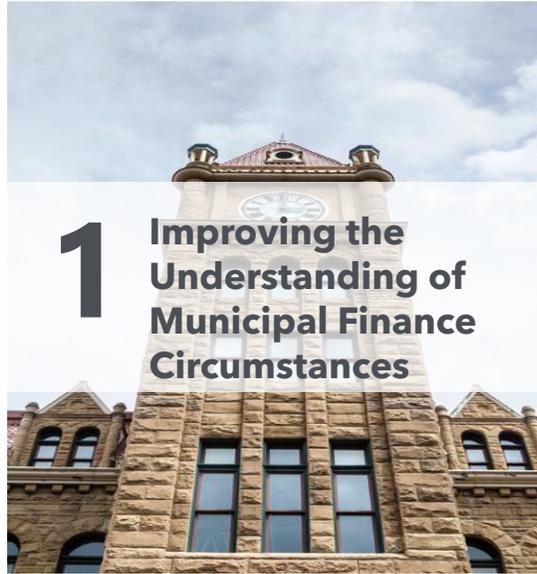
# Financial Task Force Implementation Update

EC2021-1597

2021 December 14



# Themes of the Financial Task Force Work



**1** Improving the Understanding of Municipal Finance Circumstances



**2** Responding to Calgary's Cyclical Economy using Existing Tools



**3** Bringing Property Taxation into the Twenty-First Century



**4** Improving Tax Efficiency for Long-Term Fiscal Sustainability



**5** Preparing for Changes that would occur as the economy evolves



**6** Making Calgary more Competitive, Livable and Attractive



**7** Supporting Regional Economic Development



**8** Working Better with Partners in Achieving Progress



# Overview of Administrative Action Progress

Administration is making progress on a number of 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 on the following pages.

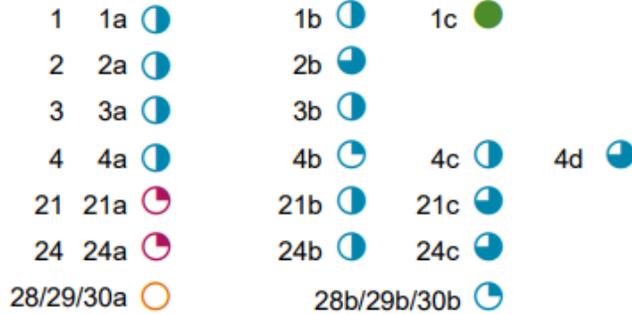
### Phase

- Not reported
- Planning
- Installation
- Implementation
- Benefits Realization

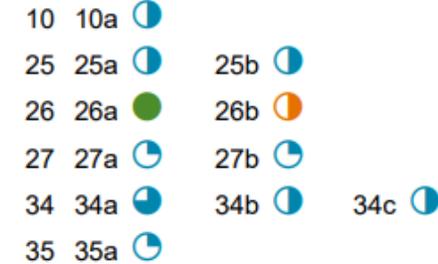
### Status

- Cancelled
- Delayed
- On schedule
- Completed

## Responding to Calgary's Cyclical Economy using Existing Tools



## Improving Tax Efficiency for Long-Term Fiscal Sustainability



## Improving the Understanding of Municipal Finance Circumstances



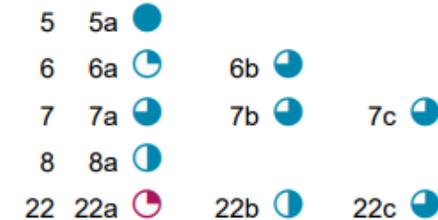
## Bringing Property Taxation into the Twenty-First Century



## 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



# What's Next



- Results of investigations into assessment smoothing and subclass legislation



- Municipal finance options related to alternative revenue sources and countercyclical fiscal policy



- Update on provincial advocacy measures



- Taxation Policy



# Changes to the Tax Instalment Payment Plan

## Background

- Financial Task Force recommended increasing uptake in the Tax Instalment Payment Plan (TIPP).
- Administration commissioned a third-party survey of property owner perceptions of, and experiences with, TIPP.
- Survey results provided valuable insights into the program's ability to meet taxpayer needs.
- Survey results and Administration's program knowledge and experience informed this response to Financial Task Force recommendations.

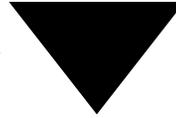
## Program Enhancements

- Remove the requirement to pay a 2% filing fee for participants who join the program after January 1 of a given year.
- Remove the requirement to pay missed instalments as a lump sum for those participants who join the program after January 1 of a given year.
- Create an online TIPP Application Portal to improve the taxpayer experience and improve administrative efficiency.
- Continue to enhance communication with taxpayers regarding the benefits of TIPP.



Fairness: Ability to Pay

Vertical Equity



Horizontal Equity



Fairness: Benefits



Neutrality



Stability & Predictability



Accountability /  
Simplicity / Transparency



Efficiency / Ease of  
Administration





# Tax Distribution Approaches – No Perfect Solution

## Proportional Approach

## Tax Rate Ratio Approach

## Tax Share Approach

	Effect on Tax Share	Effect on Tax Rates	Effect on Tax Rate Ratio	Tax Shifts within Classes	Tax Shifts between Classes	Overall Effect on Tax Bills
	Floats based on real growth	Less stable	Floats based on relative performance of assessment bases	Solved with one-time rebates	No shifts	More stable growth
	Floats based on relative increases in assessment bases	More stable	Fixed by Council	Can be shifted automatically to other classes	Shifting is part of the system	Less stable growth, more prone to large increases
	Fixed by Council	Less stable	Floats based on relative performance of assessments bases	Intraclass shift can be shifted to other classes via Council decision	Shifts can occur with Council decision	More stable growth



# More work required before recommendation

## 1. Stakeholder Engagement

## 2. More Comparative Data

Direct engagement with:

- BILD Calgary
- Building Owners and Managers Association (BOMA)
- Business Improvement Areas (BIA)
- Calgary Economic Development (CED)
- Calgary Chamber of Commerce
- Calgary City Council
- NAIOP Calgary

Broader engagement through other tools (e.g., Engage Portal, Citizen/Business Panels)

- Municipal Tax Share
- Non-Residential Tax Rates
- Total Assessment
- Taxes per Capita
- Vacancy Rates
- New Building Permits
- Property Tax / Square Foot



## Recommendation

That the Executive Committee recommend that Council give three readings to the proposed Bylaw (Attachment 7) to amend the Tax Instalment Payment Plan Bylaw 9M2002.

## 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	DIRECTION/DESCRIPTION
2021 Jun 08	PFC2021-0796	<p><b>Financial Task Force Implementation Update</b></p> <p>That the Priorities and Finance Committee recommend that Council:</p> <ol style="list-style-type: none"> <li>1. Endorse the planning and budget principles in Attachment 5 and direct Administration to:               <ol style="list-style-type: none"> <li>a) use the principles in order to develop a decision-making framework for the 2023- 2026 service plan and budget cycle; and</li> <li>b) include the principles in the next update to the Multi-Year Business Planning and Budgeting Policy.</li> </ol> </li> <li>2. Receive the remainder of the report for the corporate record.</li> </ol>
2020 Dec 14	PFC2020-1351	<p><b>Financial Task Force Recommendations – Implementation Next Steps</b></p> <p>That the Priorities and Finance Committee recommends that Council:</p> <ol style="list-style-type: none"> <li>1. Direct Administration to bring a comprehensive provincial engagement plan to the Intergovernmental Affairs Committee no later than 2021 Q2; and</li> <li>2. Direct Administration to incorporate engagement plan implications in the 2021 Q2 Semi-Annual FTF Implementation Update Report to the Priorities and Finance Committee.</li> </ol>

2020 Jul 27

C2020-0815

**Financial Task Force Recommendations – Implementation Approach and Resources**

Council adopted the following recommendations:

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

2020 Jul 27

C2020-0815

**Financial Task Force Recommendations – Implementation Approach and Resources**

Council adopted the following Motion Arising:

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 (*Investigate the crisis level vacancy in the downtown office market and respond with actions*), direct Administration to:
  - 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

2020 Jun 29

C2020-0742

**Report and Recommendations of the Financial Task Force**

Council adopted the following recommendations:

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.

The City of Calgary

# Financial Task Force Implementation Reports

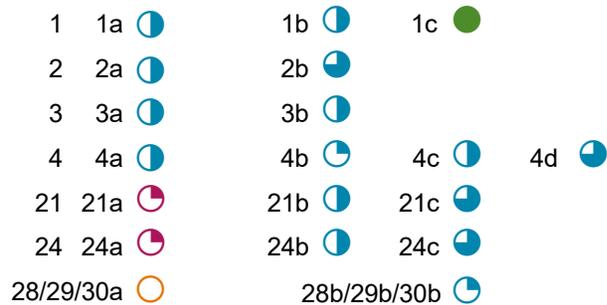
Chief Financial Officer's Department  
2021 December 07

# Overview of Administrative Action Progress

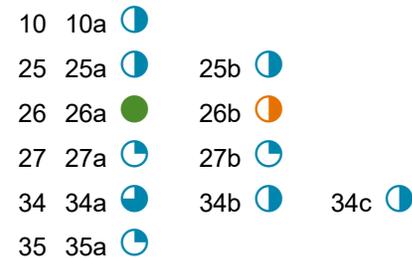
Administration is making progress on a number of 73 actions and 35 recommendations across the 8 Financial Task Force themes. The table provides an overview of progress (whether there is not yet any information to report, or if the associated work is in the planning, installation, implementation, or benefits 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 on the following pages.

Phase		Status
	Not reported	<b>Cancelled</b>
	Planning	<b>Delayed</b>
	Installation	<b>On schedule</b>
	Implementation	<b>Completed</b>
	Benefits Realization	

## Responding to Calgary's Cyclical Economy using Existing Tools



## Improving Tax Efficiency for Long-Term Fiscal Sustainability



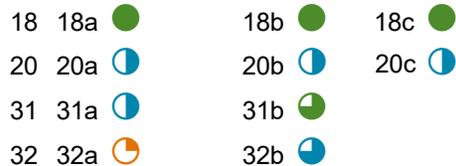
## Improving the Understanding of Municipal Finance Circumstances



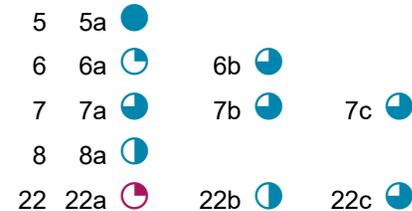
## Bringing Property Taxation into the Twenty-First Century



## 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



## Contents

Implementation Report (Aligned Recommendation)		Phase	Page
<b>Assessment Smoothing Investigation (35a)</b>		Planning	4
<b>Assessment Timeline (4b, 27a, 27b)</b>		Planning	5
<b>Business Licensing Cost and Value (28a, 28b, 29a, 29b, 30a, 30b)</b>		Planning	7
<b>Business Perspectives Panel Research (5a)</b>		Benefits	8
<b>Business Web Hub (5a)</b>		Benefits	10
<b>Corporate eCommerce Program (7a, 7b)</b>		Implementation	12
<b>Council-approved Budget Principles (2a, 11a, 20a, 31a, 8a)</b>		Installation	13
<b>Countercyclical Fiscal Policy Report (32a)</b>		Planning	14
<b>Differentiated Taxation (6a)</b>		Planning	15
<b>Downtown Survey (33b)</b>		Planning	17
<b>Economic Resilience Task Force (ERTF) Liaison (21a, 22a, 24a)</b>		Planning	18
<b>Fabrication Workshop (21b)</b>		Installation	19
<b>Financial Narrative (2b, 23a, 34a)</b>		Implementation	20
<b>Long Range Financial Plan Update (1b, 20b, 3a, 10a, 24b)</b>		Installation	21
<b>Long Range Financial Plan Update – External Review (1c)</b>		Benefits	22
<b>Municipal Finance White Paper (9a, 13a, 21b, 22b, 24b)</b>		Installation	23
<b>Patio Program 2020/2021 (5a)</b>		Benefits	24
<b>Promoting Calgary - Downtown Strategy (33a)</b>		Implementation	26
<b>Promoting Calgary - Economic Strategy (33a)</b>		Implementation	27
<b>Provincial Engagement Plan (4d, 6b, 7c, 9b, 12a, 13b, 14b, 14c, 21c, 22c, 23b, 24c, 32b)</b>		Implementation	29
<b>Provincially or Federally Mandated Services (14a)</b>		Benefits	30
<b>Regional Economic Development (15a)</b>		Planning	31
<b>Regional Strategies (16a, 17a, 28b, 29b, 30b)</b>		Planning	32
<b>Residential property taxes and utility charges survey (18a, 18b, 18c)</b>		Benefits	34
<b>Restaurant/Brewery Experience Improvement Program (5a)</b>		Implementation	35
<b>SAVE Program Integrated in Budget Adjustments (31b)</b>		Implementation	36
<b>Service Plans and Budgets 2023-2026 Program Plan (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)</b>		Installation	37
<b>ShopHERE powered by Google (5a)</b>		Benefits	39
<b>Subclass Investigation (26b)</b>		Installation	40
<b>Support Local YYC campaign (5a)</b>		Benefits	41
<b>Tax Responsibility Study (19a, 19b)</b>		Installation	42
<b>Taxation Policy (19c, 20c, 34b, 34c, 26b, 31a)</b>		Installation	43
<b>TIPP – Modernization (25a, 25b)</b>		Installation	44
<b>User Fees and Subsidies Policy Review (4c)</b>		Installation	46
<i>Annual Assessment Cycle Continuation (26a)</i>		Benefits	47

Status indicators:  Completed  On schedule  Delayed  Cancelled

*Reports in italics were previously presented as complete in an earlier update report and are included at the end of this package for comprehensiveness, without any new, updated progress details.*



# 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 progress). 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).

<b>Implementation Phase:</b> Planning	<b>What has happened over the past 6 months:</b> Previously extracted data for analysis has been restructured and simplified to succinctly convey the effects of various smoothing techniques and their impacts on property values and property taxes. Administration is currently creating data visualization tools to supplement the text for the final report of the investigation along with summary statistics for techniques.
<b>Expected Implementation Date:</b> March 2022	
<b>Current Status:</b> On schedule	<b>What's next:</b> Complete and further research, demonstrate the effects of smoothing techniques, begin drafting the final report for the investigation and develop recommendations regarding assessment smoothing in the Calgary context.
<b>Customers:</b> The City of Calgary Property Owners	<b>Partners:</b> Financial Task Force Finance - Corporate Budget Office Finance - Tax & Receivables
<b>Overall Risk Rating:</b> Low	<b>Strategic Alignment:</b> 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

<b>Implementation Phase:</b> Planning	<b>What has happened over the past 6 months:</b> The 2022 Assessment Business and Detailed Operation Plans have been updated to reflect the 2022 November 17 roll freeze date. The modified plans have been reviewed by the section leaders. Risks and operational impacts have been documented and presented to the Assessment Management Team. Appropriate measures are being implemented to address potential operational impacts and to mitigate potential risks. Business unit engagement and operational planning is nearing completion.
<b>Expected Implementation Date:</b> December 2022	
<b>Current Status:</b> On schedule	<b>What's next:</b> Corporate and external stakeholder engagement will be commencing in 2021 November. Meetings will be scheduled with all identified stakeholders to discuss the earlier roll freeze date and potential impacts. Identified risks and potential opportunities will be explored. A communication strategy will be developed to encourage more property owners to participate in Assessments' "Pre-Roll" consultation period in advance of the earlier roll freeze date.

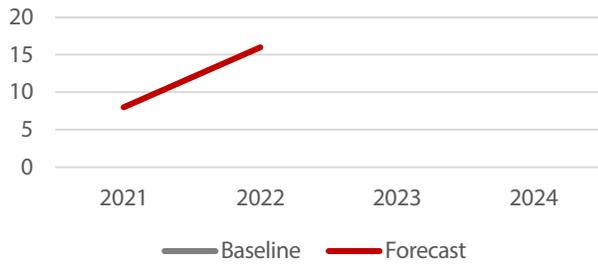
<b>Customers:</b> Property owners, City of Calgary, and Government of Alberta	<b>Partners:</b> Finance - Corporate Budget Office; Corporate Initiatives; Assessment
--	--

<b>Overall Risk Rating:</b> Medium	<b>Strategic Alignment:</b> 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>Forecast Data for Performance Measure</caption> <thead> <tr> <th>Year</th> <th>Forecast (%)</th> </tr> </thead> <tbody> <tr><td>2018</td><td>90</td></tr> <tr><td>2019</td><td>88</td></tr> <tr><td>2020</td><td>90</td></tr> <tr><td>2021</td><td>92</td></tr> <tr><td>2022</td><td>93</td></tr> <tr><td>2023</td><td>94</td></tr> <tr><td>2024</td><td>95</td></tr> </tbody> </table> <p>Legend: — Baseline — Forecast</p>	Year	Forecast (%)	2018	90	2019	88	2020	90	2021	92	2022	93	2023	94	2024	95	<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.</p>
Year	Forecast (%)																
2018	90																
2019	88																
2020	90																
2021	92																
2022	93																
2023	94																
2024	95																

# Financial Task Force Implementation Report

Number of days assessment roll freeze advanced earlier in the year (per cent)



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.



# 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.

<b>Implementation Phase:</b> Planning	<b>What has happened over the past 6 months:</b> - Final report has been reviewed with the FTF implementation team, with edits and feedback integrated. - An additional recommendation was developed for business licensing service to evaluate the capacity for a bylaw review. - Work is underway to explore how the report can align with recommendation 21 and 22 (ongoing).
<b>Expected Implementation Date:</b> December 2022	
<b>Current Status:</b> On schedule	<b>What's next:</b> - Continued work on seeking alignment with FTF recommendations 21 and 22. - Continued engagement with service line owner on next steps of planning, and preparing for installation.

<b>Customers:</b> •Business Owners •Citizens •Visitors (non-residents)	<b>Partners:</b> Internal •Calgary Community Services •Calgary Building Services •Financial Task Force implementation team •Calgary Fire Department  External •Business Advisory Committee •Alberta Health Services (AHS) •Alberta Gaming, Liquor, and Cannabis (AGLC)
---	--

<b>Overall Risk Rating:</b> Low	<b>Strategic Alignment:</b> This project aligns with a number of citizen, council, corporate, and business unit goals: •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

<b>Implementation Phase:</b> Benefits Realization	<b>What has happened over the past 6 months:</b> 2021 Q1 & Q2 survey of business leaders’ top issues, and their perceptions of City business communications, the City’s COVID response and business initiatives, the economy, downtown revitalization, and trust and reputation of The City. This was followed by qualitative in-depth interviews on the biggest issues facing business leaders and the business community. Results of this research showed that perceptions of the current economy saw an improvement while optimism for both the future of business performance and Calgary’s economy continued to improve since the end of 2019, implying a growing proportion of businesses are optimistic about the prospects emerging from the pandemic. Results also showed that while less than one-half of survey respondents are satisfied with The City of Calgary’s actions and policies to support businesses during the COVID-19 pandemic, the proportion of those who are satisfied has been increasing. And while less than half of respondents agree The City supports a business friendly environment in Calgary, this proportion has seen a steady increase since 2019.
--	---

<b>Expected Implementation Date:</b> December 2021	
---	--

<b>Current Status:</b> On schedule	<b>What’s next:</b> Analysis and reporting on Q3 & Q4 2021 panel survey waves, with a second round of in-depth follow up interviews to measure success, keep a pulse on the business community and help inform future strategies. Results from this most recent research will be available in mid-December and early January.
---------------------------------------	--

<b>Customers:</b> Business and Local Economy team, and ultimately, the business community	<b>Partners:</b> Corporate Research Team (CSC) City Manager’s Office
--	---

<b>Overall Risk Rating:</b> Low	<b>Strategic Alignment:</b> 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.



## Financial Task Force Implementation Report

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.

<p><b>Implementation Phase:</b> Benefits Realization</p>	<p><b>What has happened over the past 6 months:</b> Between June 28 - October 28, the Business Hub had 258,196 page views with a time spent/page higher than is average for most City of Calgary web pages. The highest traffic was in July and October. 71% of traffic is coming from organic web searches, as opposed to coming from a specific url or links, and 45.5% of those were new visitors to calgary.ca. The pages with the highest views are Business Licensing and Starting a Business.</p> <p>www.calgary.ca/business was the ideal place to launch the Calgary Reopening Grant (July 2021) and the REP Business Support Grant (October 2021). It is also a great way to link to other City of Calgary initiatives such as the Face Coverings Bylaw and the REP Exemption Bylaw.</p>
<p><b>Expected Implementation Date:</b> April 2021</p>	

<p><b>Current Status:</b> Completed</p>	<p><b>What's next:</b> We will continue monitoring web traffic and identifying opportunities to use calgary.ca/business for new initiatives.</p>
---	--

<p><b>Customers:</b></p> <ul style="list-style-type: none"> <li>-Business owners, managers and employees</li> <li>-Business Improvement Areas (BIAs)</li> <li>-Business Sector Task Force</li> <li>-Calgarians who support local business</li> </ul>	<p><b>Partners:</b></p> <ul style="list-style-type: none"> <li>-Customer Service and Communications</li> <li>-Calgary Emergency Management Agency</li> <li>-Calgary Community Standards</li> <li>-Planning &amp; Development (primarily Calgary Building Services)</li> <li>-Roads</li> <li>-Transportation Infrastructure</li> <li>-Green Line</li> <li>-Calgary Neighbourhoods (primarily Meghan Mahoney)</li> <li>-Information Technology</li> <li>-Finance</li> <li>-Assessment</li> <li>-Waste and Recycling</li> <li>-Mayor's Office</li> <li>-City Council members</li> </ul>
--	--

<p><b>Overall Risk Rating:</b> Medium</p>	<p><b>Strategic Alignment:</b></p> <ul style="list-style-type: none"> <li>-Business Advisory Committee (highlighted as a gap by Councilors chairing committee and reinforced by industry on committee).</li> <li>-Rethink to Thrive Strategy (improved information to businesses and two-way communication with them)</li> </ul>
---	--

<p><b>Performance Measures</b></p>	<p><b>Performance Story</b></p>
------------------------------------	---------------------------------



# Financial Task Force Implementation Report

	<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 discrete 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.

<b>Implementation Phase:</b> Implementation	<b>What has happened over the past 6 months:</b> The City is working closely with the vendor on a two-phased project. The completed first phase included requirement gathering, solution modelling, installation of the solution software in The City environment and a proof-of concept.  A concurrent SAVE business case was implemented on July 1, 2021 which is related to products made available through City Online.
<b>Expected Implementation Date:</b> March 2022	

<b>Current Status:</b> On schedule	<b>What's next:</b> Now in the second phase, the project team is building out the rest of the Corporate eCommerce solution, and the replacement of City Online.
---------------------------------------	--

<b>Customers:</b> Calgarians and businesses who transact with The City	<b>Partners:</b> Corporate Analytics & Innovation, Customer Services & Communication and Information Technology
---	--

<b>Overall Risk Rating:</b> Medium	<b>Strategic Alignment:</b> Digital Strategy, Digital Governance Committee, SAVE
---------------------------------------	---

Performance Measures	Performance Story																								
<p>Revenue through Corporate eCommerce tool (\$M)</p> <table border="1"> <caption>Revenue through Corporate eCommerce tool (\$M)</caption> <thead> <tr> <th>Year</th> <th>Baseline (\$M)</th> <th>Forecast (\$M)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>2.0</td> <td>-</td> </tr> <tr> <td>2019</td> <td>2.2</td> <td>-</td> </tr> <tr> <td>2020</td> <td>2.4</td> <td>-</td> </tr> <tr> <td>2021</td> <td>-</td> <td>3.4</td> </tr> <tr> <td>2022</td> <td>-</td> <td>4.4</td> </tr> <tr> <td>2023</td> <td>-</td> <td>4.4</td> </tr> <tr> <td>2024</td> <td>-</td> <td>4.4</td> </tr> </tbody> </table> <p>Legend: — Baseline — Forecast</p>	Year	Baseline (\$M)	Forecast (\$M)	2018	2.0	-	2019	2.2	-	2020	2.4	-	2021	-	3.4	2022	-	4.4	2023	-	4.4	2024	-	4.4	<p>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.</p>
Year	Baseline (\$M)	Forecast (\$M)																							
2018	2.0	-																							
2019	2.2	-																							
2020	2.4	-																							
2021	-	3.4																							
2022	-	4.4																							
2023	-	4.4																							
2024	-	4.4																							



# Financial Task Force Implementation Report

## Council-approved Budget 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.

<p><b>Implementation Phase:</b> Installation</p>	<p><b>What has happened over the past 6 months:</b> The Executive Leadership Team (ELT) has approved the 2023-2026 Service Plans and Budgets program plan, which included an attachment describing the Council-approved Budget Principles and their implications on the program. ELT directed that these be explicitly included in Administrations Results for the program. Further development of the program plan details has included consideration of these principles and how they can be applied.</p>
<p><b>Expected Implementation Date:</b> December 2021</p>	
<p><b>Current Status:</b> On schedule</p>	<p><b>What's next:</b> Revised Administration Results, including the Budget Principles, will be provided to ELT in December 2021 for entry into the formal record. Formal launch of the 2023-2026 Service Plans and Budgets activities is planned, and the Budget Principles will inform the guidance to services as they develop their plans and budgets. These principles will also be included in the next update to the Multi-Year Business Planning and Budgeting Policy, which is anticipated to occur in the first part of the 2023-2026 plan.</p>
<p><b>Customers:</b> Council, the public, Administration planning and budgeting stakeholders</p>	<p><b>Partners:</b> Corporate Budget Office; Corporate Initiatives</p>
<p><b>Overall Risk Rating:</b> Low</p>	<p><b>Strategic Alignment:</b> Multi-Year Business Planning and Budgeting Policy;</p>



# Financial Task Force Implementation Report

## Countercyclical Fiscal Policy Report

<b>Led By:</b> Financial Support	
<b>Related Administrative Action:</b> 32a	
<p><b>Description:</b> 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.</p>	
<p><b>Implementation Phase:</b> Planning</p> <p><b>Expected Implementation Date:</b> March 2022</p>	<p><b>What has happened over the past 6 months:</b> After reviewing municipal finance related administration actions, Corporate Economics decided to deliver the report in two parts explaining: Part 1. The options available to The City to employ counter-cyclical policies. Part 2. The challenges for municipalities in providing counter-cyclical policies compared to the other levels of government. The new changes we need for funding municipal level counter-cyclical fiscal policies, including new revenue sources from the traditional brick &amp; mortar business models and the digital economy, and potential changes in balanced budgeting practices.</p>
<p><b>Current Status:</b> On schedule</p>	<p><b>What's next:</b> Part 1 report will be finished by the end of 2021. Part 2 report will be in the Chapters of the Municipal Finance White Paper Corporate Economics is doing. It will be finished by Q1, 2022.</p>
<p><b>Customers:</b> Council, Public</p>	<p><b>Partners:</b> N/A</p>
<p><b>Overall Risk Rating:</b> Low</p>	<p><b>Strategic Alignment:</b> Long-range Financial Plan</p>

## 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.

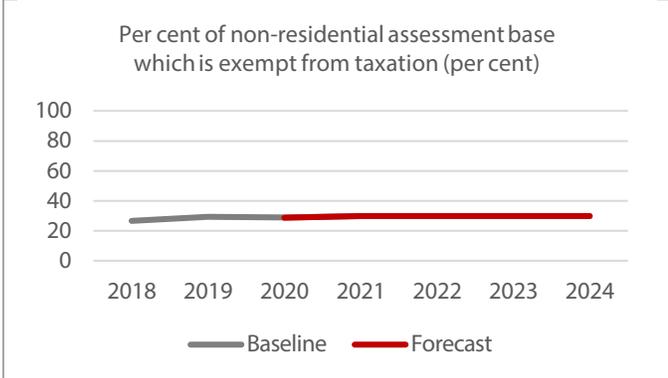
<b>Implementation Phase:</b> Planning	<b>What has happened over the past 6 months:</b> Engaged with internal stakeholders to identify potential categories of organizations where differentiated taxation may support City objectives. Administration is currently developing and extracting data sets to assess the feasibility and impact of differentiated taxation.
<b>Expected Implementation Date:</b> June 2022	

<b>Current Status:</b> On schedule	<b>What’s next:</b> Conduct further research, identify potential targets for differentiated taxation, begin drafting report and make recommendations regarding differentiated taxation for defined groups.
---------------------------------------	---

<b>Customers:</b> Property owners, City of Calgary, and Government of Alberta	<b>Partners:</b> Finance - Tax & Receivables
--	---

<b>Overall Risk Rating:</b> Slight	<b>Strategic Alignment:</b> A well-run city A prosperous city
---------------------------------------	---

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

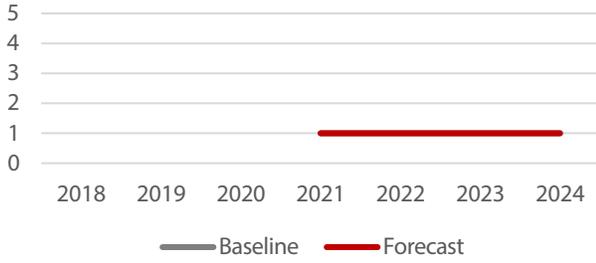


The greater the percentage of the overall assessment base which is considered exempt for taxation means there are fewer properties contributing to the property tax base that is used to provide the important tax supported products and services that The City of Calgary provides every year. This measure has been trending upward.



# Financial Task Force Implementation Report

Number of available tools implemented and/or tools newly created via advocacy (number)



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.



# 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.

<p><b>Implementation Phase:</b> Planning</p>	<p><b>What has happened over the past 6 months:</b> Continued to leverage data, findings, and insights from the Corporate Research Business Panel. Focused on maximizing existing tools and minimizing research costs. Intelligence and data on the business community and downtown may be really helpful for Council decision making in the future.</p>
<p><b>Expected Implementation Date:</b> October 2022</p>	

<p><b>Current Status:</b> On schedule</p>	<p><b>What's next:</b> Continue to work with Corporate Research, Corporate Analytics &amp; Innovation, Calgary Economic Development, Calgary Chamber of Commerce, BIAs, and the Business &amp; Local Economy team to leverage surveys, research, and data.</p> <p>Look at potential net new costs to potentially develop a specific survey/research to address the targeted questions. This is unbudgeted and a net new addition for survey and research costs.</p>
---	---

<p><b>Customers:</b></p> <ul style="list-style-type: none"> <li>• Planning &amp; Development</li> <li>• Downtown Strategy</li> <li>• Business &amp; Local Economy</li> <li>• Downtown Business Community and Associated BIAs</li> <li>• Calgary Economic Development</li> </ul>	<p><b>Partners:</b></p> <p>Internal</p> <ul style="list-style-type: none"> <li>• Corporate Research</li> <li>• Financial Task Force (Implementation)</li> <li>• Downtown Strategy</li> <li>• Corporate Analytics &amp; Innovation, Innovation Lab</li> </ul> <p>External</p> <ul style="list-style-type: none"> <li>• External Vendor for survey development and delivery</li> <li>• Calgary Economic Development</li> </ul>
---	--

<p><b>Overall Risk Rating:</b> Low</p>	<p><b>Strategic Alignment:</b> Financial Task Force (Implementation) Downtown Strategy Business &amp; Local Economy</p>
--	---



# 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.

<p><b>Implementation Phase:</b> Planning</p>	<p><b>What has happened over the past 6 months:</b> The Economic Resilience Task Force wound up its activities and the initiatives that were under way have been continued by Administration.</p>
<p><b>Expected Implementation Date:</b> May 2021</p>	
<p><b>Current Status:</b> Cancelled</p>	<p><b>What's next:</b> With the winding up of the Economic Resilience Task Force, it is no longer possible to solicit further input from the group. There are still, however, external members on the Financial Task Force Steering Committee and other survey/engagement opportunities on a case by case basis.</p>
<p><b>Customers:</b> Economic Resilience Task Force</p>	<p><b>Partners:</b> External Economic Resilience Task Force  Internal Services / BUs seeking or currently employing revenue mechanisms other than the property tax.</p>
<p><b>Overall Risk Rating:</b> Low</p>	<p><b>Strategic Alignment:</b> User Fee &amp; 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 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.

<b>Implementation Phase:</b> Installation	<b>What has happened over the past 6 months:</b> Fleet Services completed the hiring of the foreman and team lead positions and collaborated with Labour Relations, Human Resources, and union representatives to create a new shift in the Fabrication Workshop.
<b>Expected Implementation Date:</b> January 2022	
<b>Current Status:</b> On schedule	<b>What’s next:</b> Fleet Services, in collaboration with Customer Service & Communications, will develop and implement a strategy based on market research for external customers. Fleet Services will begin onboarding new fabrication requests in Q1 2022. In the interim, Fleet Services will utilize the new Fabrication Workshop shift to respond to internal requests while transitioning to the Implementation Phase. This will enhance customer service and turnaround times for internal requests. Fleet Services is on schedule to complete the Installation Phase by end of Q4 2021.

<b>Customers:</b> External municipalities and organizations	<b>Partners:</b> Corporate Budget Office; Strategic Marketing and Communications; Procurement and Warehousing;
--	---

<b>Overall Risk Rating:</b> Medium	<b>Strategic Alignment:</b> A well-run city
---------------------------------------	--

Performance Measures	Performance Story																								
<table border="1"> <caption>Fabrication Workshop Revenue (\$000s)</caption> <thead> <tr> <th>Year</th> <th>Baseline</th> <th>Forecast</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>8,200</td> <td>8,200</td> </tr> <tr> <td>2019</td> <td>9,200</td> <td>9,200</td> </tr> <tr> <td>2020</td> <td>9,800</td> <td>9,800</td> </tr> <tr> <td>2021</td> <td>9,500</td> <td>9,500</td> </tr> <tr> <td>2022</td> <td>9,500</td> <td>10,500</td> </tr> <tr> <td>2023</td> <td>9,500</td> <td>11,000</td> </tr> <tr> <td>2024</td> <td>9,500</td> <td>11,000</td> </tr> </tbody> </table>	Year	Baseline	Forecast	2018	8,200	8,200	2019	9,200	9,200	2020	9,800	9,800	2021	9,500	9,500	2022	9,500	10,500	2023	9,500	11,000	2024	9,500	11,000	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.
Year	Baseline	Forecast																							
2018	8,200	8,200																							
2019	9,200	9,200																							
2020	9,800	9,800																							
2021	9,500	9,500																							
2022	9,500	10,500																							
2023	9,500	11,000																							
2024	9,500	11,000																							



# 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.

<p><b>Implementation Phase:</b> Implementation</p>	<p><b>What has happened over the past 6 months:</b></p> <ol style="list-style-type: none"> <li>1. Financial Narrative web presence - ongoing updating at <a href="http://www.calgary.ca/ourfinances">www.calgary.ca/ourfinances</a> - including ongoing updates to Financial Facts page.</li> <li>2. Developed a municipal benchmarking subsite from the Financial narrative to give some context as to how Calgary is doing compared to others. <a href="https://www.calgary.ca/ca/city-manager/our-finances/financial-facts/compare-municipalities.html">https://www.calgary.ca/ca/city-manager/our-finances/financial-facts/compare-municipalities.html</a></li> <li>3. Completed more videos as part of FN Video series (service value, planning and budgeting)</li> <li>4. Ran tax collection campaign (including media and social media buys).</li> <li>5. Ran Assessment Pre-roll process (online support for property owners).</li> <li>6. Promotion of Assessment e-Notice program.</li> <li>7. Ongoing maintenance of the Financial Narrative toolbox for Council and Sr. Leadership (weekly updates)</li> </ol>
<p><b>Expected Implementation Date:</b> November 2022</p>	
<p><b>Current Status:</b> On schedule</p>	<p><b>What’s next:</b></p> <p>Q4 2021 - Progress Planned for Next Period</p> <ol style="list-style-type: none"> <li>1. Budget Adjustments campaign and communications.</li> <li>2. Citizen Satisfaction Survey rollout support</li> <li>3. TIPP promotion campaign</li> <li>4. Ongoing maintenance of website and FN toolbox on Teams</li> <li>5. Assessment Roll and Customer Review Period preparation (starts Jan.)</li> </ol>
<p><b>Customers:</b> Citizens, Businesses, Employees, Council, Media, and Non-Calgarians.</p>	<p><b>Partners:</b> Financial Task Force; Intergovernmental and Corporate Strategy; Departments for service value.</p>
<p><b>Overall Risk Rating:</b> Medium</p>	<p><b>Strategic Alignment:</b></p> <ol style="list-style-type: none"> <li>1. Planning and Budgeting</li> <li>2. Assessment</li> <li>3. Tax collection</li> </ol>



# Financial Task Force Implementation Report

## Long Range Financial Plan Update

**Led By:** Financial Support

**Related Administrative Action:** 1b, 20b, 3a, 10a, 24b

**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><b>Implementation Phase:</b> Installation</p>	<p><b>What has happened over the past 6 months:</b> The Long Range Financial Plan (LRFP) project team validated the modelling and projections, and finished the LRFP report draft. The draft of the main report and overview were reviewed both internally and externally for multiple rounds and finalized and approved by the Steering Committee. The LRFP report was presented to the Executive Leadership Team and received their unanimous approval. The LRFP was reported to the Executive Committee on 2021 November 9 and was further referred to the Strategic Meeting of Council in Q1 2022.</p>
<p><b>Expected Implementation Date:</b> December 2022</p>	
<p><b>Current Status:</b> On schedule</p>	<p><b>What’s next:</b> The LRFP will be presented to the Strategic Meeting of Council in Q1 2022. A one-time funding request is included in the 2022 Adjustments to the 2019-2022 One Calgary Service Plans and Budgets (C2021-1436) to develop an implementation program for the Long Range Financial Plan in 2022.</p>
<p><b>Customers:</b> Council, the public, Administration planning &amp; budgeting stakeholders</p>	<p><b>Partners:</b> Corporate Budget Office; Finance;</p>
<p><b>Overall Risk Rating:</b> High</p>	<p><b>Strategic Alignment:</b> ImagineCALGARY, MDP&amp;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.

<p><b>Implementation Phase:</b> Benefits Realization</p>	<p><b>What has happened over the past 6 months:</b> The Long Range Financial Plan (LRFP) project team sought recommendation and direction from the Steering and Working Committees on the candidates of the external review plan, and reached out to external reviewers and requested for their review on the LRFP draft. The external review panel provided their independent opinions and feedbacks to the LRFP report. The project team discussed their feedbacks and incorporation. The recommendations from the external reviewers have been incorporated in the LRFP report and approved by the Steering Committee. The report was presented to the Executive Leadership Team and approved unanimously. The LRFP was reported to the Executive Committee on 2021 November 9 and was further referred to the Strategic Meeting of Council in Q1 2022.</p>
<p><b>Expected Implementation Date:</b> September 2021</p>	
<p><b>Current Status:</b> Completed</p>	<p><b>What’s next:</b> The external review results have been incorporated and helped strengthen and validate the Long Range Financial Plan report.</p>
<p><b>Customers:</b> Council, the public, Administration planning &amp; budgeting stakeholders</p>	<p><b>Partners:</b> Corporate Budget Office; Finance; External Reviewers</p>
<p><b>Overall Risk Rating:</b> Medium</p>	<p><b>Strategic Alignment:</b> imagineCALGARY, MDP &amp; CTP, One Calgary</p>



# Financial Task Force Implementation Report

## Municipal Finance White Paper

**Led By:** Financial Support

**Related Administrative Action:** 9a, 13a, 21b, 22b, 24b

**Description:** Administrative actions 9a, 13a, 21b, 22b and 24b ask for analyses and recommendations about municipal revenue and expenditure choices, concerning both the traditional economy and the emerging digital economy. Some of the choices are within Council’s control, but others need the Alberta government permission to access them. As a result, Corporate Economics will bring all the action items together and provide a municipal finance white paper that updates new developments/challenges/solutions in municipal finance in recent years. The report will provide theoretical foundations and empirical evidence for City Council and the province to make appropriate fiscal policy updates for Calgary.

<p><b>Implementation Phase:</b> Installation</p>	<p><b>What has happened over the past 6 months:</b> Corporate Economics has created an FTF project team with a project charter and work plan. Tasks have been assigned to cover all the action items. Over the past six weeks, the team has reached out to multiple sources for information and data. The team has made significant progress in subject background review, data collection and analysis. Weekly discussions by the project team are ongoing to address matters arising.</p>
<p><b>Expected Implementation Date:</b> March 2022</p>	
<p><b>Current Status:</b> On schedule</p>	<p><b>What’s next:</b> 1. By the end of January 2022, the project team will have a PPT ready showing the key points in the white paper. The PPT will be presented in the 2022 Trends Event Municipal Funding + Citizen to Gov’t Session between Jan 31 and Feb 4, 2022. 2. By the end of Q1 2022, a full report with recommendation will be ready to share.</p>
<p><b>Customers:</b> City Council, Administration leadership team, taxpayers and the provincial and federal governments</p>	<p><b>Partners:</b> Assessment, Intergovernmental &amp; Corporate Strategy, Law, FTF Implementation Team</p>
<p><b>Overall Risk Rating:</b> Medium</p>	<p><b>Strategic Alignment:</b> 2022 Trends Event and Integration</p>



# 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.

<p><b>Implementation Phase:</b> Benefits Realization</p>	<p><b>What has happened over the past 6 months:</b> During 2021, 441 patio permits were issued by The City of Calgary. Of those, 219 were temporary patio permits in rights-of-way. After a period of restrictions in April/May, outdoor patio dining resumed on June 1, 2021. Beltline Urban Mural Project (BUMP) partnered with The City of Calgary to paint 30 jersey barriers for temporary patios.</p>
<p><b>Expected Implementation Date:</b> March 2021</p>	
<p><b>Current Status:</b> Completed</p>	<p><b>What's next:</b> On September 13, 2021, City Council approved the establishment of a permanent patio program. Planning has begun to guide its implementation.</p>

<p><b>Customers:</b> Businesses and retailers who want/need a patio (private property, public, temporary public)</p>	<p><b>Partners:</b> 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>
--	---

<p><b>Overall Risk Rating:</b> Medium</p>	<p><b>Strategic Alignment:</b> Calgary in the New Economy (Economic Strategy) Rethink to Thrive Strategy Business Sector Task Force TOR</p>
---	---

<p><b>Performance Measures</b></p>	<p><b>Performance Story</b></p>
------------------------------------	---------------------------------



## Financial Task Force Implementation Report

	<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

<p><b>Implementation Phase:</b> Implementation</p>	<p><b>What has happened over the past 6 months:</b>                  Launched the Downtown Development Incentive Program Phase 1 (office to residential conversion) on August 16 to September 15, 2021. There is significant market interest. There were 13 applications received. Evaluation process underway.                   Opened the Stephen Avenue Safety Hub in September, 2021. The City of Calgary and Calgary Police Service have opened a single, centralized location on Stephen Avenue where uniformed officers can collaborate on common issues, complete necessary paperwork and store equipment. This innovative working space was generously donated by the Calgary Downtown Association and Slate Management and will operate for as a two-year pilot project. This initiative provides the opportunity to increase the visibility of uniformed Police, Bylaw and Transit officers in the downtown core, enhancing the sense of safety and security for citizens and businesses.                   Advanced projects such as: the Future of Stephen Avenue, Tomorrow’s Chinatown, and Eau Claire Area Improvements. The Downtown Ambassadors and the Stephen Avenue Safety Hub received funding from Council to operate these two downtown community safety initiatives through to 2023.</p>
<p><b>Expected Implementation Date:</b> [Expected Implementation Date]</p>	

<p><b>Current Status:</b> On schedule</p>	<p><b>What’s next:</b>                  Prioritize and align capital investments.                  Work with partners to program and activate places and spaces in the winter season and plan for spring/summer 2022.                  Analyze and develop terms of reference for the Downtown Development Incentive Program Phase 2 (office to other adaptive uses).                  Support Downtown Ambassador Program</p>
---	--

<p><b>Customers:</b>                  The City of Calgary                  Business Owners                  Institutions (Post-Secondary, for example)</p>	<p><b>Partners:</b>                  CED, CMLC, UofC, Tourism Calgary, BIAs</p>
--	---

<p><b>Overall Risk Rating:</b> High</p>	<p><b>Strategic Alignment:</b>                  Calgary in the New Economy, Resilience Strategy, Industrial Land Strategy</p>
---	---



# 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

<p><b>Implementation Phase:</b> Implementation</p>	<p><b>What has happened over the past 6 months:</b></p> <ul style="list-style-type: none"> <li>• Two Opportunity Calgary Investment Fund RFPs issued: Innovation Ecosystems and Fund Manager</li> <li>• OCIF announced \$2M in investments (Endeavor Global Canada, and SVG Ventures/THRIVE)</li> <li>• Significant community engagement to pressure test Calgary’s economic strategy</li> <li>• Soft launch opening of the Platform Innovation Centre</li> <li>• The International Economic Development Council (IEDC) awarded Calgary Economic Development with a gold rank for its Calgary sector videos and a bronze rank for its New Economy LIVE event series</li> <li>• , Calgary has seen 29 venture capital investments totaling \$252M and set to outpace investment activity in the previous year</li> <li>• Startup Genome Global Startup Ecosystem Report ranked Calgary as one of the top 100 emerging tech startup ecosystems in the world, and second in Canada as an innovation ecosystem with the best “bang for buck” for the average amount of money raised by local tech startups. The city was also one of the top 20 North American cities for hiring affordable talent</li> <li>• Calgary recorded double-digit growth in tech talent and total tech jobs over the past five years, rising six spots to 28th place among the Top 50 North American markets in CBRE’s 2021 Scoring Tech Talent report</li> <li>• Notable attraction wins in 2021 include: RBC Innovation Hub, Endeavor Canada, Infosys, Mphasis, SVG Ventures   Thrive</li> </ul>
<p><b>Expected Implementation Date:</b> [Expected Implementation Date]</p>	
<p><b>Current Status:</b> On schedule</p>	<p><b>What’s next:</b></p> <ul style="list-style-type: none"> <li>• Continued exploration and development of a made-in-Calgary Innovation District</li> <li>• Grand opening of the Platform Innovation Centre in early 2022</li> <li>• Progress update on implementation of the economic strategy to Executive Committee by May 2021</li> <li>• Testing the resilience of the economic strategy through continued community outreach, future trend analysis and scenario development, and inclusion of our Indigenous communities of Treaty 7 and Metis Nation of Alberta Region 3.</li> <li>• The Final New Economy LIVE event of 2021 will focus on talent retention and perceptions of Calgary with youth and young adult demographics</li> <li>• The Work Integrated Learning Program will begin development after successful 2021 federal funding and partnership development</li> </ul>
<p><b>Customers:</b> The City of Calgary; Business Owners; Jobseekers and entrepreneurs; Institutions (Post-Secondary, for example); Visitors; Meeting and event planners; Investors</p>	<p><b>Partners:</b> 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</p>
<p><b>Overall Risk Rating:</b> High</p>	<p><b>Strategic Alignment:</b></p>



# Financial Task Force Implementation Report

	Calgary in the New Economy, Resilience Strategy, Downtown Strategy, Calgary's Destination Strategy, Enough for All poverty reduction strategy
--	---



# 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.

<p><b>Implementation Phase:</b> Implementation</p>	<p><b>What has happened over the past 6 months:</b> As directed in the provincial engagement plan approved by the Intergovernmental Affairs Committee in Q2 2021, a City of Calgary Resolution is being brought forward to the 2021 Alberta Urban Municipalities Association (AUMA), November 17-19. If approved by the membership, the resolution will call on the AUMA to join The City in calling on the Government of Alberta for municipal finance reform along the lines outlined in the FTF final report. The Mayor and other Members of Council attending the Convention will be provided with briefing materials enabling them to speak to the resolution and the recommendations of the FTF with municipal counterparts and provincial officials.</p>
<p><b>Expected Implementation Date:</b> March 2022</p>	
<p><b>Current Status:</b> On schedule</p>	<p><b>What’s next:</b> The plan will continue to be implemented following the timeline laid out in IGA2021-0615, returning with a progress update to IGA in Q1 2022. If the AUMA resolution above is approved, Administration will work with that organization to implement its direction.</p>
<p><b>Customers:</b> N/A</p>	<p><b>Partners:</b> Government of Alberta; Government of Canada; Financial Task Force and Economic Resilience Task Force members; AUMA;</p>
<p><b>Overall Risk Rating:</b> Low</p>	<p><b>Strategic Alignment:</b> A well-run city</p>



# Financial Task Force Implementation Report

## Provincially or Federally Mandated Services

**Led By:** Financial Support

**Related Administrative Action:** 14a

**Description:** When new or enhanced services are required by the provincial or federal government, either explicitly through an agreement or implicitly through legislative change (e.g., cannabis legislation), Administration will continue to evaluate the costs associated with the change.

The service / business unit that is primarily responsible for implementing the change would be responsible for evaluating the costs and the budgetary implications would be raised at an appropriate time, with the final budgetary decisions coming in the November budget week. If required advocacy positions would be developed to support The City’s position using this cost information.

<p><b>Implementation Phase:</b> Benefits Realization</p>	<p><b>What has happened over the past 6 months:</b> The current process was verified by the Corporate Budget Office and Intergovernmental and Corporate Strategy.</p>
<p><b>Expected Implementation Date:</b> November 2022</p>	<p><b>What’s next:</b> Administration will continue to evaluate the programs and policies of other levels of government and advise when mandates, or anything equivalent to a mandate, occurs and the recommended actions to address the new mandates.</p>
<p><b>Current Status:</b> Completed</p>	<p><b>Partners:</b> Service Owners</p>
<p><b>Customers:</b> Council, Service Owners</p>	<p><b>Partners:</b> Service Owners</p>
<p><b>Overall Risk Rating:</b> Slight</p>	<p><b>Strategic Alignment:</b> Service Plans and Budgets</p>



# Financial Task Force Implementation Report

## Regional Economic Development

Led By: City Planning & Policy

**Related Administrative Action:** 15a

**Description:** 15a. Regional Economic Development is a priority for the Calgary Metropolitan Region Board. This is an opportunity for The City of Calgary to participate in a coordinated regional approach to advance the economic competitiveness of the region while supporting the economic and financial health of Calgary.

Implementation depends upon external support and may include activities such as negotiation, advocacy and collaboration with the CMRB and participating municipalities. In general, Calgary has some important regional roles in attracting talent, creating quality of life, and providing employment lands with efficient access to markets.

The Regional Planning team will advocate to the CMRB Administration and support City elected officials in the effort to prioritize a regional economic development strategy.

It is expected that work on regional economic development will start to occur in 2022. This requires an investment in terms of time and relationship building. These actions may take multiple years to start to come to fruition.

<p><b>Implementation Phase:</b> Planning</p>	<p><b>What has happened over the past 6 months:</b> The Calgary Metropolitan Region Board held three Regional Economic Development Workshops with the Board from June through to September 2021. The workshops helped to develop potential regional economic development priorities, which will inform future work taken on by the Board.</p>
<p><b>Expected Implementation Date:</b> December 2025</p>	
<p><b>Current Status:</b> On schedule</p>	<p><b>What's next:</b> It is expected that work on regional economic development will continue to occur in 2022. Through the strategy the new board will have to continue following the learning from the workshops had.</p>

<p><b>Customers:</b> Calgarians</p>	<p><b>Partners:</b> Internal  <ul style="list-style-type: none"> <li>•Mayor's Office &amp; elected officials representing on CMRB Board &amp; Committees</li> <li>•Business units may include Transportation, Transit, Water Resources, Planning &amp; Development (Calgary Growth Strategies, Community Planning, Geodemographics), Recreation, Parks.</li> </ul>                       External partners include Calgary Metropolitan Region Board (CMRB), member municipalities of the CMRB, regional agencies and civic partners, e.g. Calgary Economic Development.</p>
---	--

<p><b>Overall Risk Rating:</b> Medium</p>	<p><b>Strategic Alignment:</b> This project aligns with several Council, corporate, and business unit goals:  <ul style="list-style-type: none"> <li>• Calgary Metropolitan Region Board (CMRB) regulation</li> <li>• A Well-Run City (Council Priority)</li> </ul> </p>
---	--



# Financial Task Force Implementation Report

## Regional Strategies

**Led By:** City Planning & Policy

**Related Administrative Action:** 16a, 17a, 28b, 29b, 30b

**Description:** Implementation of the administrative actions may depend on negotiation, advocacy, and collaboration with neighbouring municipalities. This requires an investment in terms of time and relationship building. These actions may take multiple years to start to come to fruition.

- 16a. There are several opportunities to pursue cost sharing with neighbouring municipalities:
- Administration is working with Rocky View County on studies with the aim of establishing cost sharing agreements. The studies include the East Stoney Freeway Study (in collaboration with Transportation), Regional Recreation Study (in collaboration with Recreation). This work is scheduled to be complete by the end of 2022.
  - The Regional Planning team is supporting bi-lateral mediated discussions with Rocky View County. Cost sharing will be a discussion topic. This work is anticipated to take one to two years – possibly completing by end of 2023.
  - Through the CMRB, The City will participate in two Joint Planning Areas (JPAs) as described in the CMRB Growth Plan. The objective for collaborating on JPAs is for municipalities to jointly plan and coordinate growth and infrastructure. This is with the recognition that intermunicipal planning is complex and will accommodate relatively higher-level densities. Municipalities participating are required to explore cost-sharing as part of intermunicipal planning and servicing. This work is anticipated to take three to four years – possibly completing by end of 2025.

- 17a. The Regional Planning team is involved in several initiatives to protect The City’s competitiveness. Initiatives include:
- Off-site levies will be discussed as part of the CMRB JPA work. This work is anticipated to take three to four years to complete.
  - Annexation in Rocky View County has been initiated to support The City’s Industrial Strategy. This work is anticipated to take two to four years to complete.
  - The Regional Planning team will support Corporate discussions on intermunicipal and regional servicing and the creation of supporting policies as a result of servicing requests through the CMRB. This work is anticipated to take three to four years to complete.

- 28b, 29b & 30b. Incorporate the results of the studies into recommendations around regional discussions and negotiations as well as recommendations for user fee pricing. For example:
- Identify the need for studies to inform the Terms of Reference for JPAs within the CMRB
  - Inform bilateral mediated discussions or intermunicipal discussions/studies
  - Use information to inform related work where applicable; e.g., annexation analysis.

The timing of these implementation actions depends upon other business providers.

<p><b>Implementation Phase:</b> Planning</p>	<p><b>What has happened over the past 6 months:</b></p> <ul style="list-style-type: none"> <li>• Cost-sharing with Rocky View: Joint administrative meetings were held to review the analysis from the two studies that were conducted; East Stoney Freeway Study and Regional Recreation Study.</li> <li>• Bilateral mediated discussions with Rocky View County: Letters were exchanged initiating the project which is identified on Calgary’s work plan to start 2022 and is anticipated to be identified on Rocky View County’s work plan.</li> <li>• Two Joint Planning Areas: work on the JPAs is pending approval of the Growth Plan by the Province.</li> <li>• Annexation in Rocky View County: The annexation was initiated through a letter to Rocky View County and the Land and Property Rights Tribunal. The work is identified on Calgary’s work plan</li> <li>• Corporate discussions on intermunicipal and regional servicing: no formal work has begun on this yet.</li> </ul>
<p><b>Expected Implementation Date:</b> December 2025</p>	



# Financial Task Force Implementation Report

<p><b>Current Status:</b> On schedule</p>	<p><b>What's next:</b></p> <ul style="list-style-type: none"> <li>• Cost-sharing with Rocky View: East Stoney Freeway Study and Regional Recreation Study; agreement on cost-sharing is scheduled to be complete by the end of 2022.</li> <li>• Bilateral mediated discussions with Rocky View County: initiation of bilateral meetings are anticipated to start.</li> <li>• Two Joint Planning Areas: context studies are anticipated to start.</li> <li>• Annexation in Rocky View County.</li> <li>• Corporate discussions on intermunicipal and regional servicing.</li> </ul>
<p><b>Customers:</b> Calgarians</p>	<p><b>Partners:</b></p> <p>Internal</p> <ul style="list-style-type: none"> <li>• Mayor's Office &amp; elected representatives to the CMRB Board &amp; Committees</li> <li>• Business units may include Transportation, Transit, Water Resources, Planning &amp; Development (Calgary Growth Strategies, Community Planning, Geodemographics), Recreation, Parks.</li> </ul> <p>External partners include Calgary Metropolitan Region Board (CMRB), member municipalities of the CMRB, regional agencies and municipal partners (CED).</p>
<p><b>Overall Risk Rating:</b> Medium</p>	<p><b>Strategic Alignment:</b></p> <p>This project aligns with several Council, corporate, and business unit goals:</p> <ul style="list-style-type: none"> <li>• Calgary Metropolitan Region Board (CMRB) regulation</li> <li>• A Well-Run City (Council Priority)</li> </ul>



# 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.

<p><b>Implementation Phase:</b> Benefits Realization</p>	<p><b>What has happened over the past 6 months:</b> The 2020 residential property taxes and utility charges survey is finished and published on Oct 25, 2021. It includes two new questions regarding non-residential property classes: non-residential taxes per 1,000 sf per year for two types of commercial properties: 1. Downtown high-rise office space, and 2. big box retail of 50,000 square feet or more. There are 8 cities responded to these questions and the findings are analyzed in our 2020 survey report.</p>
<p><b>Expected Implementation Date:</b> October 2021</p>	
<p><b>Current Status:</b> Completed</p>	<p><b>What’s next:</b> The project is completed. No further actions needed at this time.</p>
<p><b>Customers:</b> City Council, Administration leadership team, taxpayers and potential investors who want to know the competitiveness of Calgary’s property taxes</p>	<p><b>Partners:</b> Participating municipalities</p>
<p><b>Overall Risk Rating:</b> High</p>	<p><b>Strategic Alignment:</b> Recommendations of the Task Force</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.

<p><b>Implementation Phase:</b> Implementation</p>	<p><b>What has happened over the past 6 months:</b> Business Experience Representative Pilot started on March 1. The Business Experience Representative (BER) acts as a consistent 'One Stop Support' for business customers. They are knowledgeable on the application intricacies of each business type, and they are available to help the customer throughout all of their approvals and inspections steps, and will provide consistent support to customers from beginning to end. The pilot ends December 1, 2021, and so far has improved business licensing timelines for restaurants and breweries by 21%.</p>
<p><b>Expected Implementation Date:</b> March 2022</p>	
<p><b>Current Status:</b> On schedule</p>	<p><b>What's next:</b> We want to have 5 staff permanently hired into the position by the end of 2021. Training and operationalization will occur in early 2022. Performance measures are being finalized which include clear timelines.</p>
<p><b>Customers:</b> -Restaurant/Brewery industry -Impacts hotel and hospitality industry as well as other connected retail businesses.</p>	<p><b>Partners:</b> Planning and Development Community Services Business Advisory Committee City Manager's Office Stakeholders from Restaurant/Brewery Industry</p>
<p><b>Overall Risk Rating:</b> Medium</p>	<p><b>Strategic Alignment:</b> Council Direction – Business Advisory Committee mandate Rethink to Thrive Strategy Calgary in the New Economy (Economic Strategy)</p>
<p><b>Performance Measures</b></p>	<p><b>Performance Story</b></p>
	<p>Business Experience Representative Pilot: launched end of Q1 2021 to gather appropriate customer insights on an ongoing basis.</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).

<p><b>Implementation Phase:</b> Implementation</p>	<p><b>What has happened over the past 6 months:</b> SAVE business cases are integrated into budget adjustments for November 2021.</p>
<p><b>Expected Implementation Date:</b> November 2021</p>	
<p><b>Current Status:</b> Completed</p>	<p><b>What's next:</b> Complete implementation for any remaining business cases that had a longer implementation timeframe.</p>
<p><b>Customers:</b> Council and by extension citizens and businesses.</p>	<p><b>Partners:</b> Corporate Initiatives Corporate Budget Office Various services impacted by business cases</p>
<p><b>Overall Risk Rating:</b> Low</p>	<p><b>Strategic Alignment:</b> SAVE Program Multi-Year Business Planning and Budgeting Policy (CFO004)</p>
<p><b>Performance Measures</b></p>	<p><b>Performance Story</b></p>
	<p>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.</p>



# 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.

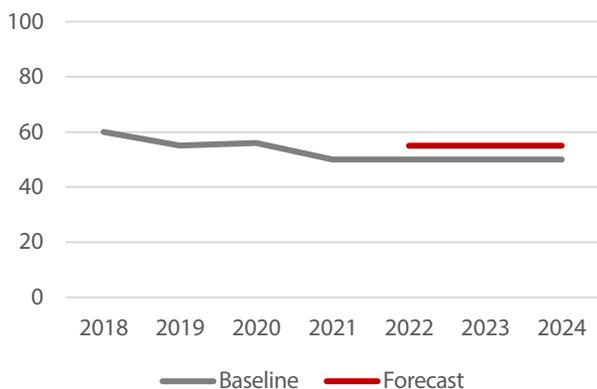
Both the One Calgary program team and the Financial Task Force Implementation Team will support the rollout and use templates by stakeholders.

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.

<b>Implementation Phase:</b> Installation	<b>What has happened over the past 6 months:</b> Program plan has been approved, resources established, and plan has been initiated. Design of 'visual cue' is complete.
<b>Expected Implementation Date:</b> April 2023	
<b>Current Status:</b> On schedule	<b>What's next:</b> Visual cue will begin to appear on reports to Council. Program plan will be kicked off with services.
<b>Customers:</b> Citizens, businesses and Council	<b>Partners:</b> 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
<b>Overall Risk Rating:</b> Medium	<b>Strategic Alignment:</b> Multi-Year Business Planning and Budgeting Policy Rethink to Thrive
<b>Performance Measures</b>	<b>Performance Story</b>

# Financial Task Force Implementation Report

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) (Per cent agree)



With these additional tools to support citizen engagement and understanding, maintaining the historical levels of satisfaction should be achievable.

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.



# 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.

<p><b>Implementation Phase:</b> Benefits Realization</p>	<p><b>What has happened over the past 6 months:</b> The Province-wide program is up and running through BusinessLink. It is part of the Digital Economy Program (<a href="https://businesslink.ca/digital-economy-program/">https://businesslink.ca/digital-economy-program/</a>) The DEP consists of ShopHERE and Digital Service Squad. As Calgary has already implemented ShopHERE, we are focusing on the Digital Service Squad. Grants are available through BusinessLink and The City has applied for one to support a program that will be staffed by students and run out of BLE.</p>
<p><b>Expected Implementation Date:</b> March 2021</p>	
<p><b>Current Status:</b> On schedule</p>	<p><b>What's next:</b> The Business and Local Economy (BLE) team received a grant through BusinessLink's Digital Economy Program to implement a Digital Service Squad (DSS) program. Under this program, BLE will hire up to 15 post-secondary students to help small businesses increase their digital presence and capabilities. Members of the DSS will provide individualized service to businesses, helping identify digital needs and providing recommendations on the best ways to address them. Recruiting for these students will run from December 6 – 17 in preparation for a full program launch in Q1 2022. (The Digital Economy Program is a partnership between BusinessLink and Digital Main Streets made possible through funding from the Government of Alberta.)</p>
<p><b>Customers:</b> Small businesses and artists</p>	<p><b>Partners:</b> -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>
<p><b>Overall Risk Rating:</b> Medium</p>	<p><b>Strategic Alignment:</b> Calgary in the New Economy (Economic Strategy) Rethink to Thrive Strategy Business Sector Task Force TOR + Business Advisory TOR</p>



# Financial Task Force Implementation Report

## Subclass Investigation

**Led By:** Property Assessment

**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.

<p><b>Implementation Phase:</b> Installation</p>	<p><b>What has happened over the past 6 months:</b> A project team was established. Preliminary research is complete. Background and historical subclass information has been compiled. The legislative analysis and literature review are nearing completion. A high-level environmental scan of assessment jurisdictions across Canada has been carried out. Past legal opinions on various subclass matters have also been reviewed. Assessments' "CIAO+ Team" has been engaged to determine the costs to incorporate additional subclass functionality into the new assessment system that's currently being developed.</p>
<p><b>Expected Implementation Date:</b> January 2022</p>	<p><b>What's next:</b> Research will be completed. The goal is to identify potential NR subclass types that would meet the intent of this recommendation and to begin drafting the final report in 2022 Q1.</p>
<p><b>Current Status:</b> Delayed</p>	<p><b>Partners:</b> Assessment; Finance - Tax &amp; Receivables; Finance - Corporate Budget Office; Special Projects (Downtown Plan, Strategy).</p>
<p><b>Customers:</b> The City of Calgary Property Owners</p>	<p><b>Strategic Alignment:</b> A well-run city</p>
<p><b>Overall Risk Rating:</b> Low</p>	



# 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.

<b>Implementation Phase:</b> Benefits Realization	<b>What has happened over the past 6 months:</b> The Support Local program itself was not active over Q2 2021. Local businesses continued to use our collateral and there was some usage of the hashtag, but there were no specific campaigns or events.
<b>Expected Implementation Date:</b> July 2021	
<b>Current Status:</b> On schedule	<b>What's next:</b> Business & Local Economy is leading a Support Local campaign for the 2021 holiday season. It will launch in November using a variety of mediums. We will be engaging Business Improvement Areas and other community partners to promote shopping at local businesses.

<b>Customers:</b> Citizens Businesses	<b>Partners:</b> Calgary Economic Development Calgary Chamber of Commerce Tourism Calgary Calgary Arts Development Association Business Improvement Areas (BIAs) Mayor's Office
---	--

<b>Overall Risk Rating:</b> Medium	<b>Strategic Alignment:</b> Calgary in the New Economy (Economic Strategy) Rethink to Thrive Strategy Business Sector Task Force TOR
---------------------------------------	---

### Performance Story

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.

<p><b>Implementation Phase:</b> Installation</p>	<p><b>What has happened over the past 6 months:</b> A scoping report on the issue of the distribution of the property tax levy between residential and non-residential properties is part of this report. The three main approaches are presented along with their implications.</p>
<p><b>Expected Implementation Date:</b> December 2021</p>	
<p><b>Current Status:</b> On schedule</p>	<p><b>What's next:</b> Administration will gather stakeholder feedback on the approaches and a potential target. Results will be presented along with the Taxation Policy for Council's consideration before 2022 Q2.</p>
<p><b>Customers:</b> The City of Calgary Residential and Non-Residential Property Owners</p>	<p><b>Partners:</b> Finance – Corporate Budget Office Corporate Initiatives Assessment Customer Service and Communications (CSC)</p>
<p><b>Overall Risk Rating:</b> High</p>	<p><b>Strategic Alignment:</b> A well-run city</p>



# Financial Task Force Implementation Report

## Taxation Policy

**Led By:** Financial Support

**Related Administrative Action:** 19c, 20c, 34b, 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.

<p><b>Implementation Phase:</b> Installation</p>	<p><b>What has happened over the past 6 months:</b> Work has begun on drafting the current state and the implicit policies for inclusion in a current-state policy.</p>
<p><b>Expected Implementation Date:</b> January 2023</p>	
<p><b>Current Status:</b> On schedule</p>	<p><b>What's next:</b> The Taxation Policy will be presented to Council prior to the end of 2022 Q2.</p>
<p><b>Customers:</b> Tax payers Council Citizens</p>	<p><b>Partners:</b> Finance Assessment Corporate Initiatives</p>
<p><b>Overall Risk Rating:</b></p>	<p><b>Strategic Alignment:</b> Multi-Year Business Planning and Budgeting Policy for The City of Calgary CFO004 Long Range Financial Plan</p>



# 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.

<p><b>Implementation Phase:</b> Installation</p>	<p><b>What has happened over the past 6-months:</b></p> <ol style="list-style-type: none"> <li>Administration contracted a survey of approximately 500 property owners' experiences with and perceptions of TIPP.</li> <li>The Taxation Service has started scoping an online intake to facilitate quicker and more efficient processing of TIPP applications.</li> <li>The Taxation Service is working with Law to revise the TIPP Bylaw to reduce barriers to program entry.</li> </ol> <p>The Taxation Service has identified communication opportunities to promote TIPP and potentially increase participation.</p>
<p><b>Expected Implementation Date:</b> May 2022</p>	

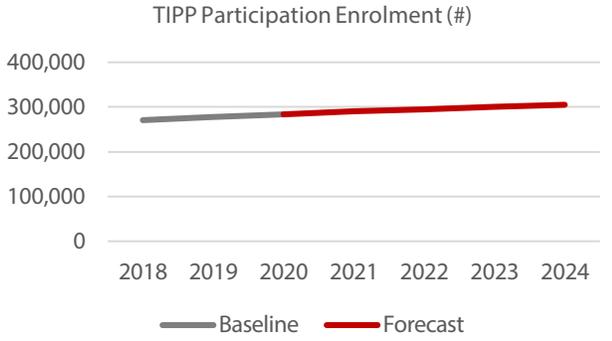
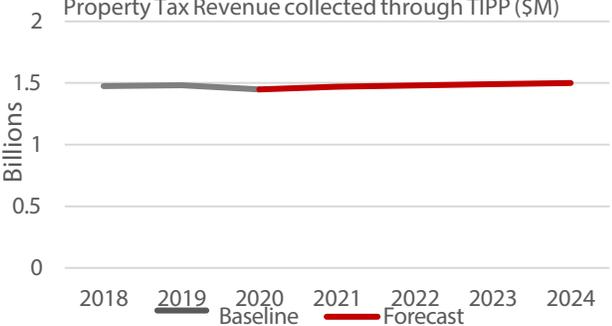
<p><b>Current Status:</b> On schedule</p>	<p><b>What's next:</b></p> <ol style="list-style-type: none"> <li>Administration will present the results of the property owner TIPP survey to Council with recommendations to further promote awareness of the program and increase participation.</li> <li>Administration will present a revised TIPP Bylaw, proposing changes to reduce barriers to participation, to Council for approval.</li> <li>The Taxation Service will continue development of an online TIPP application with an anticipated go-live date of 2022 May.</li> <li>The Taxation Service will continue to evaluate and implement options to promote TIPP and increase program participation.</li> </ol>
---	---

<p><b>Customers:</b> Residential and non-residential property owners</p>	<p><b>Partners:</b> Taxation Law City Clerks (TBD) IT Customer Service Finance Communications support FTF Implementation Team</p>
--	---

<p><b>Overall Risk Rating:</b> Low</p>	<p><b>Strategic Alignment:</b> Financial Task Force Recommendation</p>
--	--

<p><b>Performance Measures</b></p>	<p><b>Performance Story</b></p>
------------------------------------	---------------------------------

# Financial Task Force Implementation Report

<p>TIPP Participation Enrolment (#)</p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Enrolment (#)</th> </tr> </thead> <tbody> <tr><td>2018</td><td>250,000</td></tr> <tr><td>2019</td><td>260,000</td></tr> <tr><td>2020</td><td>270,000</td></tr> <tr><td>2021</td><td>280,000</td></tr> <tr><td>2022</td><td>290,000</td></tr> <tr><td>2023</td><td>300,000</td></tr> <tr><td>2024</td><td>310,000</td></tr> </tbody> </table>	Year	Enrolment (#)	2018	250,000	2019	260,000	2020	270,000	2021	280,000	2022	290,000	2023	300,000	2024	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	Enrolment (#)																
2018	250,000																
2019	260,000																
2020	270,000																
2021	280,000																
2022	290,000																
2023	300,000																
2024	310,000																
<p>Property Tax Revenue collected through TIPP (\$M)</p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Revenue (\$M)</th> </tr> </thead> <tbody> <tr><td>2018</td><td>1.45</td></tr> <tr><td>2019</td><td>1.45</td></tr> <tr><td>2020</td><td>1.45</td></tr> <tr><td>2021</td><td>1.48</td></tr> <tr><td>2022</td><td>1.48</td></tr> <tr><td>2023</td><td>1.48</td></tr> <tr><td>2024</td><td>1.5</td></tr> </tbody> </table>	Year	Revenue (\$M)	2018	1.45	2019	1.45	2020	1.45	2021	1.48	2022	1.48	2023	1.48	2024	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	Revenue (\$M)																
2018	1.45																
2019	1.45																
2020	1.45																
2021	1.48																
2022	1.48																
2023	1.48																
2024	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.

<b>Implementation Phase:</b> Installation	<b>What has happened over the past 6-months:</b> * Literature and Jurisdictional Review Complete.
<b>Expected Implementation Date:</b> December 2024	* Review of past public engagement and market research complete. * Current State assessment and opportunity identification underway.
<b>Current Status:</b> On schedule	<b>What's next:</b> * Future State identification * Opportunity identification and selection.

<b>Customers:</b> Citizens and businesses, visitors (non-residents) Council, Services with User Fees	<b>Partners:</b> 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
--	--

<b>Overall Risk Rating:</b> Medium	<b>Strategic Alignment:</b> 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 Implementation Report

## Annual Assessment Cycle Continuation

**Led By:** Property Assessment

**Related Administrative Action:** 26a

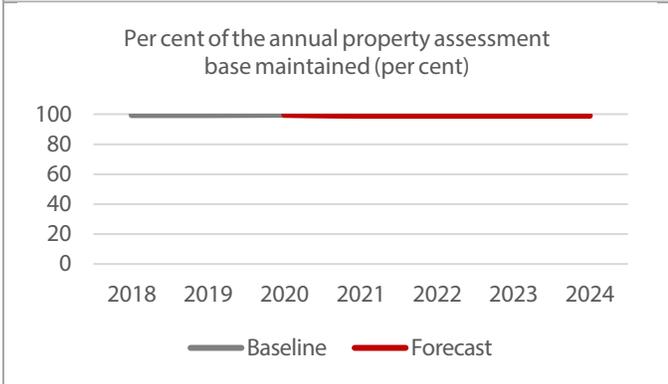
**Description:** Recommendation 26 was “do not sacrifice high-quality information available through annual property assessments that improve the ability to monitor and respond to underlying changes in the economy and real estate markets. The administrative action was "administration will continue the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

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

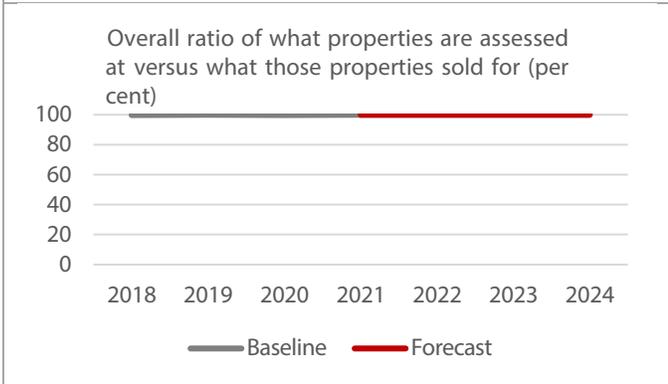
<b>Customers:</b> Property owners, City of Calgary, and Government of Alberta	<b>Partners:</b> NA
--	------------------------

<b>Overall Risk Rating:</b> Slight	<b>Strategic Alignment:</b> 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.

## Index

Act.	Implementation Report Name	Page	Status	Phase
1a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
1b	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
1b	Long Range Financial Plan Update	21		Installation
1c	Long Range Financial Plan Update – External Review	22		Benefits
1c	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
2a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
2a	Council-approved Budget Principles	13		Installation
2b	Financial Narrative	20		Implementation
2b	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
3a	Long Range Financial Plan Update	21		Installation
3a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
3b	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
4a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
4b	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
4b	Assessment Timeline	5		Planning
4c	User Fees and Subsidies Policy Review	46		Installation
4d	Provincial Engagement Plan	29		Implementation
5a	Business Web Hub	10		Benefits
5a	Business Perspectives Panel Research	8		Benefits
5a	Patio Program 2020/2021	24		Benefits
5a	Support Local YYC campaign	41		Benefits
5a	ShopHERE powered by Google	39		Benefits
5a	Restaurant/Brewery Experience Improvement Program	35		Implementation
5a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
6a	Differentiated Taxation	15		Planning
6b	Provincial Engagement Plan	29		Implementation
7a	Corporate eCommerce Program	12		Implementation
7a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
7b	Corporate eCommerce Program	12		Implementation
7b	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
7c	Provincial Engagement Plan	29		Implementation
8a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
8a	Council-approved Budget Principles	13		Installation
9a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
9a	Municipal Finance White Paper	23		Installation
9b	Provincial Engagement Plan	29		Implementation

Status indicators:  Completed  On schedule  Delayed  Cancelled



Act.	Implementation Report Name	Page	Status	Phase
10a	Long Range Financial Plan Update	21		Installation
10a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
11a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
11a	Council-approved Budget Principles	13		Installation
12a	Provincial Engagement Plan	29		Implementation
13a	Municipal Finance White Paper	23		Installation
13b	Provincial Engagement Plan	29		Implementation
14a	Provincially or Federally Mandated Services	30		Benefits
14b	Provincial Engagement Plan	29		Implementation
14c	Provincial Engagement Plan	29		Implementation
15a	Regional Economic Development	31		Planning
16a	Regional Strategies	32		Planning
17a	Regional Strategies	32		Planning
18a	Residential property taxes and utility charges survey	34		Benefits
18a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
18b	Residential property taxes and utility charges survey	34		Benefits
18b	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
18c	Residential property taxes and utility charges survey	34		Benefits
19a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
19a	Tax Responsibility Study	42		Installation
19b	Tax Responsibility Study	42		Installation
19c	Taxation Policy	43		Installation
20a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
20a	Council-approved Budget Principles	13		Installation
20b	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
20b	Long Range Financial Plan Update	21		Installation
20c	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
20c	Taxation Policy	43		Installation
21a	Economic Resilience Task Force (ERTF) Liaison	18		Planning
21b	Fabrication Workshop	19		Installation
21b	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
21b	Municipal Finance White Paper	23		Installation
21c	Provincial Engagement Plan	29		Implementation
22a	Economic Resilience Task Force (ERTF) Liaison	18		Planning
22b	Municipal Finance White Paper	23		Installation
22c	Provincial Engagement Plan	29		Implementation
23a	Financial Narrative	20		Implementation
23a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation

Status indicators: Completed On schedule Delayed Cancelled

Act.	Implementation Report Name	Page	Status	Phase
23b	Provincial Engagement Plan	29		Implementation
24a	Economic Resilience Task Force (ERTF) Liaison	18		Planning
24b	Long Range Financial Plan Update	21		Installation
24b	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
24b	Municipal Finance White Paper	23		Installation
24c	Provincial Engagement Plan	29		Implementation
25a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
25a	TIPP – Modernization	44		Installation
25b	TIPP – Modernization	44		Installation
26a	Annual Assessment Cycle Continuation	47		Benefits
26b	Taxation Policy	43		Installation
26b	Subclass Investigation	40		Installation
27a	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
27a	Assessment Timeline	5		Planning
27b	Service Plans and Budgets 2023-2026 Program Plan	37		Installation
27b	Assessment Timeline	5		Planning
* 28a	Business Licensing Cost and Value	7		Planning
28b	Business Licensing Cost and Value	7		Planning
28b	Regional Strategies	32		Planning
* 29a	Business Licensing Cost and Value	7		Planning
29b	Business Licensing Cost and Value	7		Planning
29b	Regional Strategies	32		Planning
* 30a	Business Licensing Cost and Value	7		Planning
30b	Business Licensing Cost and Value	7		Planning
30b	Regional Strategies	32		Planning
31a	Taxation Policy	43		Installation
31a	Council-approved Budget Principles	13		Installation
31b	SAVE Program Integrated in Budget Adjustments	36		Implementation
32a	Countercyclical Fiscal Policy Report	14		Planning
32b	Provincial Engagement Plan	29		Implementation
33a	Promoting Calgary - Downtown Strategy	26		Implementation
33a	Promoting Calgary - Economic Strategy	27		Implementation
33b	Downtown Survey	17		Planning
34a	Financial Narrative	20		Implementation
34b	Taxation Policy	43		Installation
34c	Taxation Policy	43		Installation
35a	Assessment Smoothing Investigation	4		Planning

\*Progress has been made on actions 28/29/30a within specific services (e.g. Business Licensing), but work on a unified approach to enterprise costing for this purpose has not yet begun, as reflected in the overview on page 2.

Status indicators:  Completed  On schedule  Delayed  Cancelled



## Financial Task Force Recommendations Q4 2021 Highlights & Successes

Implementation of the Financial Task Force recommendations is a significant effort underway across The Corporation. Many have contributed their talents, knowledge and experience to ensure the Financial Task Force recommendations can be fully leveraged for the benefit of all Calgarians. The highlights below have been grouped under each of the Financial Task Force themes and showcase the efforts of teams across the organization to help strengthen The City's financial system.

### Improving understanding of Municipal Finance Circumstances

The City's Customer Service & Communications team has led a collaborative effort to respond to Financial Task Force recommendations by enhancing the approach to communications and establishing a cohesive financial narrative that connects The City's annual financial cycle and key activities such as planning and budgeting, assessment, and taxes.

The financial narrative includes elements of service value, citizen opportunities for input, as well as continuous financial and process improvement initiatives to help demonstrate value and create awareness and understanding of The City's annual financial cycle. The financial narrative continues to evolve and includes:

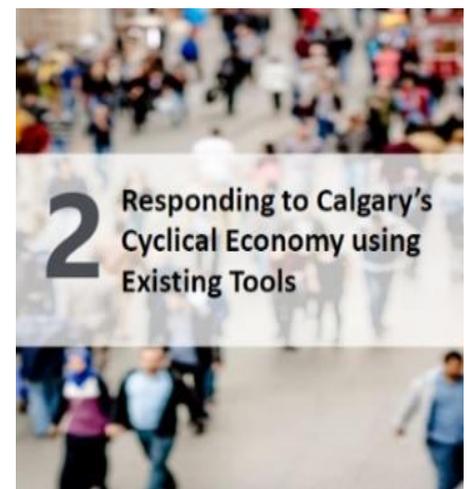
- Updates to the [calgary.ca/OurFinances](http://calgary.ca/OurFinances) web page provide a central place where citizens can learn about City Finances and how The City continues to work to ensure Calgarians receive good value for their property tax dollars.
- A [municipal benchmarking](#) subsite to provide context as to how Calgary compares to other municipalities.
- The latest research on [citizens' views](#) about living in Calgary, perceptions of the quality of life, attitudes towards City Administration and Council, and perspectives of City programs and services.
- A [complete video series](#) to increase awareness and understanding of citizen priorities, service plans and budgets, how we align our programs and services with citizen priorities, determining your share of property tax, and how property tax dollars are put to work to deliver value to Calgarians.
- 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 [financial facts](#) page that addresses myths and misconceptions about The City's finances, programs and services.



### New revenue through Fleet fabrication workshop innovations

Fleet Services has responded to the Task Force recommendation to develop and implement additional revenue from a strategic review of business activities while 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 \$9 million per year by designing and manufacturing fabricated items for external parties and municipalities.

Corporate prioritization and lack of resources often forces Fleet Management to turn away requests from external municipalities and organizations. Fleet Services has completed the hiring of foreman and team lead positions to create a new shift in the Fabrication Workshop and begin onboarding new fabrication requests in Q1 2022. This additional shift in the Fabrication Workshop will enable Fleet Services to start marketing products to external municipalities and organizations, resulting in forecasted revenue of \$11 million in 2022.





## Financial Task Force Recommendations Q4 2021 Highlights & Successes

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 provide 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 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.

### TIPP modernization

The Financial Task Force recommended The City strive for a higher uptake of the Tax Installment Payment Plan (TIPP) to smooth City cash flows 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. The TIPP program has a 60 per cent enrollment rate, one of the highest of its kind in Canada.

The Taxation Service is continually looking for ways to evaluate and identify actions that could improve customer satisfaction and increase the uptake of enrolment in the program.



The City recently contracted a third-party survey with approximately 500 randomly chosen property owners, including both TIPP participants and non-participants to: 1). identify barriers to use and identify opportunities to increase TIPP participation; 2). understand ways to improve program accessibility and responsiveness to those requesting to join TIPP; 3). measure rates of awareness and recall of TIPP to find better ways to provide information about TIPP to Calgarians, and; 4). validate and better understand the motivations behind the high TIPP participation rate.

Based on the findings from this research, the Taxation Service has:

- Collaborated with Law to revise the TIPP Bylaw to reduce barriers to program entry.
- Started development of an online intake process in partnership with IT that will be enabled through a TIPP Application Portal to improve the taxpayer experience and streamline internal processes.
- Enhanced communications regarding the benefits of TIPP.
- Worked with Customer Service & Communications to develop and promote a digital TIPP campaign designed to increase TIPP participation amongst homeowners with an emphasis on Calgarians aged 25-44, who are seen as the most likely potential TIPP participants.



## Financial Task Force Recommendations

### Q4 2021 Highlights & Successes

#### Managing the transition to the new economy

To address the emergence of the rapidly growing digital economy, the Task Force recommended The City prepare for the future by looking inwards and creating a good environment where businesses, small and large, can thrive.

The Business and Local Economy team continues their collaborative efforts to support businesses through everchanging economic realities and create conditions where businesses can succeed:

- **Creation of an online Business Hub** – provides a one-stop-shop where businesses to go for updates, resources and information to support businesses during COVID at [calgary.ca/business](https://calgary.ca/business).

The new business hub design incorporates new features and technology to existing business pages that have been organized to improve the overall customer experience business owners have with The City. It was ideal for launching the Calgary Reopening Grant in July 2021 and the Restrictions Exemption Program (REP) Support Grant in October 2021.

Between June and October 2021, the business hub had 258,196 page views with a higher than average time spent per page than most City of Calgary web pages. The highest traffic was in July and October, with 71 per cent coming from organic web searches and 45 per cent were new visitors to calgary.ca. The pages with the highest views were Business Licensing and Starting a Business.

- **Patio Program** – following Council approval of a COVID relief package to support temporary outdoor patios, a new process was developed and implemented to support local establishments obtain approvals for temporary patios. Temporary permits for outdoor patios were issued at no cost and Administration also waived development permit fees. This use of outdoor space was one way to support local establishments while enabling physical distancing for patrons and staff during COVID.

Of the 441 patio permits issued by The City in 2021, almost 50 per cent were temporary patio permits in rights of way. Following the success of this program, City Council approved the establishment of a permanent patio program in September 2021. The Planning and Development department has begun to guide its implementation.

- **Restaurant / Brewery Experience Improvement Program** – after hosting three confidential meetings with the Business Advisory Committee and representatives from the restaurant and brewery sector to identify issues, the Business and Local Economy team has been working to implement solutions, beginning with the Business Experience Representative Pilot that started in March 2021.

The Business Experience Representative (BER) acts as a consistent “one-stop-shop” / concierge service for business customers. The pilot ends on December 1, 2021. To date, the program has improved business licensing timelines for restaurants and breweries by 21 per cent. While the focus of this improvement program has been on the restaurant/brewery sector, the solutions will support the entire business community in Calgary.

- **Support Local YYC** – the Business and Local Economy team has once again launched its seasonal #SupportLocalYYC campaign to support local entrepreneurs and businesses who are the life of our economy. The supply chain issues and continuing effects of the pandemic make it timely for Calgarians to seek out locally available products and services. Consumers can find shelves stocked with unique discoveries inside Calgary businesses. For every \$100 spent at a local business, \$58 is circulated back into our local economy.





## Financial Task Force Recommendations

### Q4 2021 Highlights & Successes

#### Balancing livability and tax competitiveness

To address the need to improve tax competitiveness without sacrificing livability, the Task Force recommended The City further develop and sustain Calgary's superior livability outcomes while having competitive residential and non-residential property taxes. In response, Corporate Economics continues to measure and benchmark tax competitiveness amongst Canadian cities using the largest cities and regional municipalities in the Calgary region for comparison.

The [2020 Residential Property Taxes and Utility Charges Survey](#) is complete and has been published online. This latest survey includes two new questions, (in addition to regular questions about residential property taxes and utility rates), regarding non-residential property classes and taxes for two types of commercial properties to address Task Force recommendations: 1) downtown high-rise office space, and 2) big box retail of 50,000 square feet or more. A total of 8 cities responded to the new questions regarding non-residential properties and the findings are available in the survey.



#### Building capacity to offer relief when prevailing economic conditions demand

During the Special Meeting of Council on 2020 Adjustments to One Calgary Service Plans and Budgets, Council directed Administration to identify strategies and tactics to reduce the responsibility of taxpayers for the remainder of the One Calgary cycle. The City's [Solutions for Achieving Value and Excellence \(SAVE\)](#) was created in response to this direction. Informed by feedback from front-line employees, Council and Calgarians, the SAVE team explored various options and approaches to balance overall service delivery, affordability, and risk. The program delivered \$26.4M in net base budget savings in 2021 and \$53.2M in base savings in 2022, exceeding the program's original targets.

#### Working with partners to promote Calgary – Downtown Strategy

Downtown is central to Calgary's economic recovery. It is the economic and cultural heart of Calgary - 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 the vibrancy and economic vitality of the downtown, Council approved the [Greater Downtown Plan](#) and initial investments for implementation in April 2021. Since that time, the Downtown Strategy team has leveraged the collective efforts of The City and public and private sector partners to:

- **Launch the Downtown Development Incentive Program Phase 1** (office to residential conversion). There has been significant market interest with 13 applications received. The evaluation process is now underway.
- **Open the Stephen Avenue Safety Hub** - in September 2021, The City and Calgary Police Service opened a single, centralized location on Stephen Avenue where uniformed officers can collaborate on common issues, complete necessary paperwork and store equipment. The innovative working space for this initiative was generously donated by Slate Management and the Calgary Downtown Association. It will operate as a two-year pilot project. This initiative provides the opportunity to increase the visibility of uniformed Police, Bylaw and Transit officers in the downtown core, enhancing the sense of safety and security for citizens and businesses. The Downtown Ambassadors and Stephen Avenue Safety Hub received funding from Council to operate these downtown community safety initiatives through to 2023.
- **Advance additional projects** such as the [Future of Stephen Avenue](#), [Tomorrow's Chinatown](#), and [Eau Claire Area Improvements](#).





## Financial Task Force Recommendations

### Q4 2021 Highlights & Successes

#### Working with partners to promote Calgary – Economic Strategy

*Calgary in the New Economy* is a community built and supported strategy guided by local business and community leaders representing various industries, post-secondary institutions and municipal agencies. Insights were also gathered from community stakeholders and citizens.

The vision is for Calgary to be the city of choice in Canada for the world's best entrepreneurs who are embracing 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 Economic Development](#) stewards the implementation of the economic strategy in collaboration with other stakeholders and Civic Partners. Significant progress and achievements include:

- Opportunity Calgary Investment Fund announced \$2 million in investments to support [Endeavor Global Canada](#) and [SVG Ventures/THRIVE](#).
- Two Opportunity Calgary Investment Fund RFPs issued: Innovation Ecosystems and Fund Manager:
  - The first RFP, Innovation Ecosystem, pursued organizations that could provide training and mentoring to grow local companies.
  - The second RFP, Fund Manager, sought a qualified firm to manage a new or existing fund, leveraging other investors to identify and invest in early-stage technology-focused entities in Calgary.
- The Opportunity Calgary Investment Fund will support local entrepreneurs and startups through the establishment of Plug and Play Alberta by global business accelerator Plug and Play LLC with its headquarters in Calgary. Plug and Play was selected for OCIF support following a request for proposal (RFP) for business incubators and accelerators to address an identified scaleup gap in our innovation ecosystem by helping local tech companies grow while attracting global investment to Calgary.
- Accelerate Fund III LP is the first third-party fund manager selected to create a pool of capital for Calgary-focused early-stage investments. The Opportunity Calgary Investment Fund (OCIF) will contribute \$6 million to Accelerate Fund III, which will match dollars from OCIF to support early-stage companies and help accelerate the growth of the local tech and innovation sector.
- Calgary has seen 29 venture capital investments totalling \$252 million and is set to outpace 2020 investment activity.
- Startup [Genome Global Startup Ecosystem Report](#) ranked Calgary as one of the top 100 emerging tech startup ecosystems in the world, and second in Canada as an innovation ecosystem with the best “bang for buck” for the average amount of money raised by local tech startups. The City was also cited as one of the top 20 North American cities for hiring affordable talent.
- The International Economic Development Council (IEDC) awarded Calgary Economic Development with a gold rank for its Calgary sector videos, and a bronze rank for its New Economy LIVE event series.
- Soft launch opening of the Platform Innovation Centre, a multi-functional space dedicated to supporting start-up projects and entrepreneurs come together and create ideas that will shape the future.
- Calgary recorded double-digit growth in tech talent and total tech jobs over the past five years, rising six spots to 28th place among the Top 50 North American markets in [CBRE's 2021 Scoring Tech Talent](#) report.
- Notable attraction wins in 2021 include: [RBC Innovation Hub](#), [Endeavor Canada](#), [Infosys](#), [Mphasis](#), [SVG Ventures | Thrive](#), [Amazon Web Services](#) .





## Financial Task Force Recommendations

### Q4 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. These recommendations have lent important expert and quasi-independent endorsement of many of the existing positions taken by The City for municipal financial reform.

Since the release and adoption of the related Engagement Plan developed by Intergovernmental & Corporate Strategy, The City has continued to push for change on advocacy ready items 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 the 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 is leveraging several strategies based on past advocacy experience with the same or similar issues, the current intergovernmental context, and anticipated risks and opportunities, including enlisting partner voices in a campaign for change. To this end, The City of Calgary recently submitted a resolution asking the Alberta Urban Municipalities Association (AUMA) to call on the Government of Alberta to work with all municipalities on municipal finance reforms, including:

- The expansion of revenue tools to reduce reliance on property taxes as opportunities allow,
- The expansion of property tax flexibility as opportunities allow,
- The expansion of revenue tools to non-property related activities as opportunities allow,
- The development of non-residential property sub-classes that are efficient and easily administered to allow municipalities a tool for targeted financial relief.

In addition, the AUMA, in collaboration with Alberta's municipalities, and if possible, the Government of Alberta, will also undertake research studies and collect information on:

- The impact of e-commerce and new models of goods and services delivery on municipal economies and finances, and
- Identifying a comprehensive list of services and associated costs redirected to municipalities.

On November 18, 2021 the AUMA membership endorsed this resolution with 89 per cent in favour, which will now become AUMA policy. The City will continue to work with AUMA to carry the message forward.

The inclusion of the Financial Task Force recommendations into AUMA's municipal finance reform advocacy is expected to assist in the collective effort to gain the fiscal tools necessary to allow Alberta municipalities to thrive and continue to provide effective delivery of services and infrastructure into the future while meeting the challenges of a rapidly evolving economy and society.

Engagement activities continue to proceed and will return to the 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.

The City of Calgary

## Tax Distribution Scoping Report

Financial Task Force Implementation Team  
Chief Financial Officer's Department  
2021 December 07

## Contents

<b>1. INTRODUCTION AND PURPOSE</b>	<b>3</b>
<b>2. IS AN INDEPENDENT EXPERT REQUIRED?</b>	<b>3</b>
<b>3. OVERVIEW OF ADMINISTRATION’S PLAN TO ADDRESS RECOMMENDATION 19 – DISTRIBUTE TAX RESPONSIBILITY APPROPRIATELY</b>	<b>5</b>
3.1. EFFORTS THROUGH THE REAL ESTATE WORKING GROUP	5
<b>4. SCOPING REPORT BACKGROUND – TAX SYSTEM BASICS</b>	<b>6</b>
4.1. SOURCES OF TAX VOLATILITY	8
4.2. TAX REVENUE SHARE	9
4.3. TAX RATE RATIOS	9
<b>5. PRINCIPLES OF TAXATION POLICY</b>	<b>10</b>
5.1.1. DOES THE BENEFITS PRINCIPLE CONTINUE TO APPLY TO MODERN MUNICIPAL PROPERTY TAX SYSTEMS?	11
<b>6. OPTIONS FOR DISTRIBUTING TAX RESPONSIBILITY TO DIFFERENT CLASSES</b>	<b>13</b>
6.1. TAX DISTRIBUTION APPROACH SUMMARY	19
<b>7. CONCLUSION AND NEXT STEPS</b>	<b>20</b>
7.1.1. STAKEHOLDER ENGAGEMENT	20
7.1.2. ADDITIONAL COMPARATIVE DATA	21
<b>APPENDIX 1: FINANCIAL TASK FORCE RECOMMENDATION #19 AND ADMINISTRATION’S RESPONSE</b>	<b>22</b>
<b>APPENDIX 2: INDEPENDENT EXPERT CONSIDERATIONS</b>	<b>24</b>
<b>APPENDIX 3: RESPONSE TO REAL ESTATE WORKING GROUP RECOMMENDATIONS</b>	<b>25</b>
<b>APPENDIX 4: MODELLING THE EFFECTS OF THE DIFFERENT APPROACHES</b>	<b>27</b>

## 1. Introduction and Purpose

In July 2020, the Financial Task Force recommended (see Appendix 1) that The City contract an independent expert to consult with The City on several taxation policy-related matters including providing an acceptable and reasonable split of property tax responsibility between residential and non-residential taxpayers. In its response to the recommendation, Administration committed to “refine the scope of a potential analysis and review the feasibility of proceeding with an independent expert in the development of municipal tax policy and recommend a delivery date that considers resource constraints if appropriate.”

The purpose of this scoping report is three-fold. First, for the report recommends a reliance on City of Calgary analysis rather than additional expenditures on an external consultant. External members of an FTF Implementation Steering Committee have agreed to support and review the analysis. Second, three different approaches to addressing the split between residential and non-residential taxpayers are introduced; these three approaches are the mainstream practices in Canadian jurisdictions. Finally, next steps in the process including a stakeholder engagement plan and data development strategy are presented.

## 2. Is an independent expert required?

The questions regarding the appropriate distribution of the property tax between classes raised by the Financial Task Force are common in municipalities across Canada and there is substantial pre-existing literature on the subject, including two major reports from Vancouver,<sup>1</sup> one from Nova Scotia,<sup>2</sup> one from St. John, New Brunswick<sup>3</sup> and another from Saskatoon.<sup>4</sup> While the field is evolving, there are two leading academic experts in municipal finance that concentrate on property tax in Canada: Enid Slack and Harry Kitchen. Access to their expertise is available in the reports from Vancouver (Slack), Nova Scotia (Kitchen and Slack), and St. John, New Brunswick (Kitchen and Slack).

Proceeding with a Calgary-specific study holds the potential to find an answer to the long-standing question on the appropriate distribution of taxes between different property classes. Those expectations may need to be tempered, however, by the results from other similar investigations mentioned above, which were authored or co-authored by Canada’s leading experts on municipal tax policy. For example, the report commissioned by the Government of Nova Scotia concluded as follows without making a recommendation,

Unfortunately, there is no single means of determining the appropriate tax rate ratio for business relative to residential properties. Stakeholders offered some ideas of an

---

<sup>1</sup> Stanley Hamilton, Peter Adams and Enid Slack, *City of Vancouver Property Tax Policy Review Commission: Final Report* (City of Vancouver, 2007) <https://vancouver.ca/taxcommission/assets/pdf/2007-commission-report.pdf> and Stanley Hamilton, Peter Adams and Enid Slack, *Property Tax Policy Review Commission: 2014 Report* (City of Vancouver, 2014) <https://vancouver.ca/taxcommission/assets/pdf/report-property-tax-policy-reivew-2014-colour.pdf>

<sup>2</sup> Harry Kitchen and Enid Slack, *Municipal Property Taxation in Nova Scotia* (Association of Municipal Administrators Nova Scotia, 2014) <https://www.amans.ca/other-resouces/79-municipal-property-taxation-final-report/file.html>.

<sup>3</sup> Harry Kitchen and Enid Slack, *Municipal Property Tax Issues in the City of Saint John* (City of Saint John, 2017) <https://saintjohn.ca/sites/default/files/2021-03/10.%20Kitchen%20and%20Slack%20Final%20Report%20-%20August%202017.pdf>

<sup>4</sup> Mike Jordan, *Business Property Taxation by Cities: What We Know, What We Don't, and What We Should* (City of Saskatoon, 2017) [https://www.saskatoon.ca/sites/default/files/documents/asset-financial-management/assessment-taxation/business\\_property\\_taxation\\_by\\_cities\\_march\\_2017.pdf](https://www.saskatoon.ca/sites/default/files/documents/asset-financial-management/assessment-taxation/business_property_taxation_by_cities_march_2017.pdf)

appropriate ratio but provided no justification for their suggested ratio. Nor were we able to obtain any empirical evidence of business leaving the province solely because of property taxes. Hence, we are not in a position to make a recommendation on the appropriate ratio of commercial to residential tax rates, but we are suggesting that municipalities monitor the impact of commercial property taxes on their ability to attract and retain business.<sup>5</sup>

Similarly, the conclusion of the Vancouver Tax Commission, in their 2007 report, was:

We have not been able to identify a simple indicator of an appropriate tax share. Instead, the choice of tax share is a judgment call – one that needs to weigh the strength of concern with the current tax share against the likely consequences of change.<sup>6</sup>

The Vancouver Commission ultimately recommended a tax share of 48% from a starting point of 55% for the non-residential taxpayers.<sup>7</sup> A subsequent report by the Commission in 2014, when the tax share was 43.2%, concluded that, given the set of circumstances in Vancouver at the time, there should be no additional changes to the tax share.<sup>8</sup> The share of property taxes paid by non-residential taxpayers in Vancouver for 2021 was 42.9%. In Vancouver, the determination of tax share features in Vancouver's tax rate-setting annually.<sup>9</sup>

Given the amount of study on this topic by municipal tax experts and the failure thus far to arrive at a simple answer, the value of spending on an independent expert would primarily be the independence of the recommendation compared to a recommendation from Administration.

Having reviewed the relevant literature, Administration does not recommend proceeding with a study by an independent expert. Instead, Administration recommends internal analysis culminating in a taxation policy that responds to the issues raised by the Financial Task Force. Administration will complete work on the policy for Council approval no later than the end of Q2 2022.

The reasons for the recommendation are:

- (1) Administration is confident that it can complete the work in 2022 and believes that Council will have adequate, high-quality information for decision-making without the added cost of hiring an independent expert;
- (2) Calgary already has strong subject matter competency and Administrative analysis is an opportunity to further enhance that competency;
- (3) Through the SAVE program, Administration has made a commitment to hiring fewer consultants;
- (4) Administration has already benefitted from outside advice from the Real Estate Working Group (see section Real Estate Working Group Section) and there will be an opportunity to benefit from the input from independent parties through additional stakeholder engagement.

---

<sup>5</sup> Kitchen and Slack, *Nova Scotia*, p. 69.

<sup>6</sup> Hamilton, Adams and Slack. *Vancouver 2007*, p. 53.

<sup>7</sup> The City of Vancouver, *Report by the Director of Finance to Vancouver City Council on the 2021 Property Taxation: Distribution of Property Tax Levy* (The City of Vancouver, 2021), p. 4. <https://council.vancouver.ca/20210427/documents/r4.pdf>.

<sup>8</sup> City of Vancouver, *2014 Tax Commission*, p. 27.

<sup>9</sup> See City of Vancouver, *Distribution of Property Tax Levy* at 8.



If, however, Council believes that an independent view is still worthwhile, Administration has included Appendix 2, with further considerations related to hiring an independent expert. Council could direct Administration to proceed with the work via an independent expert; Administration has made the necessary preparations to follow through on that direction if required and would pursue a commission model similar Vancouver's if that was Council's desire.

### 3. Overview of Administration's Plan to Address Recommendation 19 – Distribute Tax Responsibility Appropriately

As part of the response to the Financial Task Force Recommendations, Administration committed to bringing a Taxation Policy to Council. The Taxation Policy will be Council's opportunity to set a path forward on addressing property tax-related issues. Table 1 below outlines the components of the recommendation and the timing of Executive Committee reports to address them.

Key Components of Recommendation 19	Timeframe
• Determine the objectives that would inform the determination of the acceptable and reasonable split.	December 2021
• Explore the viability of pegging mill rates and options (if any) that would work for the Calgary context.	Introduced December 2021, Taxation Policy
• Use the results to address the risk that one taxpayer category may be overpaying for services.	
• Incorporate the outcomes of recommendation #12 that targets making subclasses usable.	Taxation Policy
• The extent to which it makes sense to determine tax rate thresholds that once breached would trigger the need for mill rate stabilization using an existing or a new reserve.	Taxation Policy
• The range of fiscal tools, including reserves like the fiscal stability reserve, to minimize tax volatility while also maintaining a stable fiscal position.	Taxation Policy
• Use the results to anchor future tax redistribution decisions.	Tax Rate Setting in 2022 and Beyond

Table 1 Proposed Next Steps to Address Financial Task Force Recommendation #19

#### 3.1. Efforts through the Real Estate Working Group

In addition to the efforts of the Financial Task Force Implementation team, the Real Estate Working Group was also asked to give advice on Recommendation 19. The Real Estate Working Group was formed in response to a Motion Arising from Council's approval of the Financial Task Force Recommendations – Implementation Approach and Resources (C2020-0815), to provide advice to the Chief Financial Officer to Recommendation 19 (among others). The Real Estate Working Group is expected to present final findings on Recommendation 19 to the Executive Committee in December 2021. Administration's detailed response to the findings and advice from the Real Estate Working Group is available in Appendix 3. In summary, Administration plans to take the advice of the Real Estate Working Group into consideration as the taxation policy is developed.

## 4. Scoping Report Background – Tax System Basics

Before diving deeper into the different tax distribution approaches available to The City, it is important that the basics of the tax system are well understood.

In Alberta, budgeting, assessment and taxation are connected in the development of the tax rate. The calculation of the tax rate is detailed in section 355 of the *Municipal Government Act*:

355 A tax rate is calculated by dividing the amount of revenue required by the total assessment of all property on which that tax rate is to be imposed.

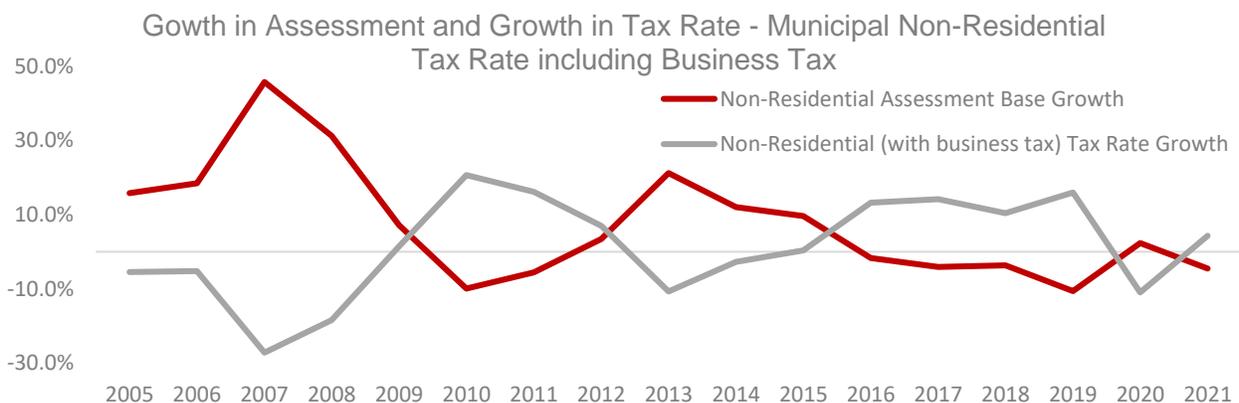
The equation is presented below for clarity:

$$\text{Tax Rate} = \frac{\text{City Revenue Requirement}}{\text{Total Assessed Value of All Taxable Properties}}$$

**Equation 1** The calculation of the tax rate as set out in the *Municipal Government Act*.

In short: (1) Council sets the amount of money required from property taxes to fund The City through the service planning and budgeting process usually in the November prior to the budget year; (2) assessments, which are sent in January of the budget year, determine both the total value of all properties within a class and the assessed amount on which the tax is imposed for each taxpayer; (3) the tax rate is typically set in April via the property bylaw, using the amounts from (1) and (2); and (4) the tax rate is applied to each assessment in a tax bill which is typically mailed in mid-May and due at the end of June.

This methodology is widely called the budget-based approach to tax rate setting and The City of Calgary refers to this as the revenue neutral approach because market value changes in assessments do not impact the total amount of revenue collected by The City. Using this method means that the tax rate floats. To achieve the same revenue, the tax rate goes lower when property assessments increase, and it goes higher when property assessments decrease.



**Figure 1** The negatively proportional relationship between assessed values and municipal property tax rates using the Budget Based Approach. Note: Calgary collected a business tax until 2019. To isolate the relationship between the assessment base and tax rate, the historical tax rates have been adjusted to reflect what the tax rate would have been if the amount collected by the business tax were raised through the non-residential property tax.

The relationship between the assessed value of non-residential properties and the non-residential municipal property tax rate is shown below in Figure 1. In Calgary, there was a swift rise in non-residential property assessments in 2007 and 2008 which led to a rapid decrease in the tax rate. This was followed by a rapid decline in non-residential property assessments in 2010 and 2011 which led to large increases in the tax rate.

Lower assessments from 2016 to 2019 led to increases in the non-residential property tax rate until Council took additional action, including lowering the property tax budget in the summer of 2019, and lowering the share of property taxes paid by non-residential properties 2020.

An alternative approach is the rate-based approach. In the rate-based approach, a static tax rate is applied to the assessed value of properties. This approach has led to “tax revolts” in some jurisdictions when there were rapid increases in the market value of properties that led to windfall revenues for municipalities.<sup>10</sup> It would also mean either entering into a deficit position or significant cuts to City budgets when the economy declines.

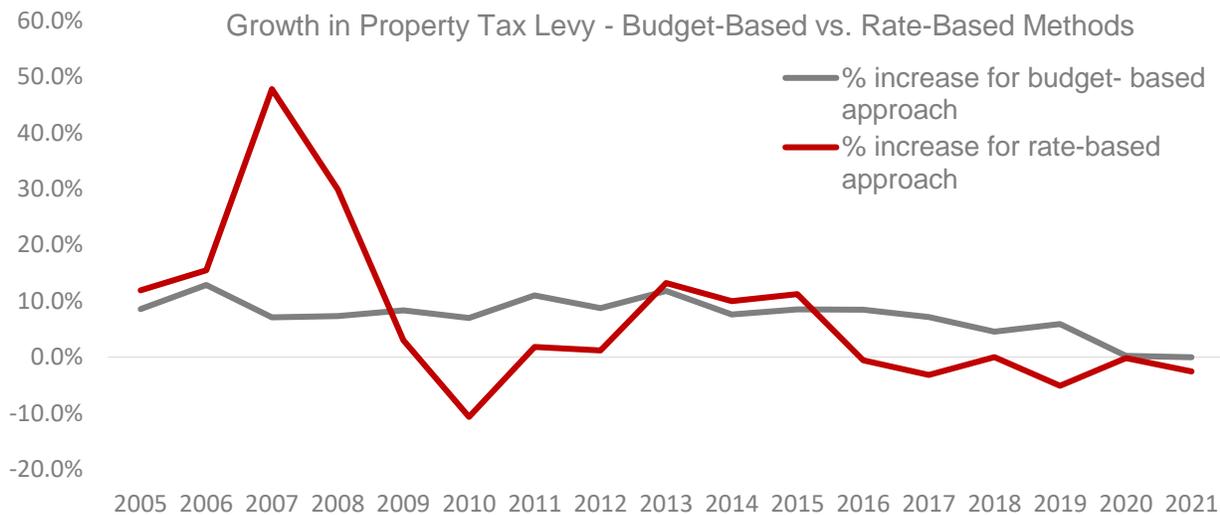
The comparison chart below in Figure 2 demonstrates why the rate-based approach has been unsuccessful in other jurisdictions. The City of Calgary has experienced some property tax levy variability under the budget-based approach but the variability would have been much more significant if we had applied the rate-based approach. An important takeaway from the analysis is that substantial year-over-year shifts in assessed values in Calgary would limit the usefulness of the rate-based approach.

When the increases in property market values are rapid, like in 2007 to 2008 for Calgary, there could be very large increases in the amount of property tax levied to the point that citizens would urge for changes to the tax system. Conversely, when property values decline, like in 2011 for Calgary, the resulting decline in taxes levied (~11%) would put extreme pressure on City services. To be practical, this type of system would require smoothing in either assessments or property tax, though even a 5-year averaging of assessments would have resulted in significant (i.e. greater than 20% increases) in boom periods.<sup>11</sup>

---

<sup>10</sup>Assessing Officers, *Standard on Property Tax Policy*, p. 16. The most famous property tax revolt was in California in 1978. The tax revolt led to Proposition 13 an amendment to the California constitution which capped assessment increases to a maximum of two percent until a property is purchased, at which point it is reassessed at its purchase price, and capped the property tax rate at one percent. Although the policy, which was imposed by the State of California after a statewide referendum, was successful in limiting property tax volatility it had a very negative effects on the state of municipal finances in California. Initiatives like Proposition 13 spread to other states in the United States soon after. For more on this see Mac Taylor, *Common Claims About Proposition 13* (Legislative Analysts Office, 2016). Accessed at <https://lao.ca.gov/reports/2016/3497/common-claims-prop13-091916.pdf> on July 25, 2021.

<sup>11</sup> The City of Calgary is proceeding with a study of assessment smoothing with the results to be reported in 2022. Property tax experts do not recommend capping assessments because they make the administration of the system more complex, are confusing to taxpayers, and tend to benefit those that accruing additional wealth at the expense of those whose wealth is remaining static. See Harry Kitchen, Melville McMillan and Anwar Shah, *Local Public Finance and Economics: An International Perspective* (Cham: Palgrave MacMillan, 2019), p. 296. Enid Slack and Richard Bird, *How To Reform The Property Tax: Lessons From Around The World*, Institute for Municipal Finance and Governance, IMFG Papers on Municipal Finance and Governance, 2015: p.22-23.



**Figure 2** The comparison between the budget-based and rate-based approaches to property tax rate setting. Using a static tax rate would result in very large swings in City revenues, whereas the budget-based approach provides a steadier rate of growth in the property tax levy.

The result of the budget-based approach to tax rate setting is a steady revenue source based on a volatile tax base. That is why it is the preferred approach of assessment professionals,<sup>12</sup> some property tax experts<sup>13</sup> and a common practice among Canadian municipalities.

#### 4.1. Sources of Tax Volatility

While a floating rate helps to control the overall increase in the tax levy and reduce volatility in City revenues, it can lead to unexpected volatility for some taxpayers. This volatility typically has three sources:

**(1) Council directed changes to the property tax levy.** Council directed changes to the property tax levy rarely result in large scale changes. The range of impact on property taxpayers due solely to Council directed changes typically ranges from -3% to 8%.

**(2) Tax shifts due to differential market changes within an assessment class.** This type of change is exemplified in the downtown tax shift that occurred in Calgary from 2016 until the present. It was caused by the dramatic decreases in the market value of downtown office properties accompanied by relatively stable market values for other types of property. The range of impact in any particular year due to this type of change is -15% to 15%. It is important to note that these shifts can result in substantial changes in property taxes even when assessments remain unchanged and have the potential to impact a large number of properties. It is more likely that shifts will occur where there are several types of properties within a class and values are highly

<sup>12</sup> International Association of Assessing Officers, *Standard on Property Tax Policy*, (International Association of Assessing Officers, 2020) p. 16. Accessed at [https://www.iaao.org/media/standards/Standard\\_on\\_Property\\_Tax\\_Policy.pdf](https://www.iaao.org/media/standards/Standard_on_Property_Tax_Policy.pdf) on April 2, 2021.

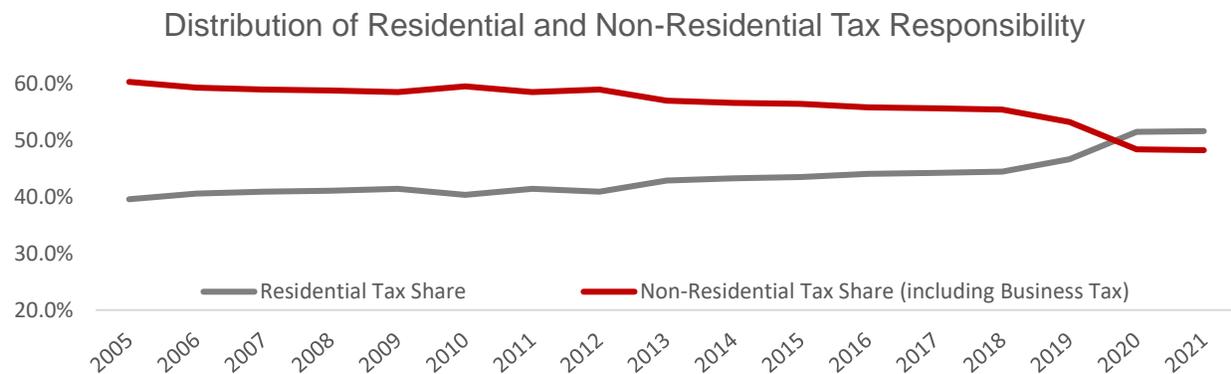
<sup>13</sup> Referred to as the “rollback rate” in Keith Ihlandfeldt, *The Property Tax Is A Bad Tax, But It Need Not Be*, “Cityscape: A Journal of Policy Development and Research” 15, No.1 (2013): p.222. Accessed at <https://coss.fsu.edu/dmc/wp-content/uploads/sites/8/2020/09/03.2013-The-Property-Tax-is-a-Bad-Tax-but-It-Need-Not-Be.pdf> on October 13, 2021.

concentrated in one of those classes. This means that significant tax shifts are more likely in the non-residential class which has a highly diverse inventory than the residential class.

**(3) Market value assessment volatility.** This type volatility arises from the changes in property markets which are then reflected in market value assessments. These types of changes can result in very large property tax changes in a short period of time but typically affect fewer properties than the other types of volatility. Changes in market value can mean tax changes ranging from -30% to more than 100%.

#### 4.2. Tax Revenue Share

The tax revenue share is the proportion of tax responsibility borne by each class. The tax revenue share carried by non-residential property taxpayers (including business tax) has been declining for some time. The decline is due to two factors: (1) a freeze on business tax, which was continued as business tax revenues were consolidated into the non-residential property tax; (2) a decision by Council 2019 to reduce the tax responsibility of non-residential property tax payers from 53% to 48%. The chart below in Figure 3 shows that non-residential property taxpayers paid 60% of property taxes in 2005 and now pays 48%.



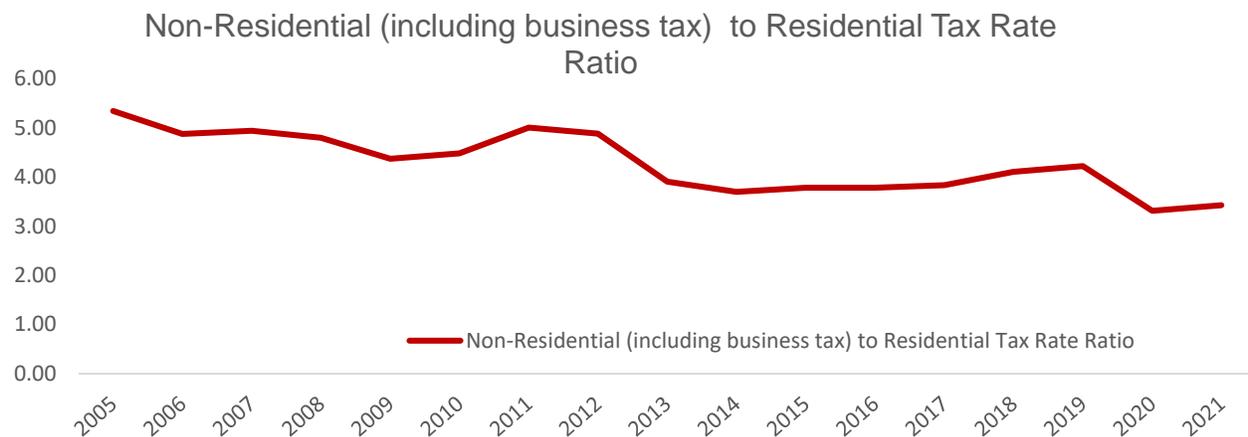
**Figure 3** This chart shows the decline in the share of property taxes paid by non-residential property taxpayers since 2005. The decline was accelerated by the property tax share decision by Council for the 2020 budget and remained at 48% this year.

#### 4.3. Tax Rate Ratios

The tax rate ratio is determined by dividing the tax rate of non-residential property taxpayers to residential property taxpayers. In terms of tax dollars, the ratio tells you how much a non-residential property taxpayer pays per one dollar in assessment compared to residential property taxpayer. The City’s municipal property tax rate ratio in 2021 was 3.42:1 and so for every dollar of assessment, a non-residential property taxpayer pays 3.42 times more than a residential property taxpayer.

The Calgary Chamber of Commerce has suggested a tax rate ratio of 2.8:1. The Government of Alberta has set a maximum tax rate ratio of 5.0:1. The tax rate ratio has declined for similar reasons as property tax share but that decline is less smooth because the relative performance of each assessment has an impact on the ratio. For example, the tax rate ratio increases in 2011

and 2017-2019 are due to the relatively poor performance of the non-residential property market compared to the residential property market. The ratio would have continued to increase had Council not taken action by reducing the non-residential tax share for 2020.



**Figure 4** The non-residential to residential tax rate ratio shows that the ratio has been declining since 2005 due to various Council decisions.

## 5. Principles of Taxation Policy

As detailed above, Administration is currently preparing a Taxation Policy for Council’s consideration by the end of Q2 2022. The policy will be based on the enduring principles of taxation discussed below. The application of those principles to the outstanding questions raised by the Financial Task Force along with historical, regional and national context will inform the composition of the policy.

It is generally accepted that the following principles form the basis of an effective framework for evaluating tax systems and tax reforms:<sup>14</sup>

### Fairness: Ability to Pay

Fairness in the property tax system is based primarily on the ability to pay and the ability to pay is based on the concepts of horizontal and vertical equity. Horizontal equity means that people in similar circumstances pay a similar amount of tax. Vertical equity means that people in differing circumstances with different abilities to pay, pay a different amount of tax.

### Fairness: Benefits

Fairness is also related to the benefits principles, that people should pay taxes according to the benefits they receive from services (where the beneficiaries can be identified and

<sup>14</sup> Kitchen and Slack, *Nova Scotia*, p. 12-13; Jordan, *Business Taxation*, p.5-6; and Association of International Certified Professional Accountants, *Guiding Principles of Good Tax Policy: A Framework for Evaluating Property Tax Proposals* p. 3. Accessed at <https://us.aicpa.org/content/dam/aicpa/advocacy/tax/downloadabledocuments/tax-policy-concept-statement-no-1-global.pdf> on 24 June 2021.

where the service is not primarily redistributive in nature).

### **Neutrality**

Taxes should impact economic and locational decisions as little as possible. This principle covers both the City of Calgary and the broader regional context. This means that, to the extent it is possible given the different service levels offered by different municipalities, The City should offer a competitive tax/service offering.

### **Stability & Predictability**

The tax should provide a stable and predictable revenue source for The City. Taxpayers should be able to understand, and The City should telegraph as much as possible, the impacts that arise from reassessment.

### **Accountability / Simplicity / Transparency**

The tax system should be designed in such a way that is clear to all stakeholders which taxpayers pay the tax. Tax systems designed in such a way encourage more accountability from City Council and City Administration in their determination of the balance between service levels and taxation levels. Tax rules should be as clear and simple to understand as the complexity of the subject of taxation allows, so that taxpayers can anticipate in advance the tax consequences of a transaction including knowing when, where and how the tax is to be accounted.

### **Efficiency / Ease of Administration**

The tax system should be easy to administer, resulting in minimized compliance costs for the taxpayer and minimized administrative costs for The City.

Administration's recommendation is that each of these principles should be considered as different programs or policies are evaluated.

#### **5.1.1. Does the benefits principle continue to apply to modern municipal property tax systems?**

The Real Estate Working Group has suggested that The City further investigate the benefits that accrue to non-residential and residential taxpayer groups. As stated above, the benefits principle is: people should pay taxes according to the benefits they receive from services (where the beneficiaries can be identified and where the service is not primarily redistributive in nature). The principle has been used as a reason to lower the share of non-residential property tax in some jurisdictions.

There are three complications with putting the principle into practice in the municipal property tax system:

##### **1. Majority of assignable costs have already been assigned**

Where The City of Calgary's costs can be assigned directly to users, this has been done through the imposition of user fees (e.g., transit passes / fares, recreation passes / admissions, utility and waste collection rates), proprietary charges (e.g., leases and licenses of property and information) and regulatory charges (e.g., fees for permits and licenses). The benefits principle is fully operative in The City's financial system through these mechanisms and the appropriate distribution of the remaining cost/benefits is more challenging because they are more diffuse.

## 2. Distribution of indirect benefits not clear

It is difficult to measure the benefits of services that are not fully funded by user pay mechanisms (i.e., services that are partially or totally tax funded like Fire, Police Services, Parks & Open Spaces and Streets) because the distribution of benefits is much more collective. Studies that have been undertaken to measure the consumption of services<sup>15</sup> have relied on the direct consumption of the service but have not considered the indirect benefits that accrue to the business community from the provision of City services. Chief among those benefits is the ability of the businesses to attract and retain talent through an attractive suite of City services that result in a high quality of life and a more robust labour market.

The Vancouver Tax Commission, which used the benefits principle in its analysis, came to the following conclusion when relating the principle to tax share,

The Commission agrees that the consumption approach is a reasonable basis for determining the share of taxes to be paid by business but cannot endorse the specific findings of a consumption study based on direct benefits alone. In the absence of evidence on indirect benefits, we can only conclude that the appropriate sharing is likely to be lower than the current share. Given this ambiguity on the issue of fairness, the Commission has had to rely on other criteria to inform its recommendations.<sup>16</sup>

This was after an extensive study was conducted resulting in a recommendation by the Vancouver Fair Tax Coalition (a coalition of business groups led by the Vancouver Board of Trade) for a 32% tax share based on benefits and the tax deductibility of non-residential property tax. As a reminder, the Vancouver Tax Commission ended up recommending a 48% tax share in 2007. Vancouver City Council "did not support the use of 'consumption' studies as the basis for tax distribution in 1995 and again in 2007".<sup>17</sup>

## 3. Redistributive programs and policies increasing

There is an increasing appetite for redistributive policies and programs by municipal governments and The City of Calgary is no exception. The City of Calgary has taken a larger role in the provision of social services. For example, the City's suite of subsidy programs was united under the Fair Entry program in 2014. In adopting the *Enough For All* strategy, Council

<sup>15</sup> Stuart MacKay, Jim Pammenter and Treena Cook, *City of Vancouver Consumption of Tax Supported Municipal Services: Volume I – Main Report*, (City of Vancouver, 2007): p. 11. Accessed at <https://vancouver.ca/files/cov/2019-290-release.pdf> on September 7, 2021.

<sup>16</sup> Hamilton, Adams and Slack, *Vancouver Commission 2007*, p. 51.

<sup>17</sup> Vancouver, *Distribution of Property Tax Levy*, p. 11.

decided to increase funding for social service agencies. Council has also continued to take action on affordable housing through the *Foundations for Home* strategy and mental health via *A Community of Connections* the City's mental health and addictions strategy.

In summary, the scope of The City's work is moving beyond the simple fee-for-service model suggested by the benefits principle. While the benefits principle should continue to apply to the municipal property tax system, the principle must continue to be weighed in light of the other principles above and does not merit priority in relation to the other principles when considering municipal property tax policy.

## 6. Options for Distributing Tax Responsibility to Different Classes

In Canada, there are three main approaches that are currently used in determining how to distribute the taxes among different property classes. These approaches are distinct; using one distribution methodology makes it impossible to use another. Below each of the approaches are described and the effects of the different approaches on key elements of the tax system are discussed; the analysis is based on modelling which is contained in Appendix 4 and the available literature.

### 1. The Proportional Approach

In this approach, the municipality applies the Council budget increase proportionately to all property classes. This approach was the main approach used by The City throughout the 2010s, though there are additional factors that affected non-residential and residential tax levy increases. Most notable the effects of business tax consolidation and differences in the take-up of provincial "tax room".<sup>18</sup>

**Step 1 – Determine overall Council property tax budget change.**

**Step 2 – Determine new property tax levies (residential and non-residential property tax levy) by applying overall property tax budget change and adding real growth to adjusted property tax levies.**

**Step 3 – Divide new property tax levies by the taxable assessment base for each class to determine the non-residential property tax rate.**

---

<sup>18</sup> When the Council-directed property tax levy increase is higher than the increase in the provincial Education Property Tax requisition, the difference has been called "tax room". It is called "tax room" because City Council can increase the municipal property tax levy and still have an overall tax increase that is reflective of the increase that was communicated during budget deliberations in November.

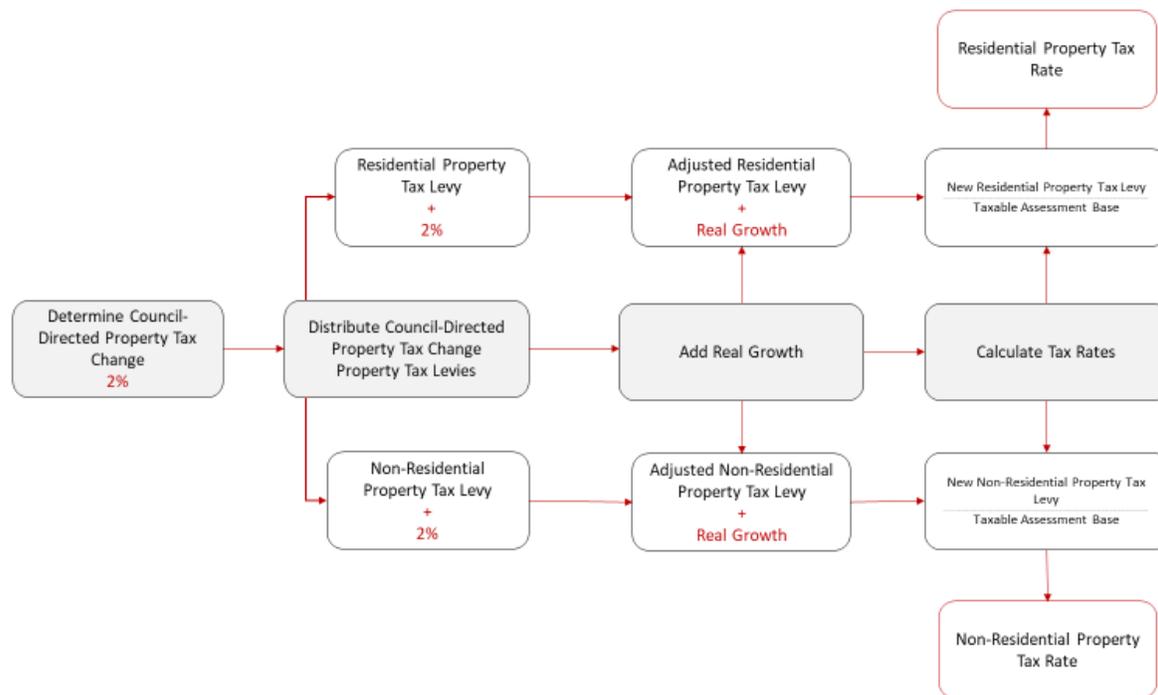


Figure 5 In the Proportional Approach, property tax budget is distributed evenly and growth is the main determinant of changes in tax share.

### **Driver and Effects**

The key driver of change in distribution between classes in this approach is real growth (i.e. completed construction projects and other significant property changes that are added to the assessment base).

#### *Effect on Tax Share*

If one class outperforms another in real growth, it will take a higher share in taxes. In the past, average real growth has been relatively equal between classes and so the tax share would not have changed in a purely proportional system. Where this has occurred in the past has been due to differential increases caused by “tax room” and a freeze on business tax. The freeze on the business tax continues to apply to the business tax revenues that were consolidated into the non-residential property tax.

#### *Effect on Tax Rates*

In this approach tax rates float independently of each other and so tax rates will decrease as assessments rise and tax rates will increase when assessments fall.

#### *Effect on Tax Rate Ratio*

This approach results in a variable tax rate ratio as the ratio will be affected by market fluctuations (see the section above on tax rate ratios). So, if the market value of the non-residential property assessment base increased at a faster rate than the residential property assessment base, the tax rate ratio will decline.

### *Managing Tax Shifts within Classes*

The Proportional Approach has no built in mechanism to address shifts within property tax classes. So, when a tax shift like the downtown tax shift results in large tax changes, one-time tax rebates have been used alleviate those tax changes.

### *Managing Tax Shifts between Classes*

In the Proportional Approach taxes are not shifted between classes and there is no built-in mechanism to shift between classes.

### *Overall Effect on Tax Bills*

The Proportional Approach generally results in stable tax changes over time. When assessments change, the proportional approach tends to soften the effects of changing assessments through a freely floating tax rate.

The one exception to these rules is when a large assessment changes occur that lead to a tax shift, like the downtown tax shift that occurred from 2016 until now. In that case, a floating tax rate can result in large tax increases (10 – 15%) even when the assessment for a property does not increase at all. The downtown tax shift also ended up compounding the effect of increasing assessments as a higher tax rate was applied to higher assessments. This effect was felt most profoundly in areas, especially main streets, undergoing redevelopment.

## **2. The Tax Rate Ratio Approach:**

This approach works by determining the overall property tax budget change and then using the target ratio to adjust the levy for each class so that the tax rates achieve the desired ratio. This approach is used in Saskatoon at the discretion of City Council and in Ottawa and Toronto as mandated by the province.

**Step 1 – Determine overall Council property tax budget change.**

**Step 2 – Determine the property tax rates by calculating the tax that would be required to achieve that budget requirement *and* achieve the target ratio. Add real growth to adjusted property tax levies.**

**Step 3 – Divide new property tax levies by the taxable assessment base for each class to determine the non-residential property tax rate.**

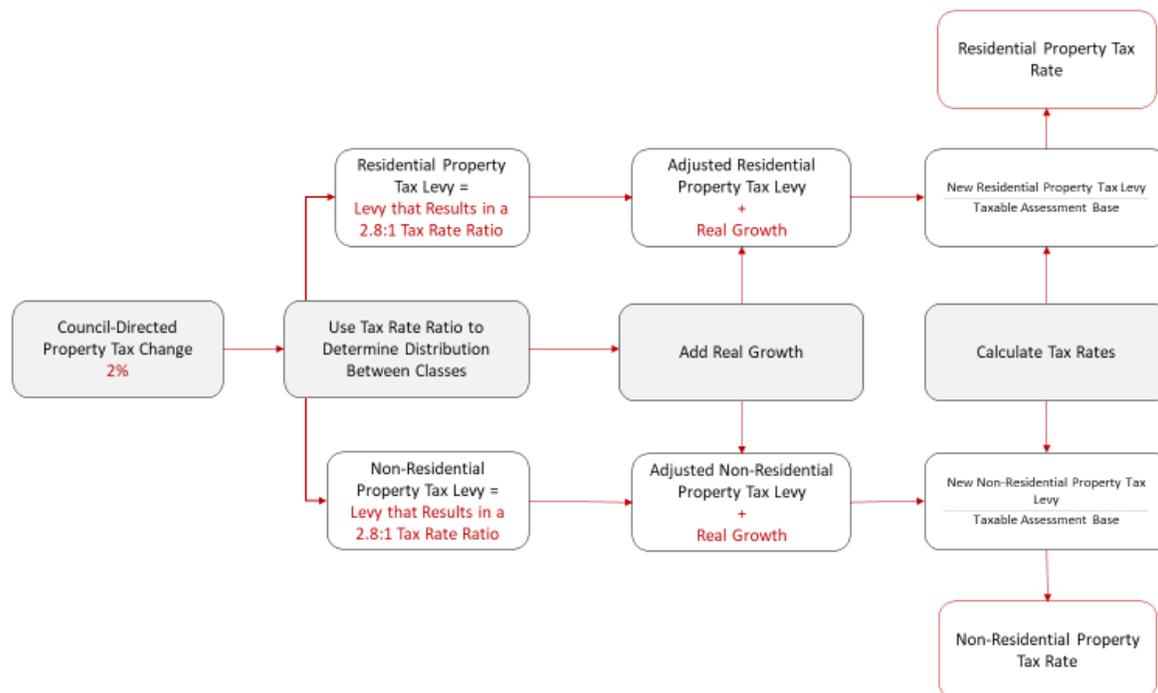


Figure 6 In the Tax Rate Ratio Approach the levy for each class is determined by calculating the amounts that would result in the target tax rate ratio.

### Driver and Effects

The key driver of change in distribution for this approach is the relative market performance of each assessment base. For example, if the market value of the non-residential property assessment base increases compared to the residential property assessment base, the non the result of a fixed ratio would be an increase in the non-residential property tax levy. In years where the non-residential property assessment base does not perform as well as the residential property assessment base, the result would be a decrease in the non-residential property tax levy.

#### *Effect on Tax Share*

Relative market performance also governs changes in the share of property taxes paid by each class. The tax share of the non-residential property class would rise if the non-residential property assessment base increases at a greater rate than the residential property assessment base.

#### *Effect on Tax Rates*

Using a static tax rate ratio anchors the tax rates for each class to each other typically reducing the amount of change in tax rates. Tax rates would continue to float but they would typically do so at a slower rate.

### *Effect on Tax Rate Ratio*

Assuming no Council directed changes to the tax rate ratio, the effect of using a tax rate ratio approach is to hold the tax rate ratio constant over time.

### *Managing Tax Shifts within Classes*

Tax shifts within classes occur when a property type like downtown offices grows a lot more or a lot less than other property types (e.g., retail and industrial) within a class. In situations like the downtown shift, the decreases in assessment materially affected the non-residential property assessment base and led to poor relative performance when compared to the residential assessment bases. Keeping the tax rate ratio the same in that situation would have resulted in a redistribution of tax not only within the non-residential class but also from the non-residential class to the residential class.

### *Managing Tax Shifts between Classes*

Tying the classes together essentially makes them one class. So, the tax shifts that occurred within the non-residential property assessment class from 2016-2021 would have been shared more readily with the residential property taxpayers. This sharing between classes would have stabilized the non-residential property tax rate and eased the effects of the downtown property tax shift by increasing the residential property tax rate and residential property taxes.

### *Overall Effect on Tax Bills*

If keeping a static tax rate ratio, the Tax Rate Ratio Approach results in less stability in tax bills. This is because, in addition to the sources of volatility listed above, the shifts between classes become an additional source of volatility. The anchoring effect of the tax rate ratio on tax rates means that market volatility can be more directly translated into tax volatility.

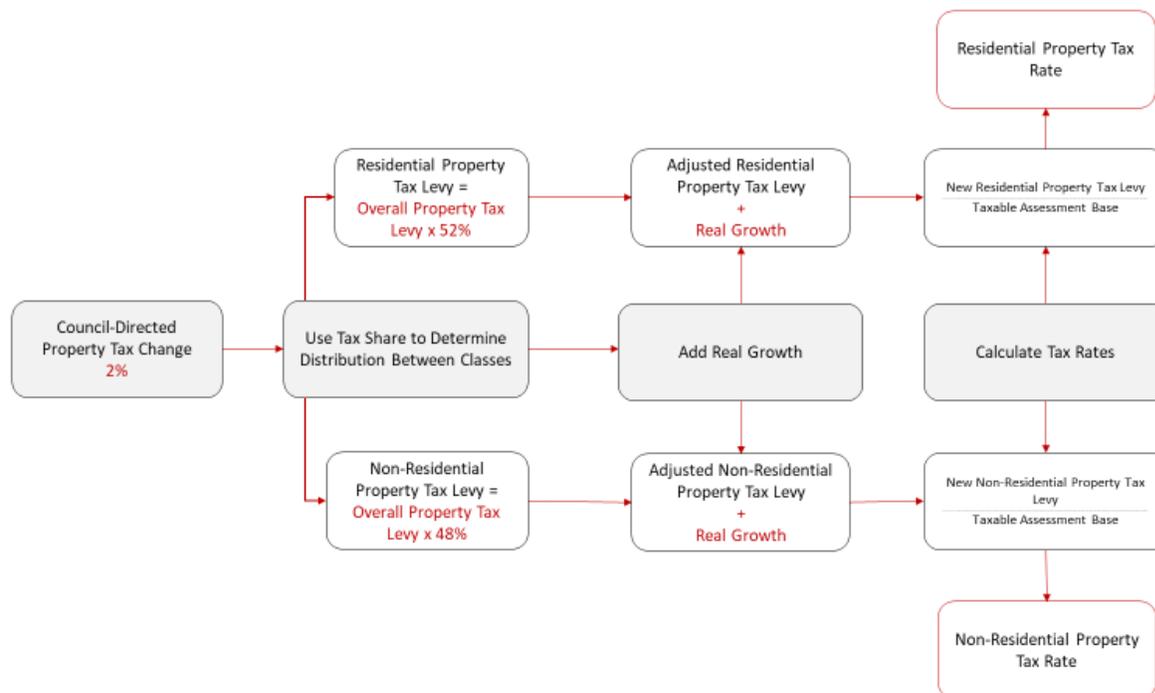
## **3. The Tax Revenue Share Approach**

As in the other approaches, the overall property tax budget change is determined first. Subsequently, that amount is multiplied by the percentage share that is to be distributed to each of the property tax classes. Vancouver uses this approach and Calgary started using this approach in the 2020 financial year.

**Step 1 – Determine overall Council property tax budget change.**

**Step 2 – Multiply the overall Council property tax budget by the percentage share to be paid by each tax class to determine the property tax levy and add real growth to adjusted property tax levies.**

**Step 3 – Divide the property tax levy for the non-residential property class by the taxable non-residential property assessment base.**



**Figure 7** In the Tax Share Approach, the levy for each class is determined by multiplying the overall property tax levy by the share assigned to each class.

**Driver & Effects**

The key driver for this approach is Council decision-making. This approach allows Council to evaluate the current context and decide on the appropriate share for each class in each year.

*Effect on Tax Share*

If Council does not change the tax share, the tax share will remain the same over time. The tax share will not respond to either real growth or the relative market performance of each property assessment base.

*Effect on Tax Rates*

Similar to the Proportional Approach, tax rates float independently of each other and so tax rates will decrease relatively proportionately when assessments rise. Conversely, tax rates will increase proportionately when assessments decrease.

*Effect on Tax Rate Ratio*

The approach results in a variable tax rate ratio as the ratio will be affected by market fluctuations. So, if the non-residential property assessment base increased at a faster rate than the residential property assessment base, the tax rate ratio will decline.

### *Managing Tax Shifts within Classes*

The Tax Share Approach allows Council to manage tax shifts within classes by adjusting the tax share and shifting some portion of the tax. Council used the Tax Share Approach in 2019 to help alleviate some of the effects of the downtown tax shift.

### *Managing Tax Shifts between Classes*

There would be no automatic shifts between classes using the Tax Share Approach. Instead, any shift in taxes between classes would be the product of explicit Council decision making.

### *Overall Effect on Tax Bills*

If the tax share is not adjusted, the tax share approach results in stable tax changes over time. When assessments change, the proportional approach tends to soften the effects of changing assessments through a freely floating tax rate.

Like the Proportional Approach, the one exception to these rules is when a large tax shift occurs, like the downtown tax shift that occurred from 2016 until now. In that case, a floating tax rate can result in large tax increases (10 – 15%) even when the assessment for a property does not increase at all. Unlike the proportional approach these effects can be mitigated using a tax share change to shift taxes from one class to another.

## **6.1. Tax Distribution Approach Summary**

The analysis above makes it clear there is no perfect approach to the distribution of the property tax. Each approach comes with its own tradeoffs.

The Proportional Approach takes the current distribution of tax as a given and provides a smooth system of redistribution over time based on real growth. This is true except in cases of very assessment large shifts, which would typically happen only in the non-residential property assessment class. In those times, the Proportional Approach is not well adapted to the problem of tax shifts and one-time rebates must be used.

The Tax Rate Ratio Approach is more reflective of the relative market changes in each assessment base. This means that the Tax Rate Ratio Approach is more likely to lead to large increases in tax when one assessment base is performing much better than the other. At the same, time it allows for flows between classes that could help manage tax shifts and alleviate, or at least reduce, then need for one-time rebates with bow wave effects.

The Tax Share Approach puts much more of the onus on Council. It allows Council to set the distribution of tax as it deems appropriate and there would be no automatic redistribution based on either real growth or the relative performance of each assessment base. This approach allows Council make Tax Share decisions that could help to alleviate, or at least reduce, the need for one-time rebates with bow wave effects.

	Effect on Tax Share	Effect on Tax Rates	Effect on Tax Rate Ratio	Tax Shifts within Classes	Tax Shifts between Classes	Overall Effect on Tax Bills
<b>Proportional Approach</b>	Floats based on real growth	Less stable	Floats based on relative performance of assessment bases	Solved with one-time rebates	No shifts	More stable growth
<b>Tax Rate Ratio Approach</b>	Floats based on relative increases in assessment bases	More stable	Fixed by Council	Can be shifted automatically to other classes	Shifting is part of the system	Less stable growth, more prone to large increases
<b>Tax Share Approach</b>	Fixed by Council	Less stable	Floats based on relative performance of assessments bases	Intraclass shift can be shifted to other classes via Council decision	Shifts can occur with Council decision	More stable growth

## 7. Conclusion and Next Steps

Now that the approaches have been detailed and explained, Administration will work towards making a recommendation on the approach and potential target for Council’s consideration as part of the upcoming Taxation Policy. It is not anticipated that the Taxation Policy will be prepared in time for the preparation of the property tax bylaw early in the spring of 2022 and so in the absence of that work, Council should continue to use the Tax Share Approach in its consideration of the final tax rates for 2022.

### 7.1.1. Stakeholder Engagement

Administration will gather input from stakeholders about the appropriate distribution approach and the appropriate distribution target. The following stakeholders will be engaged directly:

- BILD Calgary
- Building Owners and Managers Association (BOMA)
- Business Improvement Area (BIA) Executive Boards
- Calgary Economic Development (CED)
- Calgary Chamber of Commerce
- Calgary City Council
- NAIOP Calgary

In addition to direct engagement with the stakeholders listed above Administration will examine and execute additional engagement strategies to solicit broader citizen/business input. Potential strategies include, but are not limited to, using the engage portal and/or using existing City of Calgary surveys.

### 7.1.2. Additional Comparative Data

The Residential Property Taxes and Utility Charges survey already has a large set of data for select regional and national comparators. To supplement this work, and consistent with the recommendations from the Vancouver Tax Commission, administration will use primary and third-party sources to gather the following information for five national and five regional comparators:

- Municipal Tax Share
- Non-Residential Tax Rates
- Total Assessment
- Taxes per Capita
- Vacancy Rates
- New Building Permits
- Property Tax / Square Foot

## Appendix 1: Financial Task Force Recommendation #19 and Administration's Response

Recommendation #19 of the Financial Task Force stated the following:

“Contract with a reputable independent expert to provide an acceptable and reasonable split of the property tax responsibility between residential and non-residential taxpayers.

- Determine the objectives that would inform the determination of the acceptable and reasonable split.
- Incorporate the outcomes of recommendation #12 that targets making subclasses usable.
- Explore the viability of pegging mill rates and options (if any) that would work for the Calgary context.
- The extent to which it makes sense to determine tax rate thresholds that once breached would trigger the need for mill rate stabilization using an existing or a new reserve.
- The range of fiscal tools, including reserves like the fiscal stability reserve, to minimize tax volatility while also maintaining a stable fiscal position.
- The policy guidelines that would focus on stronger discipline for using the fiscal stability reserve and a minimum level of reserves dedicated to mill rate stabilization.
- Complete the exercise no later than 2021 Q2.
- Use the results to address the risk that one taxpayer category may be overpaying for services.
- Use the results to anchor future tax redistribution decisions.”

Administration's preliminary response was as follows:

“Agree – with proposed modifications and limitations. Administration agrees in principle that independent, expert analysis of the revenue split can improve the decision making and acceptance of the overall taxation system.

Because it is impossible to peg both the tax rate and the revenue share, the objective of the independent review is to secure a third-party expert opinion to inform long-term practice. At present, the tax rate for one assessment class (e.g. non-residential) is a function of the required revenue and the assessment. Administration's preliminary assessment is that if the tax rate of one class is pegged to another, it cannot be adjusted to meet the targeted revenue shares. Administration's preliminary assessment is that it is challenging to empirically verify the optimal assignment of costs and values of services across taxpayer categories.

The implementation update that is due to Council by 2020 July 29 would include an analysis of the costs and benefits of proceeding with the review as well as the viability of completion by 2021 Q2 given the challenges associated with the COVID-19 pandemic.”

Opportunities for Change:

There is an opportunity to improve decision making and public acceptance of decisions through an independent analysis. There is an opportunity to solicit independent expertise on a significant component of taxation policy, especially the use of the fiscal stability reserve.

Action items:

a) Administration will refine the scope of a potential analysis and review the feasibility of proceeding with an independent expert in the development of municipal tax policy and recommend a delivery date that considers resource constraints if appropriate.

b) Administration will review the validity and generalizations of any results in accordance with 1 (b).

If the study proceeds, Administration will incorporate results into policy recommendations to Council as appropriate.”

## APPENDIX 2: INDEPENDENT EXPERT CONSIDERATIONS

### Advantages and Disadvantages

#### ***Advantages***

- A qualified independent expert may contribute to perceived enhanced legitimacy in the process from the perspective of the public and other stakeholders.
- A qualified independent expert may bring new perspectives which can add value to the problem-solving process.
- The City would not need to use as many internal resources as required if performing the Study itself.

#### ***Disadvantages***

- Administration also possesses the requisite expertise to conduct the Study and is confident that it could do so at a lesser cost than an independent expert.
- Though the independent expert will be providing the report and accompanying recommendations, The City will still have to invest time and resources into the Study. For example, The City will have to spend resources on procurement, contract management, and provision of data and information to the independent expert.
- The service procurement process will require time for proper execution, reducing the amount of time available to dedicate to the Study.
- Previous studies by leading experts have been unable to conclude on a straightforward approach.

### Risks Specific to Hiring Independent Expert

- Unforeseen costs associated with hiring an independent expert.
- Negative consequences arising from a misunderstanding between The City and the independent expert. For example, the parties may have different understandings of the Study's scope leading to inconsistent expectations.

### APPENDIX 3: Response to Real Estate Working Group Advice

Real Estate Working Group Advice	Administrative Response
<p><b>Commit to the principles outlined herein to guide future tax distribution decisions, with an emphasis on current data and consideration for the effects on competitiveness and predictability. (Saskatoon report attach 2)</b></p>	<p>Agreed, the principles outlined in this document and the 2020 Financial Task Force Report and Recommendations broadly coincide with the principles from the Real Estate Working Group.</p>
<p><b>Seek out or invest in further evidence of the benefits accrued to the non-residential and residential taxpayer groups.</b></p>	<p>Agreed, with limitations. This work aligns with previous Financial Task Force recommendations and will proceed. As a caution, measuring the direct benefits of City services does not account for indirect benefits including public safety, well-functioning infrastructure, and an attractive labour market.</p>
<p><b>Establish a list of key metrics to be reviewed annually prior to making tax rate/distribution decisions. At a minimum this should include final assessment base values, projected mill rates, comparability metrics, and redistributive effects. If not available, invest in gathering/maintaining this info.</b></p>	<p>Agreed, Administration already provides a suite of information on the implications of budget decisions on taxes for residential and non-residential property taxpayers. In addition, Administration continues to develop the data for Council's consideration and will work to provide during future tax distribution decisions.</p>
<p><b>Commit to a distribution approach: Tax share or Tax rate ratio. REWG notes a targeted ratio approach as the most effective in addressing the volatility issues experienced recently.</b></p>	<p>Agreed, with limitations. In this report, Administration detailed the different tax distribution approaches and the Tax Rate Ratio approach performed well over the course of the last few years. Over the long term, the analysis revealed that it could lead to more volatility for the non-residential property class, especially in times of increasing assessments.</p>
<p><b>Align tax distribution process/timing to have all necessary information prior to decision making.</b></p>	<p>Agreed, Administration believes it is possible to gather all the relevant information prior to making these types of decisions.</p>



Real Estate Working Group Advice	Administrative Response
<p><b>In keeping with Recommendation 19 of the Financial Task Force, prioritize an investigation into whether and at what time is it appropriate to use reserves to mitigate tax shifts due to changes in the assessment base (i.e., if base drops &lt;5%). The REWG believes the use of reserves should be considered in order to stabilize tax rates in years of extraordinary flux.</b></p>	<p>Agree, with limitations. The use of reserves to address tax changes is only a deferral of changes that would occur. Administration will include a discussion of the use of reserves in the materials that are presented with the taxation policy.</p>
<p><b>In keeping with Recommendation 35 of the Financial Task Force, prioritize the investigation and legal feasibility of an assessment averaging system for hot-spot properties (e.g., industrial properties).</b></p>	<p>Agreed, Administration is currently working on this investigation with results currently set to be reported in March 2022.</p>

## Appendix 4: Modelling the Effects of the Distribution Approaches

The various approaches to tax distribution were modelled with the following parameters:

- The actual distributions are used as a base case and could be considered as a proxy for the Proportional Approach until 2020 when The City transitioned from the Proportional Approach to the Tax Share Approach.
- In each scenario, the business tax was included as part of the non-residential tax levy.
- To isolate the distributional effects of the different approaches, the total property tax levy remained constant, that is to say it was assumed that the actual total property tax levy for each year would have been the same, regardless of the distribution approach.
- The key input associated with each distribution approach was:
  - For the Tax Rate Ratio Approach, a ratio of 2.8, in line with the Calgary Chamber of Commerce recommendation, was used.
  - For the Tax Share Approach, a share of 48 per cent for non-residential property tax was used, which is consistent with current Council direction.

It should be noted that, for the Tax Rate Ratio Approach and Tax Share approach, a static approach was used. Council would still, however, have the option to change either the target ratio or target share, so this modelling is meant only to showcase the distributional effects of each approach

### **Findings**

The main takeaway from the modelling is that targeting a static tax rate ratio can lead to volatility in the non-residential property tax levy, and thus the amounts of property tax paid by non-residential taxpayers could vary dramatically. This volatility does, however, correspond with the ups and downs in the non-residential property market.

The reason for volatility in the tax levy is that using a static tax rate ratio anchors the tax rates for each class to each other reducing the volatility of the tax rates and, in so doing, exposes taxpayers to more tax volatility arising from market driven changes in property assessments (as demonstrated in the section on the rate-based approach to tax rate setting above).

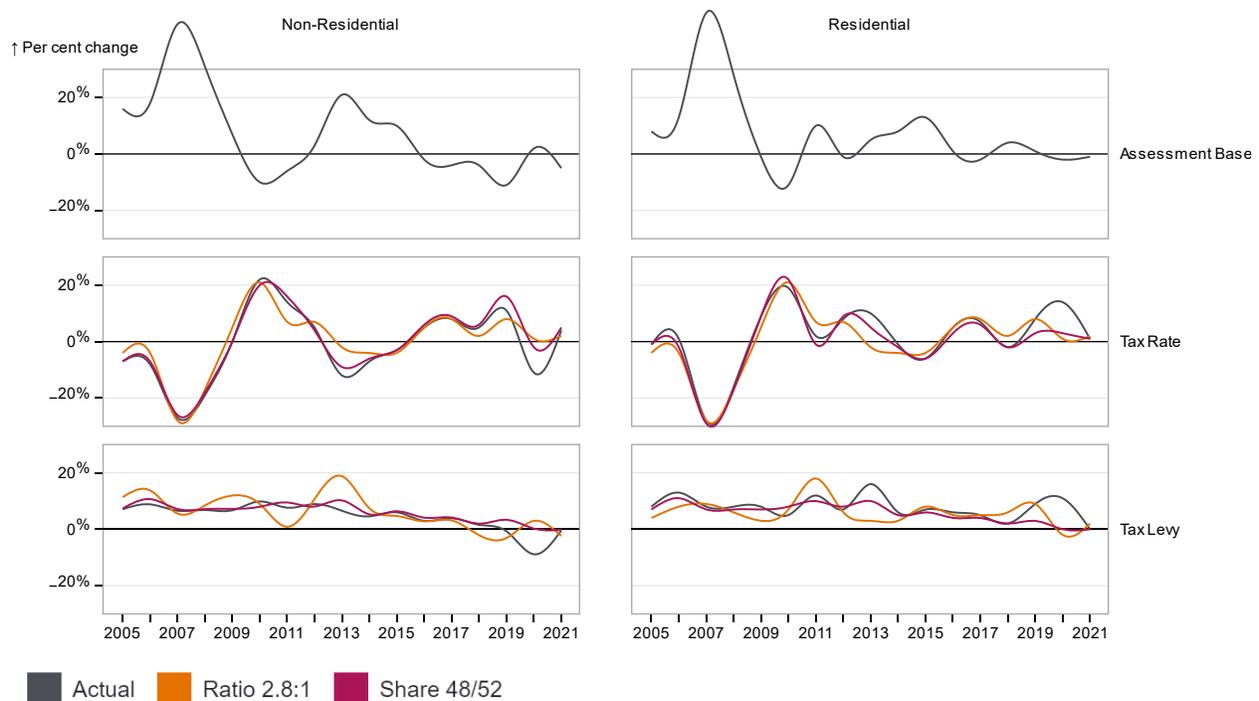
Tying the classes together essentially makes them one class so the tax shifts that occurred within the non-residential property assessment class from 2016-2021 would be shared more readily with the residential property taxpayers. This sharing between classes would have stabilized the non-residential property tax rate and eased the effects of the downtown property tax shift in that occurred in that timeframe.

When taxes are shifted toward residential property taxpayers (i.e. the residential property market is performing better than the non-residential property market) the shifts are generally manageable because the taxes are shared by a broader base of accounts. An exception to this general rule occurred due to a dramatic decline in the non-residential assessment base in 2011 would have resulted in a large increase (18%) in the residential property tax levy in 2011. The residential tax

levy peak in 2011 demonstrates that tax rate ratio related shifts result in changes that some residential taxpayers may find untenable.

It is when taxes would have shifted toward the non-residential property taxpayers due to very substantial growth in the non-residential assessment base in 2006, 2009 and 2013 that these effects are the most pronounced. In those years, the non-residential property tax levy would have increased by 14%, 12% and 19% respectively.

For the Proportional Approach and the Tax Share Approach, the tax levies are distributed by Council and independently of market volatility. So, when there are positive changes in the non-residential property assessment base, the non-residential tax rate is adjusted downward. This also works in reverse, when the non-residential property assessment base declines, the non-residential tax rate increases.



**Figure 8** Comparing the approaches actual distributions, ratio of 2.8:1, and share of 48/52 as year-over-year per cent change in the assessment base, the tax rate and the tax levy.

These results are reflective of The City of Vancouver’s experience using tax rate ratios. The City of Vancouver devotes a report to tax share annually and in that report the authors discuss the Vancouver experience with the Tax Rate Ratio approach,

In the late 1970s and early 1980s, the Province established the tax rate ratios for municipal governments annually. This resulted in significant year-over-year inter-class tax shifts arising from differential market value changes. At the request of Council and the Union of British Columbia Municipalities, the Province granted municipal governments the authority to determine their own

tax distribution approach beginning in 1983. Since then, it has been Council policy to use the “tax share” approach.<sup>19</sup>

In summary, the Tax Rate Ratio Approach would lead to greater interclass tax shifts (i.e., tax shifts between tax classes), and expose properties to more assessment changes while providing relief from tax rate volatility (usually caused by tax shifts within classes). The Proportional Approach and Tax Share Approach ensure that there is less volatility between classes and typically help buffer assessment-related changes but do not, by themselves, solve the volatility issues related to tax shifts. It should be noted however that the Tax Share Approach can be used to alleviate tax shifts by shifting the tax responsibility to other classes. The examination of addressing assessment-related volatility through potential use of multi-year assessment averaging will be addressed in another report from Administration prior to the end of Q2 2022.

	Buffering from Assessment Changes	Interclass Tax Shifts	Tax Rate Changes Due to Reassessment (Intraclass Tax Shifts)
Proportional Approach	●	●	●
Tax Share Approach	●	●	●
Tax Rate Ratio Approach	●	●	●

<sup>19</sup> Vancouver, *Distribution of Property Tax Levy*, p. 12.



The City of Calgary

## Tax Instalment Payment Plan Update Report

Chief Financial Officer's Department  
2021 December 07

# Contents

<b>1. BACKGROUND .....</b>	<b>3</b>
1.1. LEGISLATIVE AUTHORITY.....	3
1.2. HISTORY AND PARTICIPATION .....	3
1.3. FINANCIAL IMPLICATIONS .....	4
<b>2. FINANCIAL TASK FORCE .....</b>	<b>5</b>
2.1. BACKGROUND .....	5
2.2. RECOMMENDATIONS .....	5
<b>3. TAXPAYER PERCEPTIONS AND EXPERIENCE .....</b>	<b>5</b>
3.1. BACKGROUND .....	5
3.2. RESEARCH METHODOLOGY .....	6
3.3. RESEARCH FINDINGS .....	6
3.3.1. SURVEY RESULTS FROM THOSE CURRENTLY ENROLLED IN TIPP .....	6
3.3.2. SURVEY RESULTS FROM THOSE NOT CURRENTLY ENROLLED IN TIPP .....	7
<b>4. ADMINISTRATION RECOMMENDATIONS.....</b>	<b>8</b>
1. Remove the requirement to pay a 2% filing fee for those participants that join the program after January 1 of a given year. ....	8
2. Remove the requirement to pay missed instalments as a lump sum for those participants joining the program after January 1 of a given year. ....	8
3. Create an online TIPP Application Portal to improve the taxpayer experience.....	8
4. Enhance communication regarding the benefits of TIPP.....	8
4.1. FINANCIAL INCENTIVES.....	9
<b>5. CONCLUSION .....</b>	<b>9</b>

## 1. BACKGROUND

### 1.1. Legislative Authority

A tax instalment payment plan is a convenient option that allows a property owner to pay their property tax in monthly instalments. The City’s ability to offer this is enabled by section 340 of the *Municipal Government Act*, which specifies:

- 1) A council may by bylaw permit taxes to be paid by instalments, at the option of the taxpayer.
- 2) A person who wishes to pay taxes by instalments must make an agreement with the council authorizing that method of payment.
- 3) When an agreement under subsection (2) is made, the tax notice, or a separate notice enclosed with the tax notice, must state
  - a) The amount and due dates of the instalments to be paid in the remainder of the year, and
  - b) What happens if an instalment is not paid.

### 1.2. History and Participation

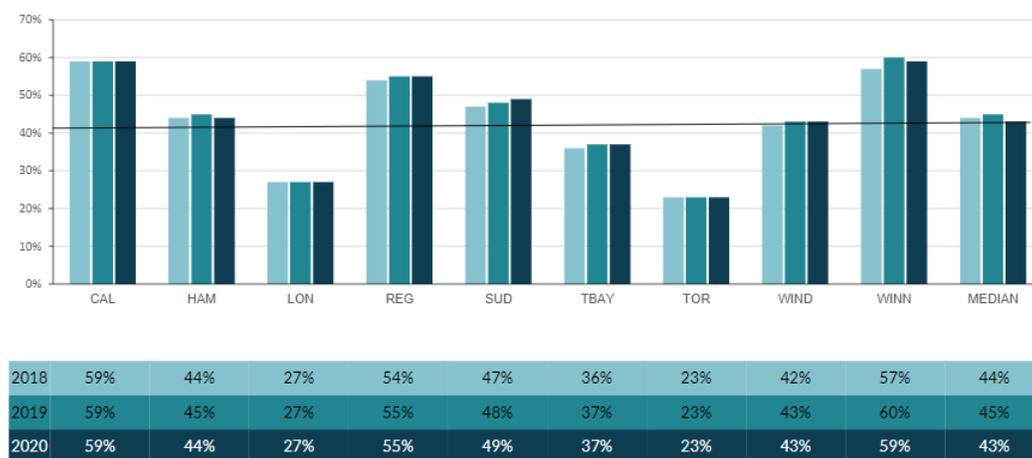
The City of Calgary has offered its version of a monthly tax payment plan, known as the Tax Instalment Payment Plan (TIPP), since January of 1989. The City’s TIPP program is operated via Bylaw 9M2002, which establishes a framework under which the program operates. Within that framework, Administration has the latitude to operate the program in a way that offers mutual benefit to the taxpayer and the Corporation.

The City of Calgary’s TIPP program is one of the most successful programs of its kind offered by a Canadian municipality, with participation having been close to 60% of all property tax accounts enrolled since at least 2010. A comparison to other municipalities who participate in the Municipal Benchmarking Network Canada is included in the chart below (“CAL” is The City of Calgary):

#### Taxation (Revenue Services)

**Figure 32.3 Percent of Accounts (All Classes) Enrolled in a Pre-Authorized Payment Plan**

The number of installments and/or due dates offered by a municipality may impact the enrollment in a pre-authorized payment plan.



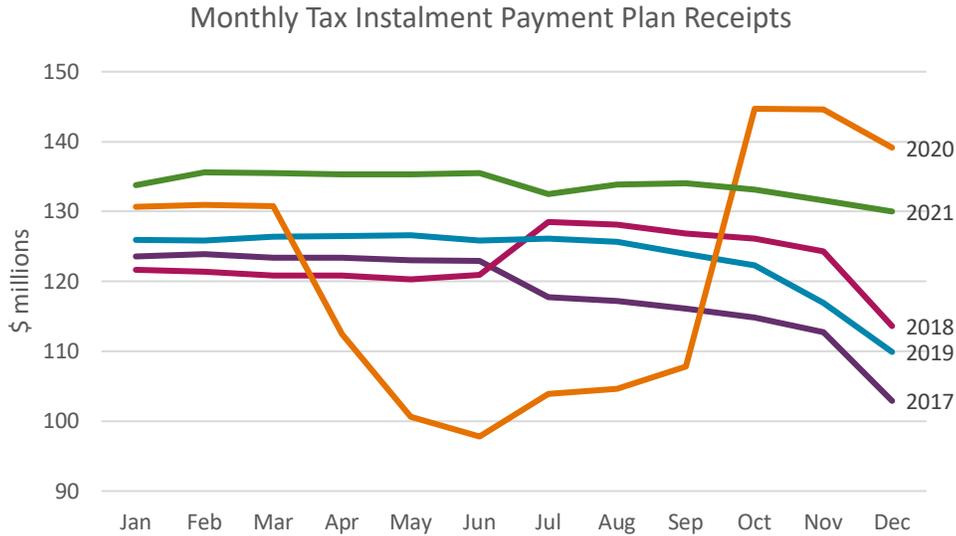
Source: TXRS405 (Customer Service)

Montréal: Does not report - do not offer a pre-authorized payment plan to its residents.

Source: Municipal Benchmarking Network Canada – 2020 Performance Report

### 1.3. Financial Implications

The TIPP program provides benefits such as convenience and predictability to the taxpayer and also offers benefits to The City. This program provides The City with a stable, predictable monthly cash flow that supports the delivery of programs and services valued and expected by Calgarians. In 2021, the program provides The City with an average monthly cash flow of approximately \$134 million, as the green line in the table below illustrates:



The program has also proven to be resilient and adaptable in meeting the needs of taxpayers and The City. At the start of the COVID-19 pandemic in spring 2020, the TIPP program was instrumental in helping the Government of Alberta and The City of Calgary provide support to non-residential property owners facing financial challenges caused by the uncertain economic and social environment created by the pandemic and measures to contain it.

In April 2020, the provincial government directed Alberta municipalities to allow non-residential property owners to defer 6 months' worth of 2020 provincial tax to the end of 2020. With some effort by Administration, this was accomplished in a way that was seamless to most non-residential property owners who participate in the TIPP program. This deferral did result in some shifts to the months in which tax payments were collected but, at the end of the year, taxes were paid. The orange line in the chart above illustrates the variability in monthly cash flow that was unique to 2020 and driven by the pandemic and the associated response to it.

There was some abandonment of TIPP in early 2020 as taxpayers held cash while assessing their individual financial circumstances. However, this was short-lived and not material to the overall functioning of the program. Only two individual months in 2020 saw a net decrease in participation in the program and that was by a total of approximately 2,500 participants in a program with a total of approximately 280,000 participants. The other ten months of the year saw net increases in participation which saw 2020 close with then record-high participation of approximately 286,000 tax accounts out of a total of approximately 500,000 accounts.

## 2. Financial Task Force

### 2.1. Background

Information on the TIPP program was shared by Administration with members of the Financial Task Force. Several members of the Task Force also had personal experience with the program to facilitate the payment of their property tax. Members of the Task Force viewed the program favourably and saw opportunities for The City to further leverage the strengths of the program for the benefit of taxpayers and the Corporation.

### 2.2. Recommendations

The Financial Task Force recommended that:

Recommendation #25: Increase the uptake on The City's Tax Installment Payment Plan (TIPP) program by developing and implementing processes for pursuing intrinsic motivation in addition to extrinsic motivation.

- Expand extrinsic motivational cues, such as financial rewards, to encourage uptake on the TIPP program. Examples are considerations for adjustments to the sign-up fee and potential financial incentives like one-time discounts.
- Expand the methods applied to increase TIPP program uptake to include nudging. Nudging focuses on intrinsic motivation using subtle hints, and evidence from behavioural economics suggests that it is more effective than extrinsic motivational cues.

Administration committed to bring a recommendation in response to the recommendations of the Financial Task Force to Council no later than Q4 2021.

## 3. Taxpayer Perceptions and Experience

### 3.1. Background

Through the years that the TIPP program has been in operation, Administration has had thousands of interactions with property owners to support their needs. This includes providing property owners with information about their accounts, assisting them with enrolling in the TIPP program or withdrawing from the program, making payments, providing support and direction on how to manage outstanding balances, and numerous other types of requests related to property tax. In the course of these interactions, property owners will periodically offer feedback on the services provided by the Taxation Service and, in particular, the operation of the TIPP program. These taxpayer observations, while valuable, tended to be anecdotal in nature, related to a specific interaction, and not necessarily representative of the broader experience of most participants in the TIPP program.

To inform a comprehensive and meaningful understanding of the taxpayer experience with the TIPP program, Administration commissioned an independent third-party telephone survey of Calgary property owners. The objectives of the phone survey were to:

- Identify barriers to use and opportunities to increase participation in TIPP.
- Understand ways to better increase accessibility and responsiveness to the request to join TIPP.

- Measure levels of awareness and recall of TIPP in order to find better ways to communicate and provide information about TIPP to Calgarians.
- Validate and better understand the motivations behind the high participation rate of TIPP.

### 3.2. Research Methodology

To gather the required information a telephone survey was conducted by a third-party research firm between March 29 and April 3, 2021 with 510 property owners responsible for paying property tax. Quotas were set by quadrant to ensure coverage from across the City. Interviews were conducted with 210 current participants in the TIPP program and 300 non-participants. The average interview length was 12 minutes. Further details on the methodology and detailed results can be found in Attachment 6.

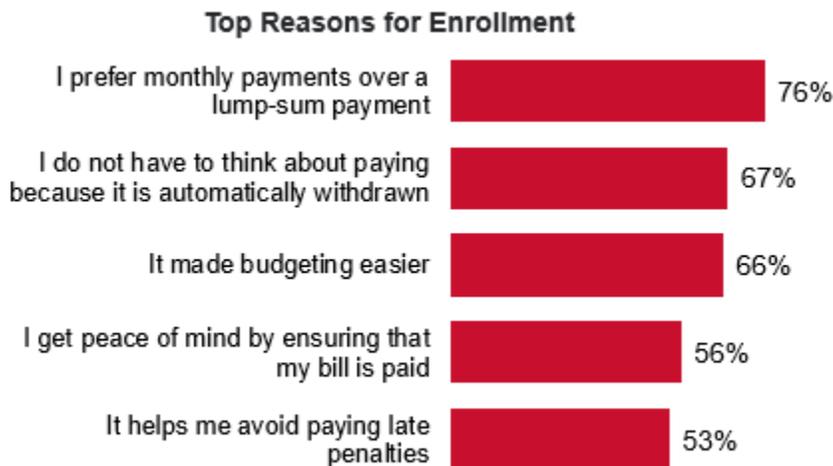
### 3.3. Research Findings

#### 3.3.1. Survey results from those currently enrolled in TIPP

The survey results indicate a high degree of satisfaction with the TIPP program from those currently enrolled, as the following graphic demonstrates (note - survey participants could choose one of four responses – very satisfied; somewhat satisfied; somewhat dissatisfied; very dissatisfied):



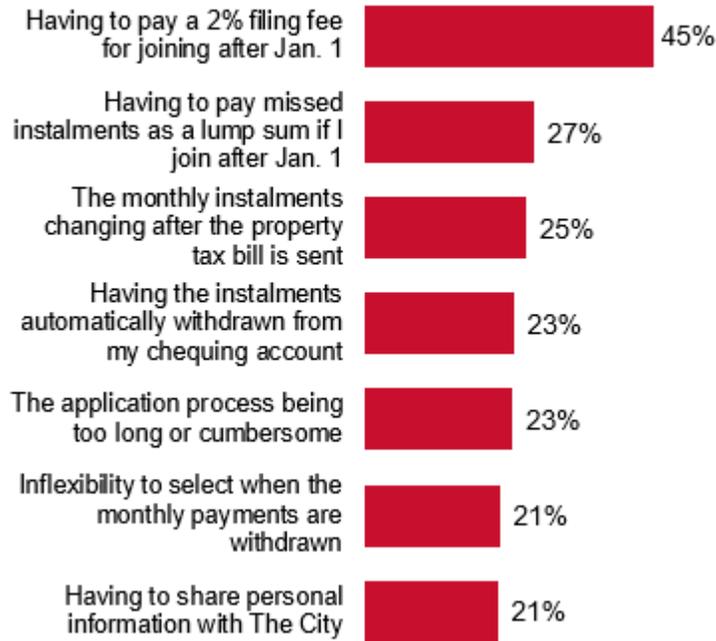
Several reasons were cited by TIPP participants as to why they enrolled in the program:



### 3.3.2. Survey results from those not currently enrolled in TIPP

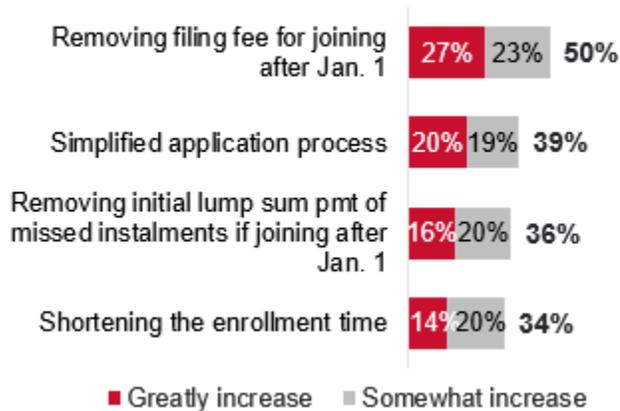
The survey results indicate a high degree of awareness of the TIPP program from those not currently enrolled, with approximately 80% of those surveyed being aware of the program. Reasons cited by this group for not participating in the program include:

#### Enrollment Barriers



This group of survey participants also identified several factors that would impact their willingness to join TIPP, including:

#### Impact on Willingness to Enroll



#### 4. Administration's Proposed Program Enhancements

Consistent with Administration's desire to continually ensure the value of the TIPP program to taxpayers and The Corporation, and supported by these survey results, Administration is proposing several actions to support the ongoing relevance and utility of the TIPP program. They are:

- 1. Remove the requirement to pay a 2% filing fee for those participants that join the program after January 1 of a given year.**
  - a. This will remove a potential financial barrier for some participants in the program.
  - b. The filing fee was temporarily removed in 2020 and 2021 to allow additional ease of access to the program while taxpayers evaluated their individual financial situations through the uncertainty of the COVID-19 pandemic situation.
  - c. The requirement to pay a 2% filing fee is included in Tax Instalment Payment Plan Bylaw 9M2002 and will require Council's approval of an amended Bylaw (Attachment 7).
  - d. The amount of revenue collected through the filing fee has been approximately \$250 thousand per year in recent years and does not materially impact The City's financial capacity.
  
- 2. Remove the requirement to pay missed instalments as a lump sum for those participants joining the program after January 1 of a given year.**
  - e. This will remove a potential financial barrier for some applicants in the program.
  - f. The requirement to pay missed instalments in a lump sum was temporarily removed in 2020 and 2021 to allow additional ease of access to the program while taxpayers evaluated their individual financial situations through the uncertainty of the COVID-19 pandemic situation.
  - g. The requirement to pay missed instalments as a lump sum is included in Tax Instalment Payment Plan Bylaw 9M2002 and will require Council's approval of an amended Bylaw (Attachment 7).
  
- 3. Create an online TIPP Application Portal to improve the taxpayer experience.**
  - h. By leveraging current technology, this initiative will simplify and streamline the TIPP application process for the taxpayer and for Administration and aligns with the City Manager's vision for a modern municipal government.
  - i. The flow of data between the online Portal and the property tax system will be enhanced, reducing the time and human intervention involved in the process.
  - j. Taxpayers will still be able to apply for the TIPP program by calling 311 or visiting the Tax Service Centre on the 3<sup>rd</sup> floor of the Municipal Building for a hardcopy TIPP agreement, if preferred.
  
- 4. Enhance communication regarding the benefits of TIPP.**
  - k. Target communication to new property owners by leveraging Administration's existing relationships with the Land Titles Office, law firms, realtors, financial institutions and mortgage brokers.
  - l. Increase communication campaigns between October and December to encourage enrollment for the coming year.

- m. Continually review external website content on [www.calgary.ca](http://www.calgary.ca), brochures and other enclosures included with Tax and Assessment mailouts, and social media content to ensure timeliness and relevance of information available on the TIPP program to taxpayers.

These actions align with the survey results and the recommendations of the Financial Task Force and are expected to support continued growth in the TIPP program.

#### **4.1. Financial Incentives**

The *Municipal Government Act* allows for the provision of incentives to encourage the payment of property tax by the dates set out in a municipality's property tax bylaw. Lethbridge is the only Alberta municipality of which Administration is aware that offers an incentive, in the form of a nominal tax credit, to taxpayers enrolling in that municipality's TIPP program. Administration is not recommending that The City of Calgary offer such a financial incentive to potential TIPP participants at this time, for the following reasons:

1. Participation in Calgary's TIPP program is already high.
2. Offering incentives to new participants risks alienation of existing participants and potential abandonment of the program.
3. While a financial incentive to taxpayers may increase TIPP participation, increased TIPP participation does not materially impact The City's financial position. Administration has modelled sensitivities that have demonstrated that the benefits of offering financial incentives do not outweigh the costs.

#### **5. Conclusion**

The City of Calgary has offered the convenience of a monthly Tax Instalment Payment Plan to taxpayers for over 30 years. The program has developed to be one of the most successful in the country as measured by taxpayer participation. This has been the result of effective communication efforts with taxpayers and enhancements to the program have ensured it remains relevant and useful. Continuing in this vein and supported by third-party research of citizen perceptions of the program, Administration is proposing several additional program enhancements to ensure that the TIPP program continues to meet the needs of Calgarians and the Corporation into the future. Administration will continue to remain responsive to citizen and Council feedback to ensure the continued success of this important program.



# Perception of TIPP Program Survey (Tax Instalment Payment Plan )

## Key Findings Report

Prepared for The City of Calgary by:

Contact:

**Mary Ann Charters**

Principal

519.340.0124

[maryannm@advanis.net](mailto:maryannm@advanis.net)





<u>Background, Objectives, and Methodology</u>	3
<u>Summary of Findings and Recommendations</u>	7
<u>Detailed Findings: TIPP Enrollment</u>	11
<u>Detailed Findings: TIPP Participants</u>	13
<u>Detailed Findings: TIPP Non-Participants</u>	23
<u>Appendix</u>	30





# Background and Objectives



# Research Methodology

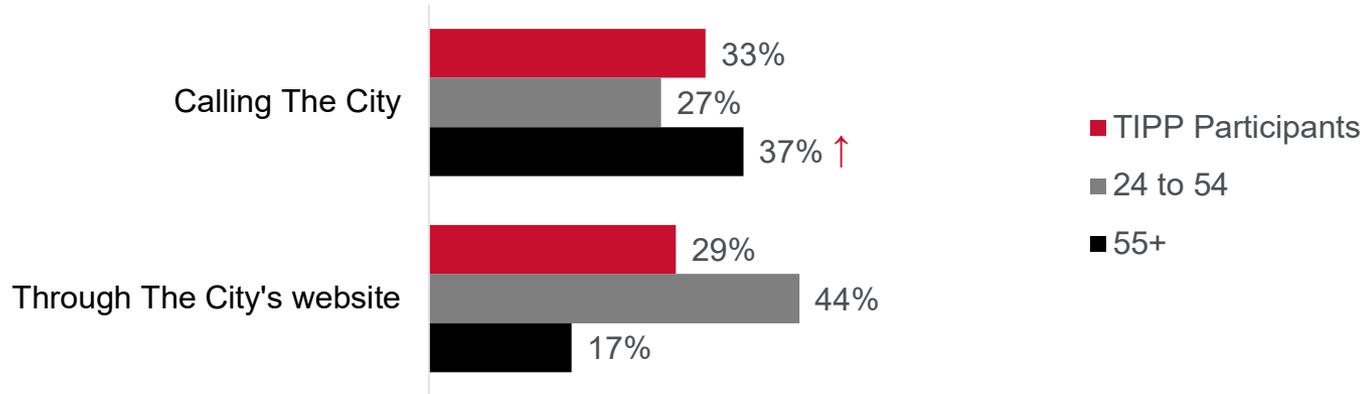
in  
Calgary who are responsible for paying property tax. Quotas were set by quadrant to ensure coverage from across the City:

Completed Surveys	TIPP Participants	Non-Participants
Northeast	29	76
Northwest	69	79
Southeast	49	79
Southwest	63	66
<b>TOTAL</b>	<b>210</b>	<b>300</b>

±6.8%, 19 times out of 20 for TIPP Participants and ±5.7%, 19 times out of 20 for Non-Participants.



In this report, the ↑ denotes one group is statistically higher than the other.



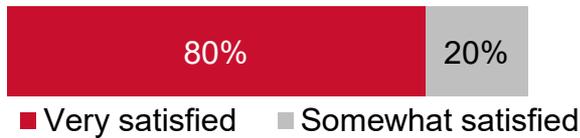
In this example, respondents aged 24 to 54 are compared to those aged 55 or more. Participants who are aged 55 or more are significantly more likely to have contacted The City to request to receive an agreement over the phone than those aged 24 to 54. Conversely, younger Participants were more likely to have contacted The City through their website.

A z-test for two proportions was conducted, significance is reported for a 95% confidence level.





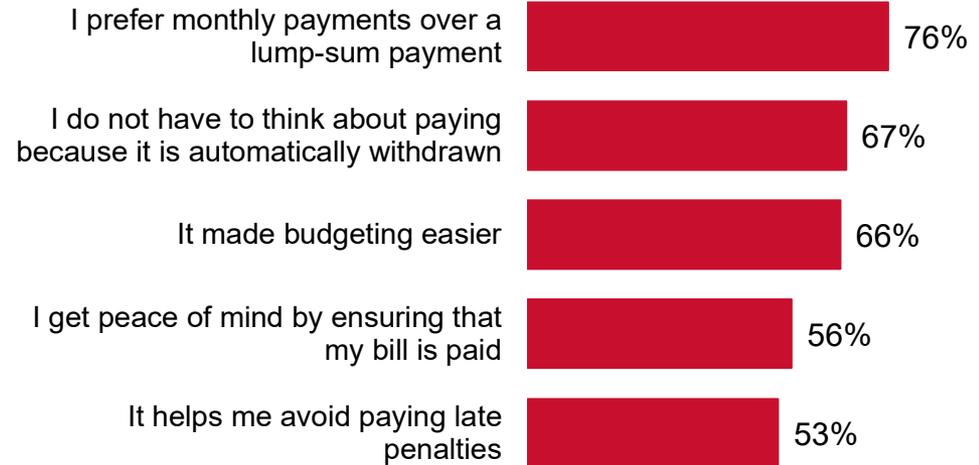
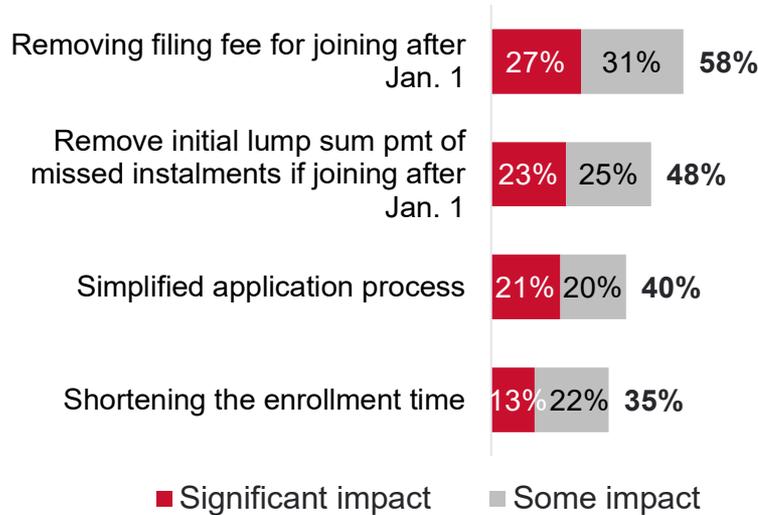
### Overall Satisfaction with TIPP



### Ease of Enrollment



### Impact on Willingness to Enroll



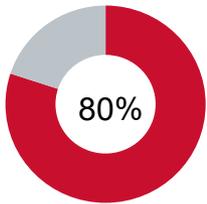
Base: TIPP Participants

A3 - Overall, how satisfied are you with TIPP? (n=208; excludes don't know/refused) A8 - To the best of your recollection, how easy was it to enroll in TIPP? (n=210) A15 - If this change had been in effect when you enrolled in TIPP, how would it have impacted your willingness to enroll? (n=208-210; excludes don't know/refused) A6 - To the best of your recollection, why did you enroll in TIPP? (n=209; excludes don't know/refused)

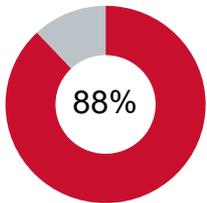


# TIPP Non-Participants

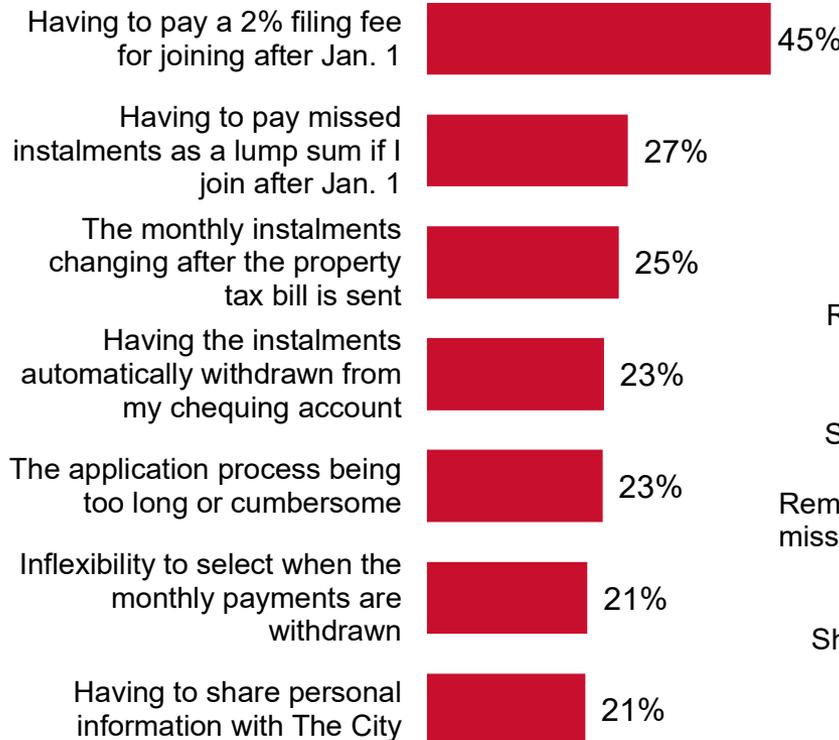
## Aware of TIPP



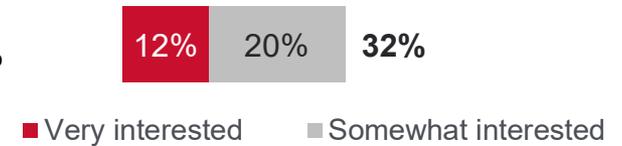
## Qualify for TIPP



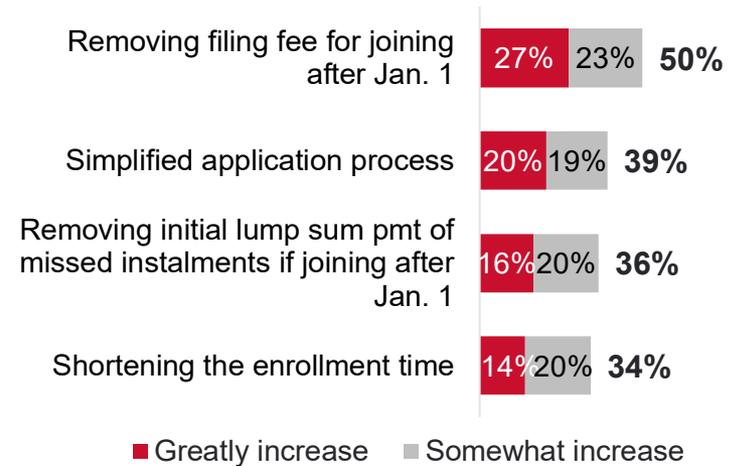
## Enrollment Barriers



## Informed Interest in Enrolling



## Impact on Willingness to Enroll



(n=298; excludes don't know/refused) **B8** – Would you qualify to enroll in the TIPP Program? (n=296; excludes don't know/refused)

**B9** – Now that you have learned a little more about the Tax Installment Payment Plan, how interested are you in enrolling in the program, assuming you were able to? (Non-Participants: n=294; Has a mortgage n=100; 25 to 54 n=77; excludes don't know/refused) **B5** – Which of these, if any, would be a barrier to you joining TIPP? (n=288; excludes don't know/refused) **B6** – If the following changes were made to the Tax Installment Payment Plan, how would this impact your willingness to enroll in the program? (n=295-298; excludes don't know/refused)



# Recommendations

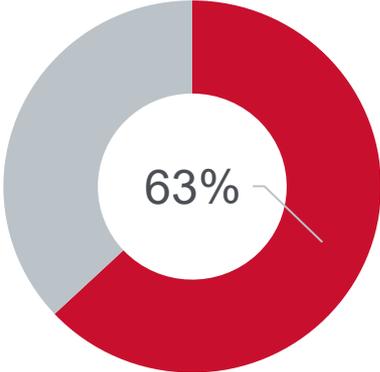




# TIPP Enrollment

Overall, 63% of property owners in Calgary are enrolled in TIPP. Enrollment is higher among those who own a single detached house compared to those who own some other type of dwelling, and enrollment is slightly higher among those who are 45 to 54. Enrollment does not vary significantly by quadrant.

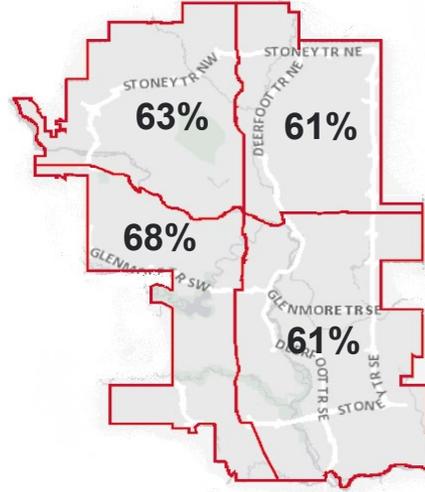
### Overall TIPP Enrollment



### Enrollment By Age



### Enrollment By Quadrant



### Enrollment By Property Type



Base: Full sample + Terminated (n=816)

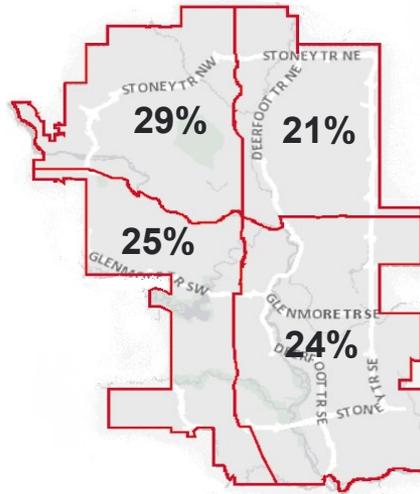
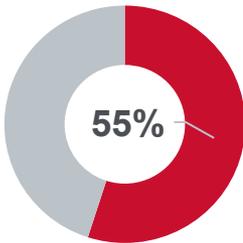
S1 - What type of property do you own and pay property tax on? (Single detached house n=630; Another type of dwelling n=185; excludes don't know/refused) Age - Which of the following age categories do you fall into? (25 to 44 n=111; 45 to 54 n=118; 55 to 64 n=197; 65+ n=390) Int 2 - So we can ensure we are speaking to property owners from all areas of The City, in what quadrant of the City do you own property? (Southwest n=194; Southeast n=195; Northwest n=220; Northeast n=207); ↑ denotes a significantly higher percentage than the other segment(s).



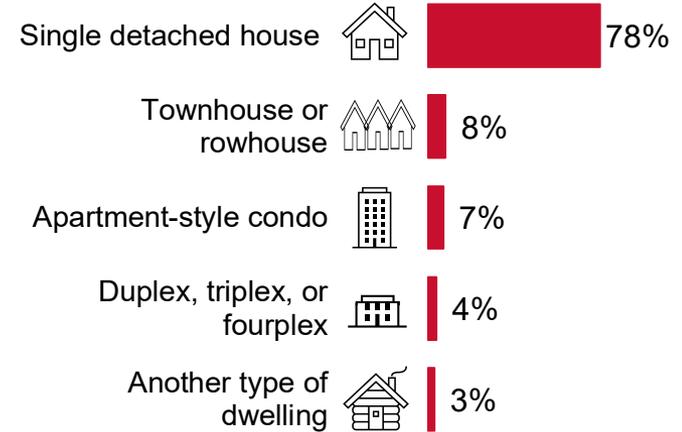


# TIPP Participant Profile

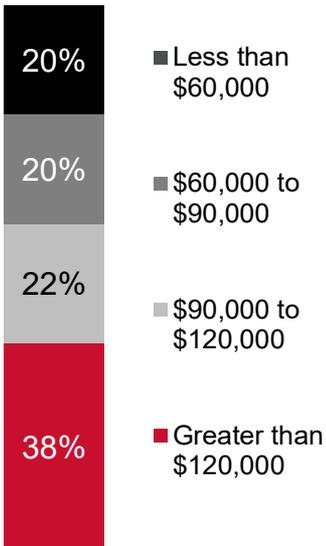
## Has Mortgage on Primary Residence



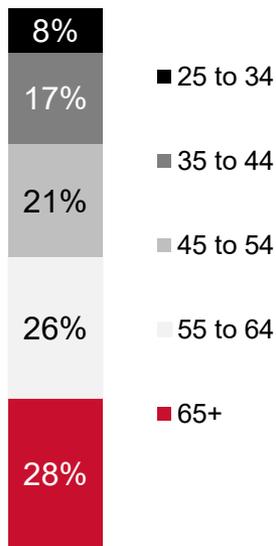
## Property Type



## Income



## Age



## Length of Time Enrolled in TIPP



## Length of Time in Calgary



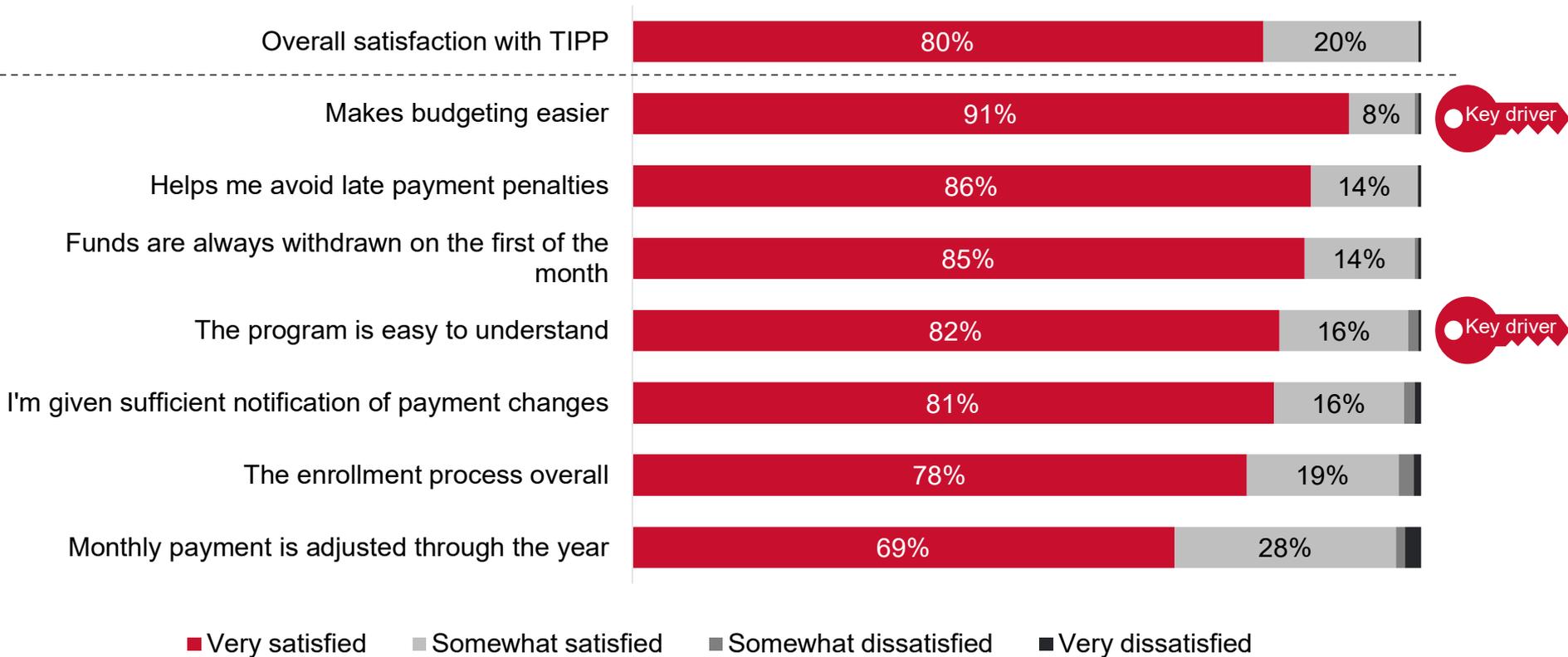
Base: TIPP Participants

S1 - What type of property do you own and pay property tax on? (n=209; excludes Don't know/refused) D3 - Do you still have a mortgage on your primary residence? (n=209; excludes Don't know/refused) D5 - Which of the following best describes your household income? (n=173; excludes Don't know/refused) Age - Which of the following age categories do you fall into? (n=210) D4 - How long have you lived in Calgary? (n=210) A2 - To the best of your recollection, how long have you been enrolled in TIPP? (n=210) Int 2 - So we can ensure we are speaking to property owners from all areas of The City, in what quadrant of the City do you own property? (n=210)



# Satisfaction with TIPP

## Satisfaction with TIPP



3 - Overall, how satisfied are you with TIPP? (n=208; excludes don't know/refused) A4 - How satisfied are you with the following components of TIPP? (n=181 - 206; excludes don't know/refused)



# Reasons for Satisfaction with TIPP

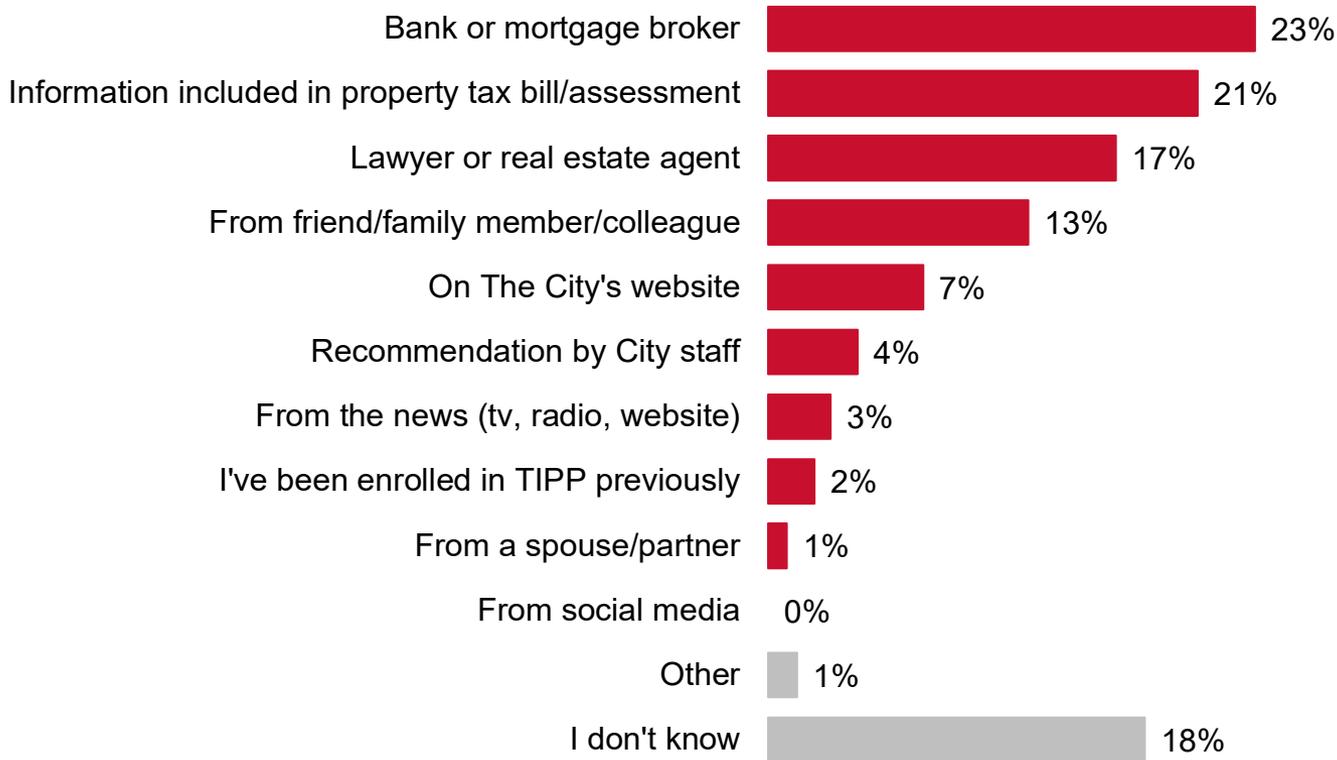
## Reasons for Satisfaction with TIPP



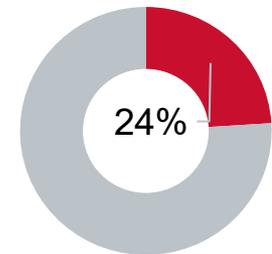


# Learning About TIPP

## How Participants Learned about TIPP



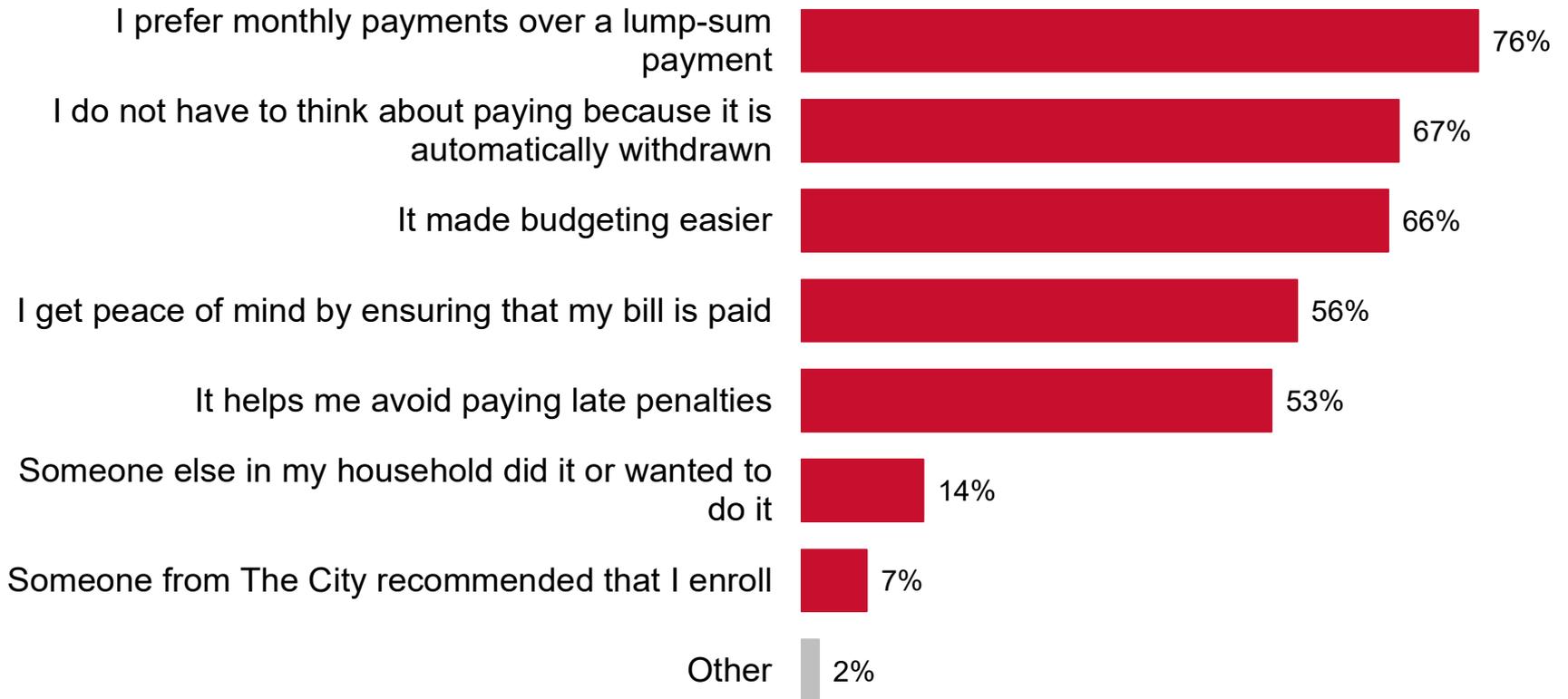
Participants with >10 years in the program don't know





# Reason for Enrollment

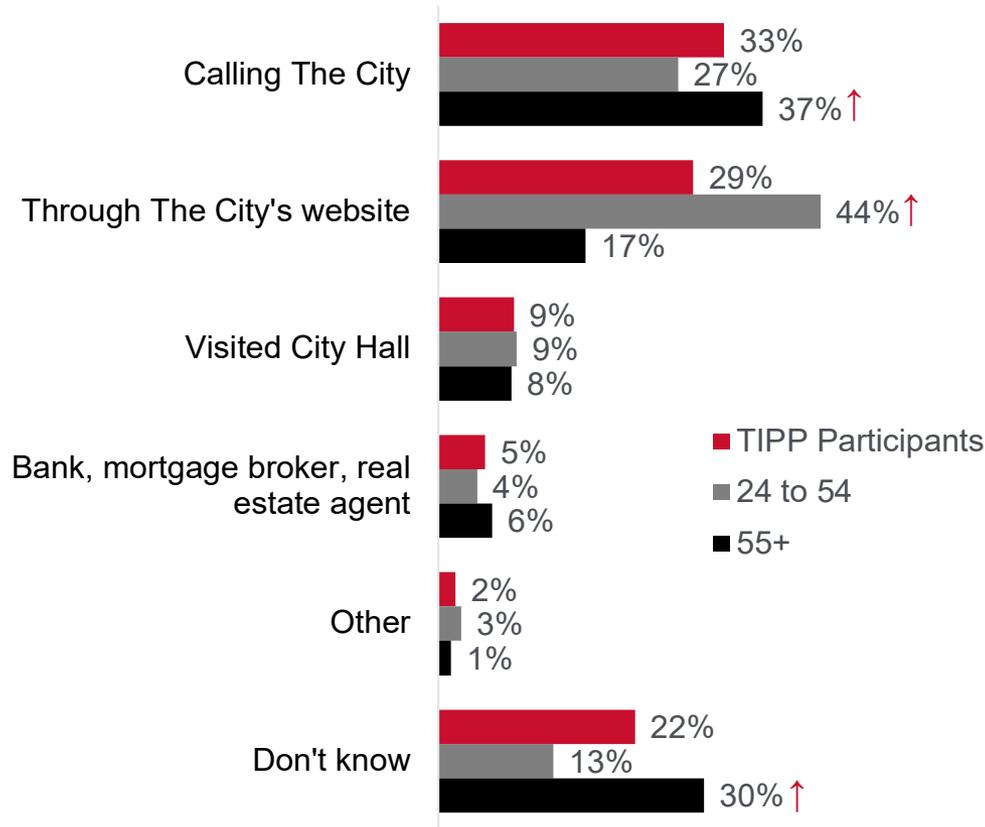
## Reasons for Enrollment



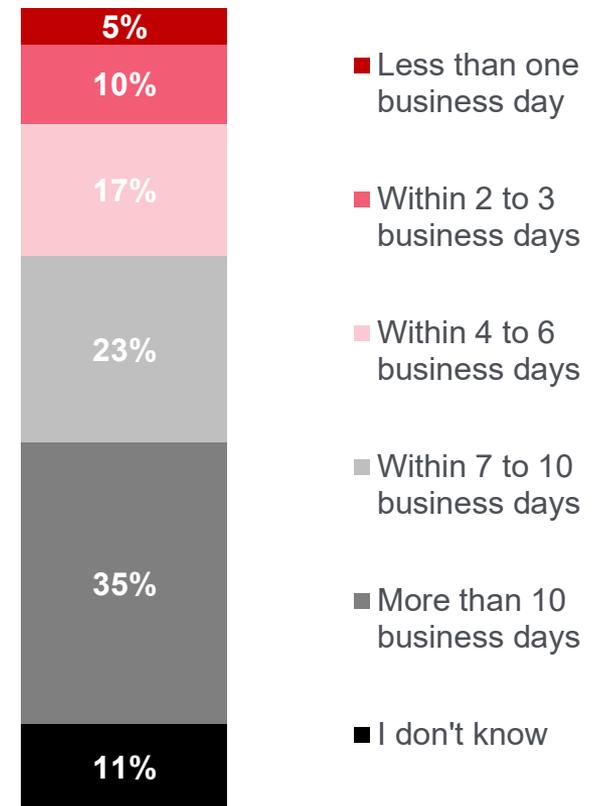
6 – To the best of your recollection, why did you enroll in TIPP? (n=209; excludes don't know/refused)



## Method Used to Contact The City



## Reasonable Time to Receive an Agreement

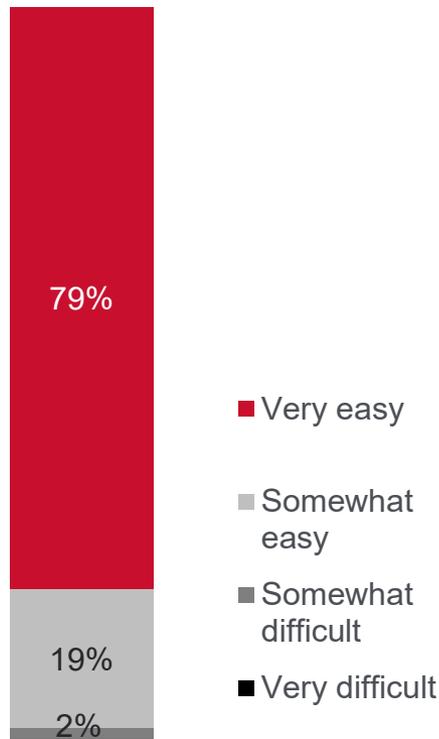


7 – To the best of your recollection, how did you contact The City to request to receive an agreement to join? (n=210), A9 – What do you think is a reasonable time to receive a customized agreement from The City to join TIPP after a request is submitted? (n=210). ↑ denotes a significantly higher percentage than the other age group.

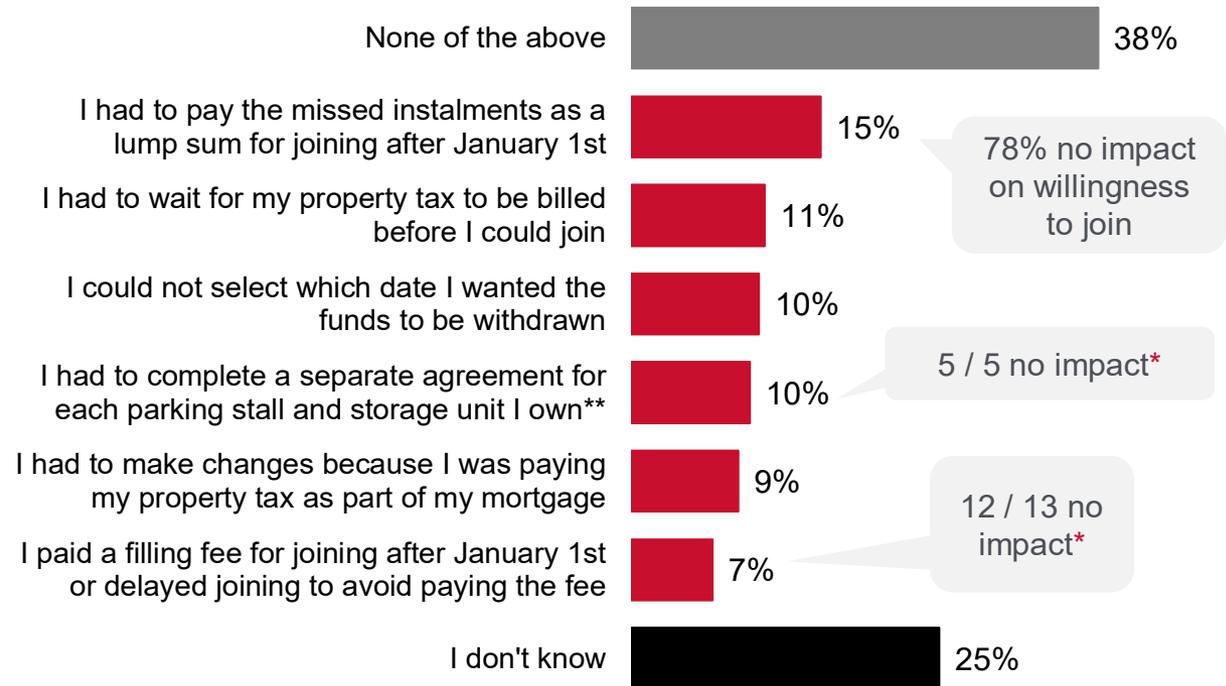


# Improving Enrollment

## Ease of Enrollment



## Hurdles Experienced While Enrolling in TIPP

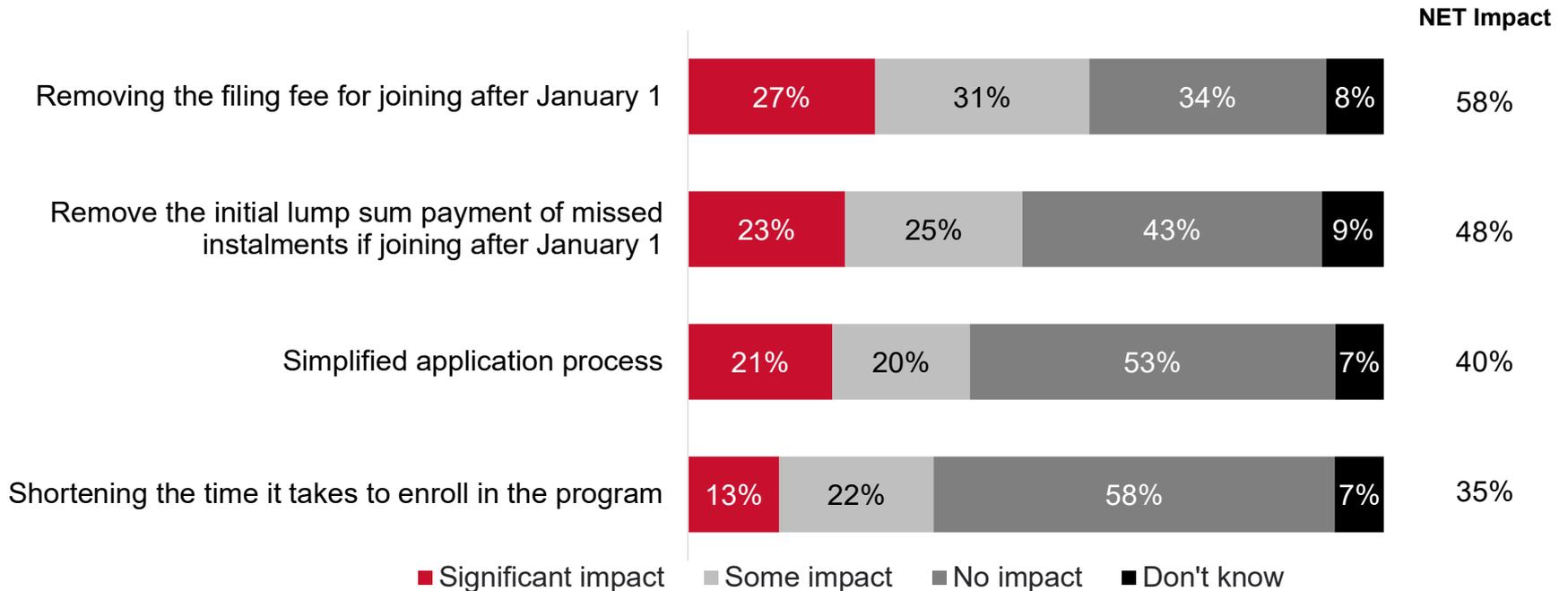


**8** – To the best of your recollection, how easy was it to enroll in TIPP? (n=210), **A10** – To the best of your recollection, did you experience any of the following when enrolling in TIPP? (n=209; excludes refused; \*\*n=56; condo owner with parking stall/storage unit) **A11** – You indicated you paid a filling fee for joining after January 1<sup>st</sup> or delayed joining to avoid paying the fee. How did this impact your willingness to join TIPP? (n=13; selected option in A10, \* small base), **A12** – You indicated that you had to complete separate agreements for each parking stall and storage unit you own. How did this impact your willingness to join TIPP? (n=5; selected option in A10 and condo owner with parking stall/storage unit, \* small base) **A13** – You indicated you had to pay a lump sum for the missed tax instalment since you joined after January 1<sup>st</sup>. How did this impact your willingness to want to join TIPP? (n=32; selected option in A10)



# Impact of Changes to TIPP

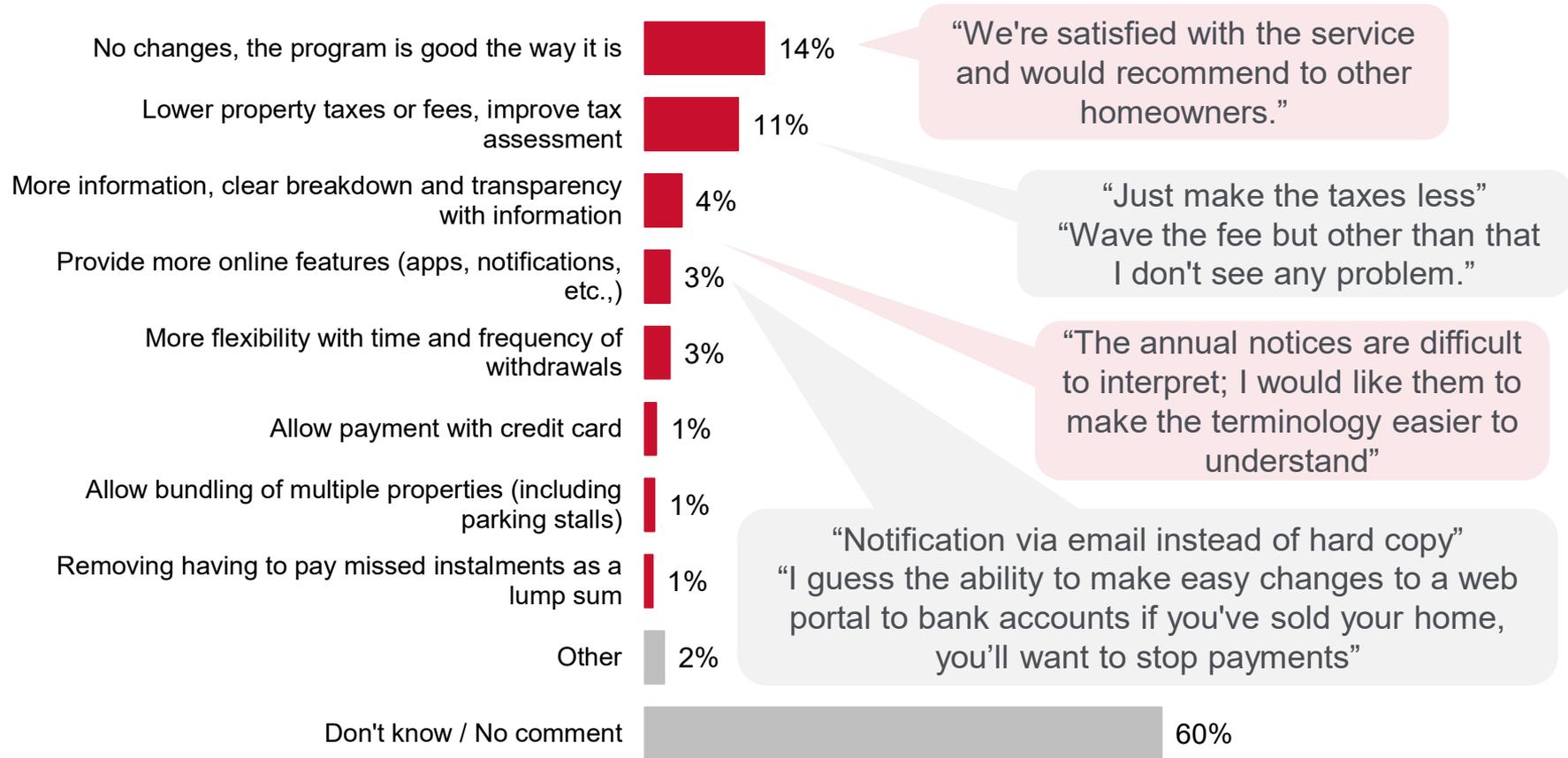
## Impact on Willingness to Enroll



(n=208-210; excludes don't know/refused)



# Suggested Improvements to TIPP

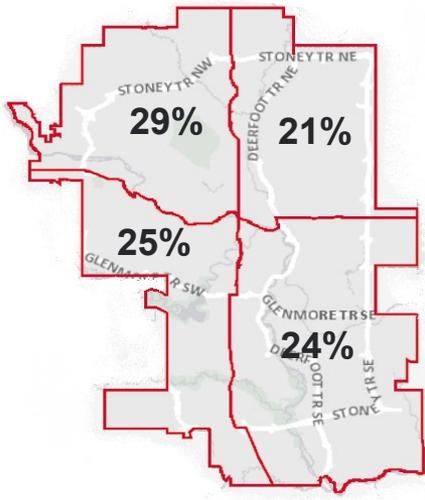
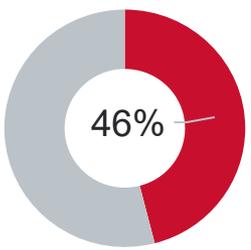




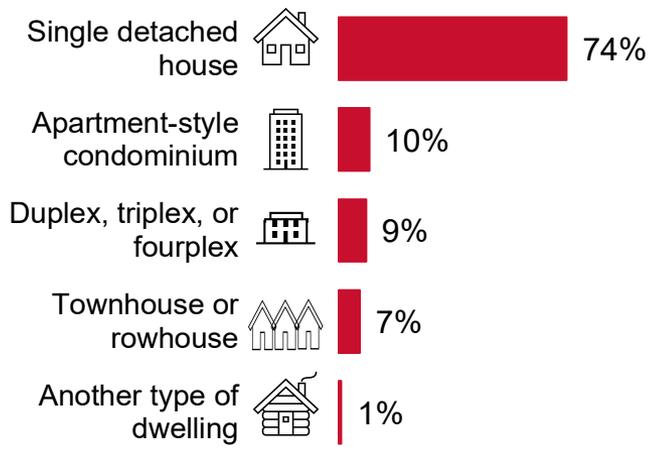


# TIPP Participant Profile

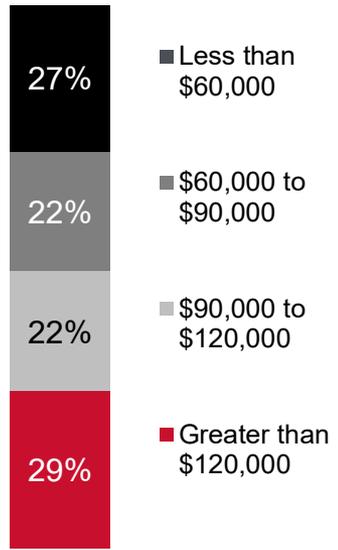
## Has Mortgage on Primary Residence



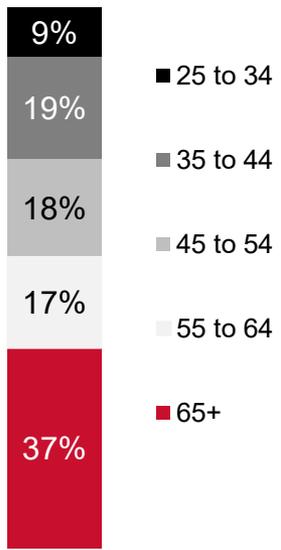
## Property Type



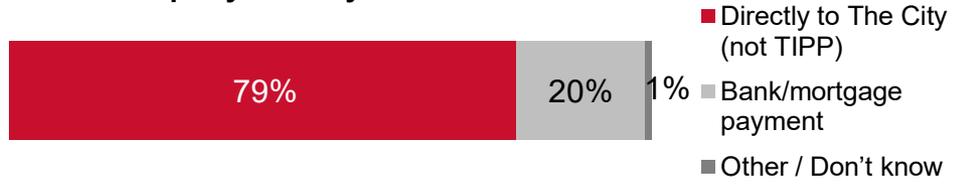
## Income



## Age



## Property Tax Payment Method



## Length of Time in Calgary



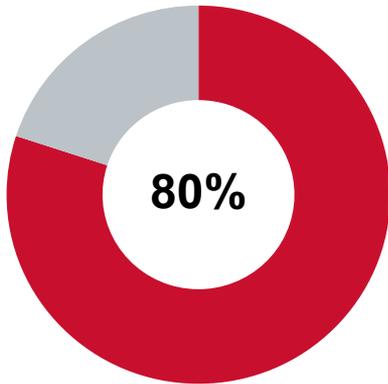
Base: TIPP Non-Participants

S1 - What type of property do you own and pay property tax on? (n=300) D3 - Do you still have a mortgage on your primary residence? (n=294; excludes don't know/refused) D5 - Which of the following best describes your household income? (n=242; excludes don't know/refused) Age - Which of the following age categories do you fall into? (n=300) D4 - How long have you lived in Calgary? (n=300) Int 2 - So we can ensure we are speaking to property owners from all areas of The City, in what quadrant of the City do you own property? (n=300) Pay - How do you currently pay your property tax? (n=300)

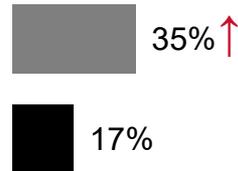
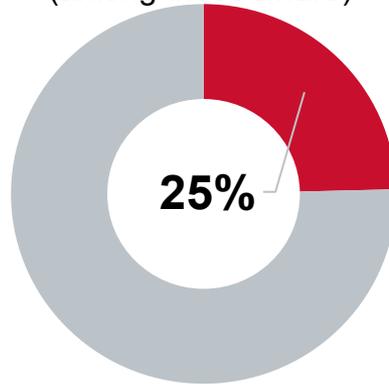


# Awareness, Consideration, and Interest

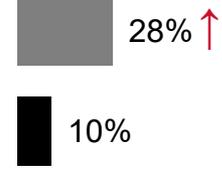
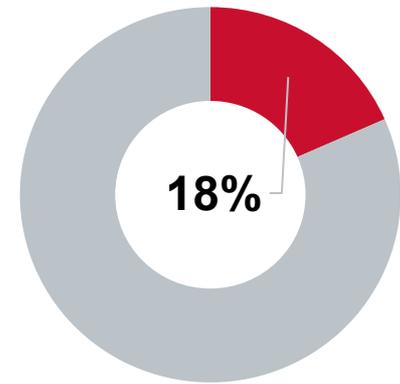
Awareness of TIPP



Have Considered Enrolling in TIPP (among those aware)



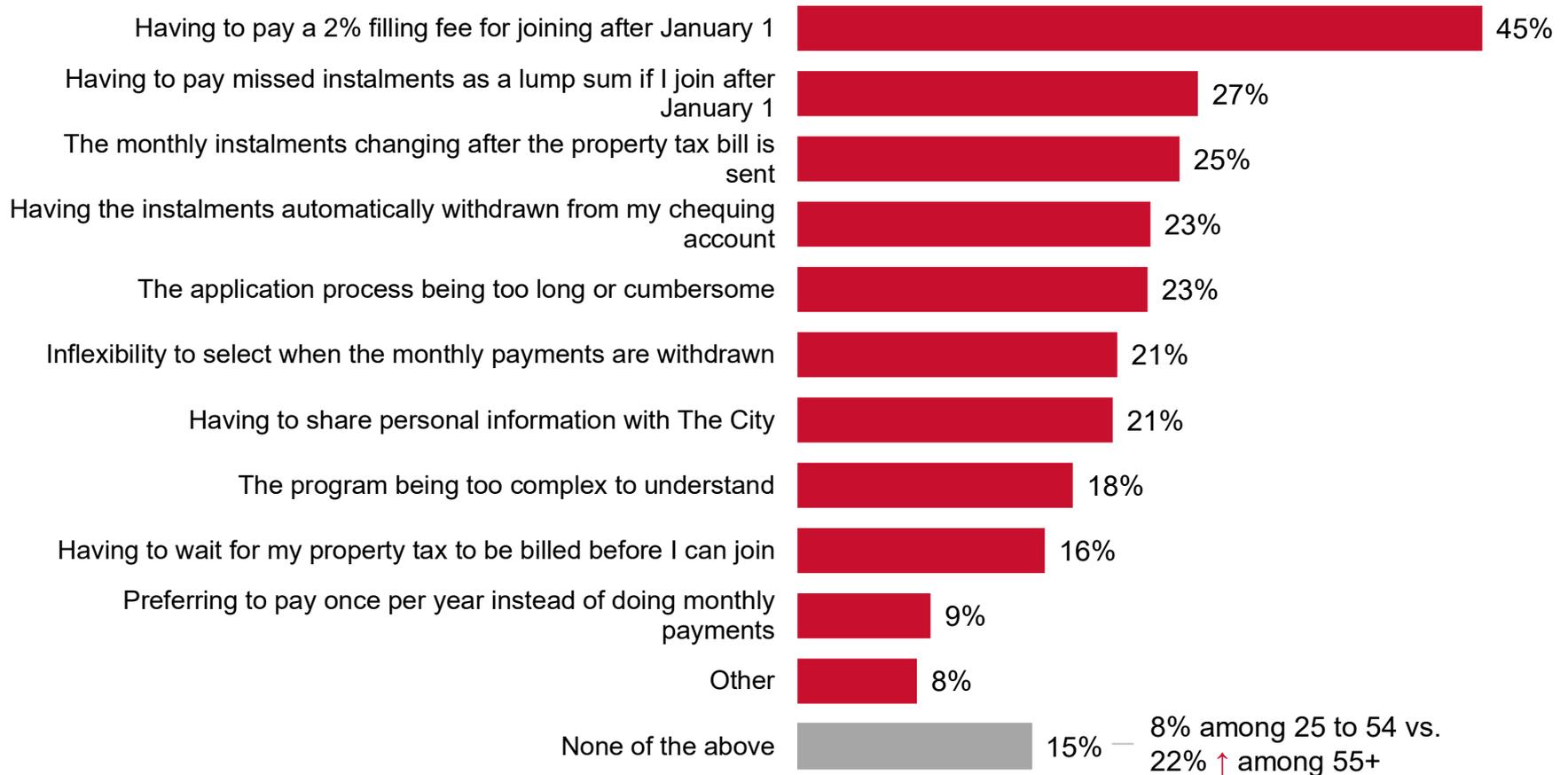
Interested in Enrolling Next Year



(n=298; 25 to 54=79, 55+=221; excludes don't know/refused) **B3** – Have you ever considered enrolling in the TIPP Program? (n=243; 25 to 54 n=55, 55+ n=188; aware of TIPP, excludes don't know/refused) **B4** – Would you be interested in enrolling in the TIPP program in the next year? (n=300; 25 to 54 n=79, 55+ n=221) denotes a significantly higher percentage than the other age group.



# Barriers to Enrollment



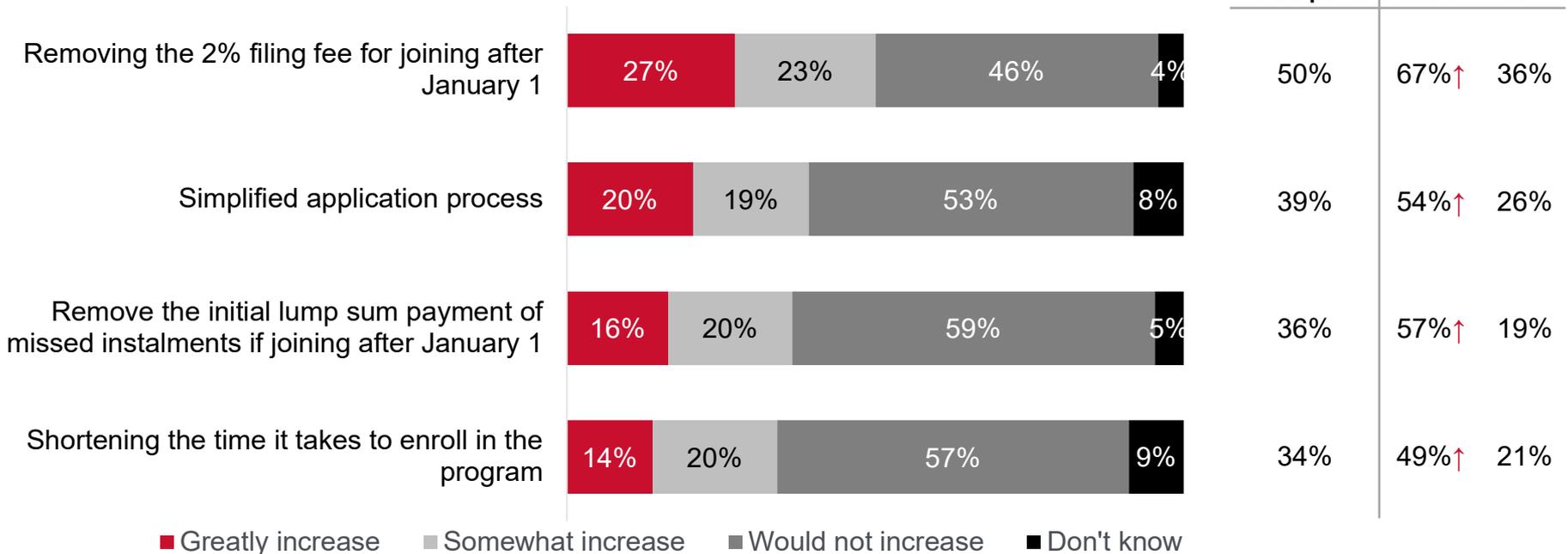
(n=288; 25 to 54 n=74, 55+ n=214; excludes don't know/refused)

denotes a significantly higher percentage than the other age group.



# Impact of Program Changes

## Impact of Proposed Changes to the Program

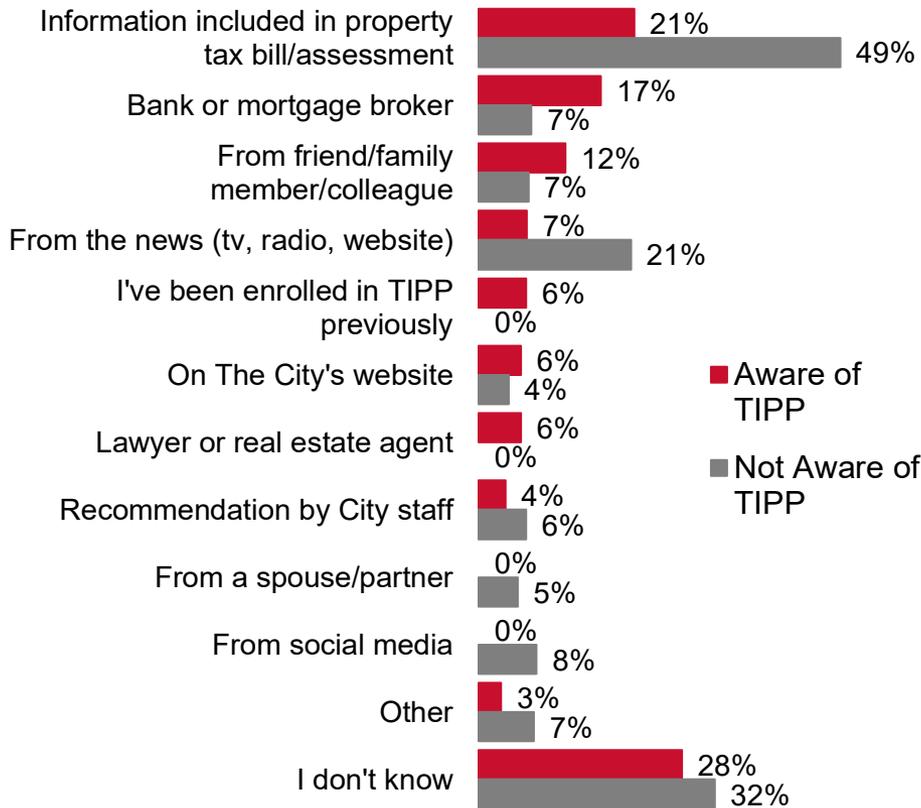


(n=295-298; 25 to 54 n=78-79; 55+ n=216-219)

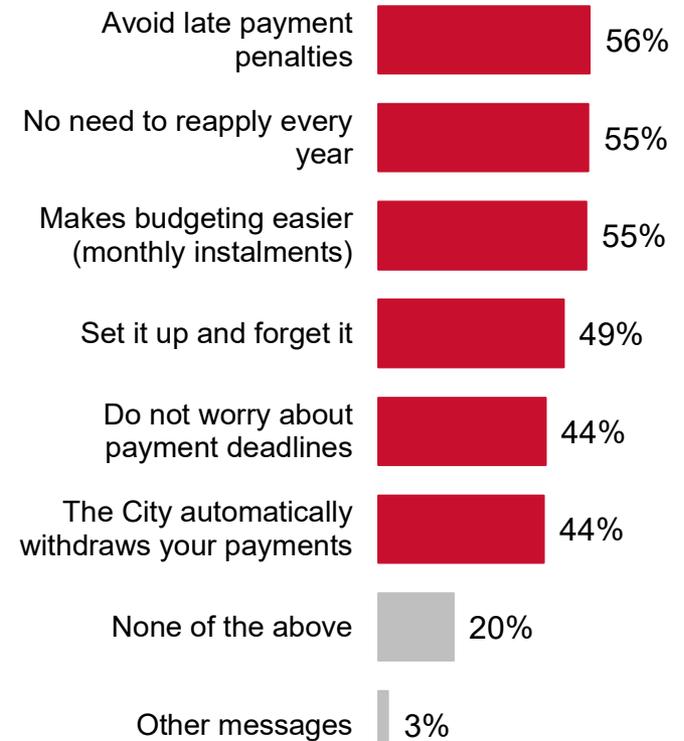
excludes don't know/refused) ↑ denotes a significantly higher percentage than the other age group.



### Would like to Learn/Learned About TIPP



### Messaging

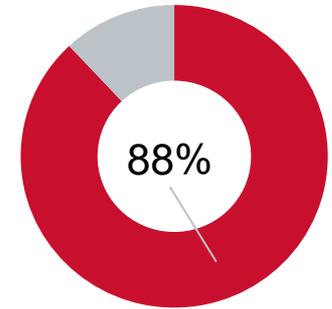


(Aware of TIPP n=247; Unaware of TIPP n=51; excludes refused)  
(n=290; excludes don't know/refused)

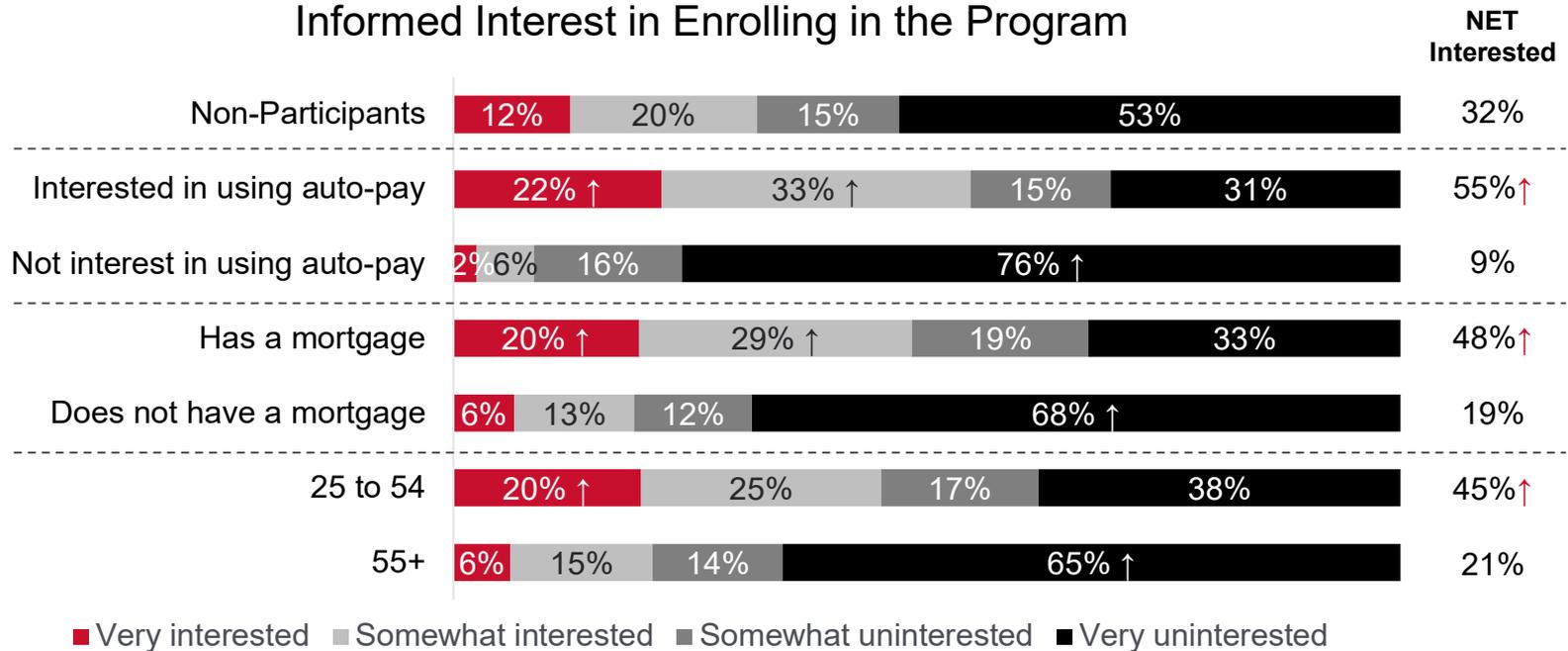
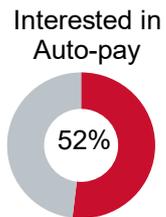


# Enrollment Intent

## Qualify for TIPP



## Informed Interest in Enrolling in the Program



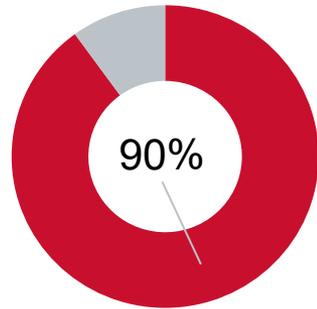
(n=296; excludes don't know/refused) **B9** – Now that you have learned a little more about the Tax Installment Payment Plan, how interested are you in enrolling in the program, assuming you were able to? (Non-Participants: n=294; Interested in auto-pay n=131; Uninterested in using auto-pay n=158; Has a mortgage n=100; Does not have a mortgage n=188; 25 to 54 n=77; 55+ n=217; excludes don't know/refused) **D1** – Are any of your other bills set-up to withdraw funds from your chequing account when they are due? (n=295; excludes don't know/refused) ↑ denotes a significantly higher percentage than the other segment.



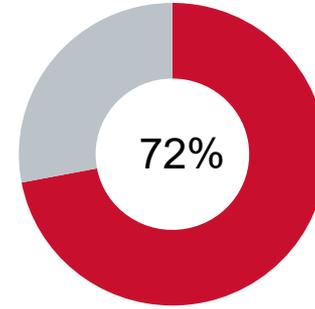


# Automatic Withdraw

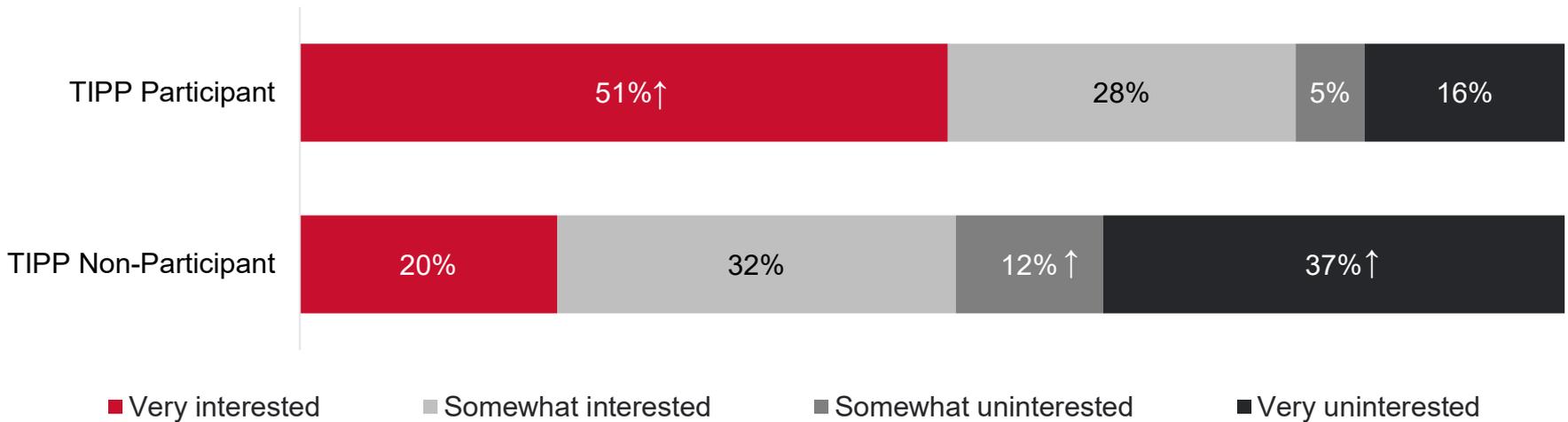
TIPP Participant



TIPP Non-Participant



## Interest in Auto-pay



■ Very interested    
 ■ Somewhat interested    
 ■ Somewhat uninterested    
 ■ Very uninterested

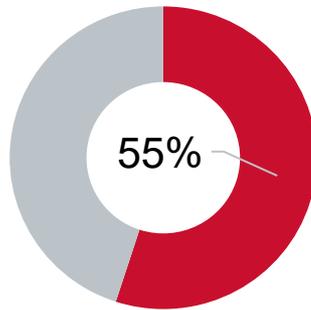
Base: Full Sample

D1 - Are any of your other bills set-up to withdraw funds from your chequing account when they are due? (TIPP Participants n=207; TIPP Non-Participants n=295; excludes don't know/refused)

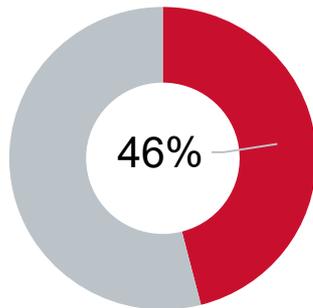
D2 - In general, how interested are you in having your bills set to automatically withdraw payment from your chequing account when due, assuming this option was available? (TIPP Participants n=204; TIPP Non-Participants n=293; excludes don't know/refused); ↑ denotes a significantly higher percentage than the other segment.



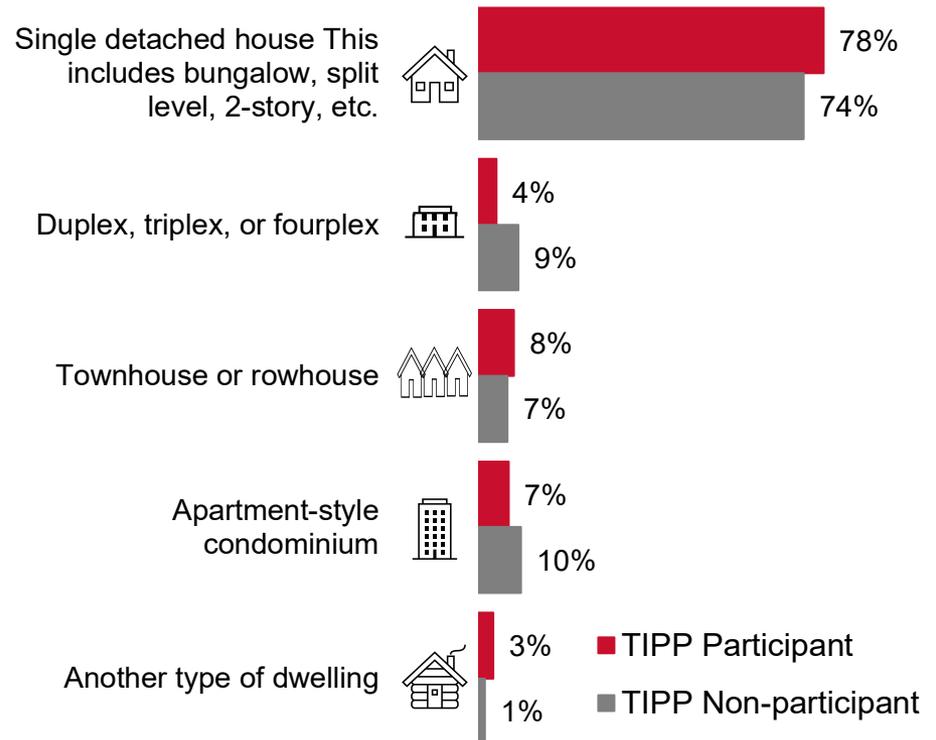
TIPP Participant



TIPP Non-Participant



### Property Type



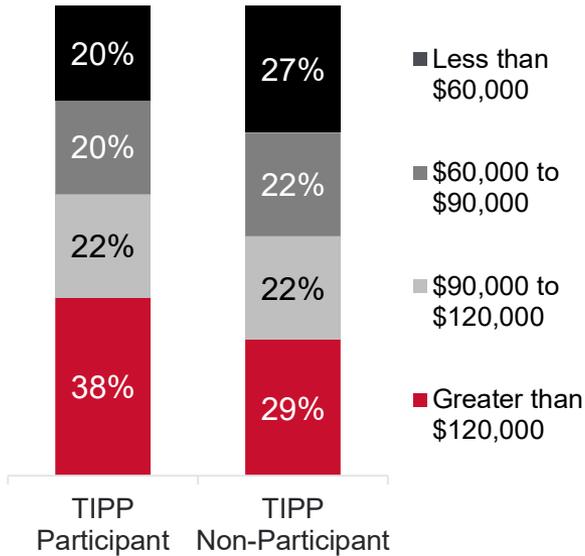
Base: TIPP Non-Participants

S1 - What type of property do you own and pay property tax on? (TIPP Participants n=209; TIPP Non-Participants n=300; excludes don't know/refused) D3 - Do you still have a mortgage on your primary residence? (TIPP Participants n=209; TIPP Non-Participants n=294; excludes don't know/refused); ↑ denotes a significantly higher percentage than the other segment.

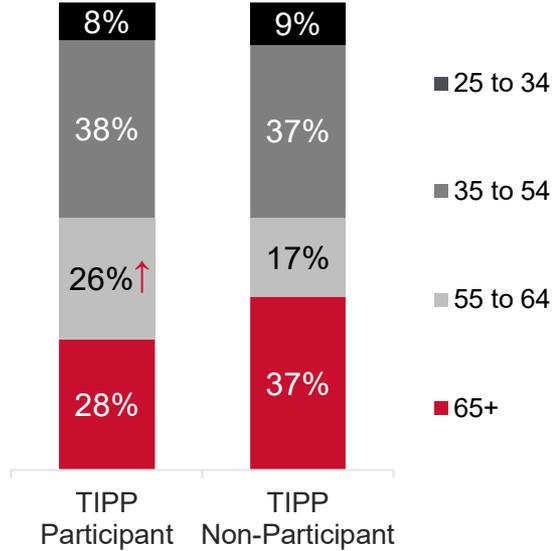


# Demographics

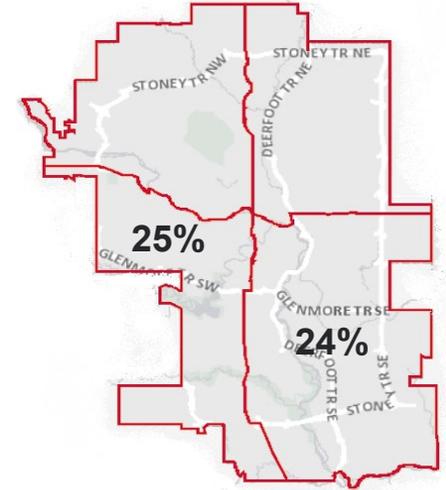
Income



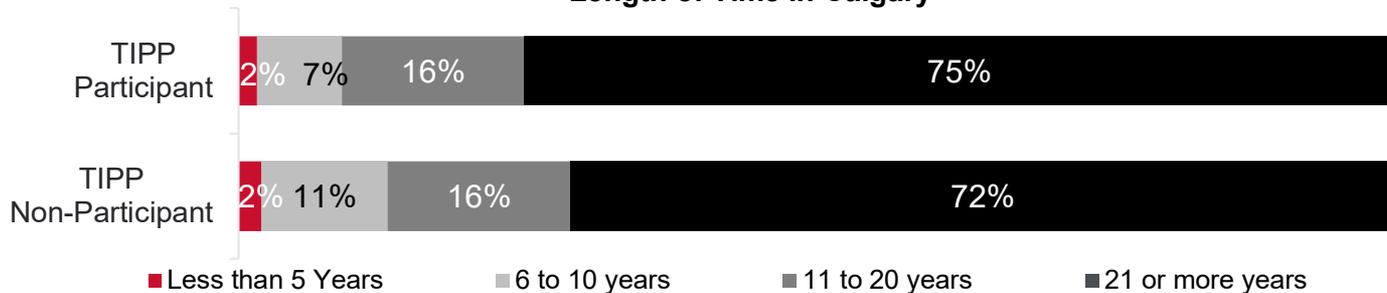
Age



City Quadrant



Length of Time in Calgary



Base: Full Sample

**D5** - Which of the following best describes your household income? (TIPP Participants n=173; TIPP Non-Participants n=242; excludes don't know/refused) **Age** - Which of the following age categories do you fall into? (TIPP Participants n=210; TIPP Non-Participants n=300) **D4** - How long have you lived in Calgary? (TIPP Participants n=210; TIPP Non-Participants n=300) **Int 2** - So we can ensure we are speaking to property owners from all areas of The City, in what quadrant of the City do you own property? (TIPP Participants n=210; TIPP Non-Participants n=300); ↑ denotes a significantly higher percentage than the other segment.



<b>Research sponsor</b> (including all financial sponsors)	City of Calgary
<b>Research/data collection supplier</b>	Advanis
<b>Population represented</b>	Calgary property owners who are responsible for paying property tax
<b>Sample size</b>	510 (210 for TIPP Participants and 300 for Non-Participants)
<b>Mode of data collection</b>	Telephone survey
<b>Source of sample</b>	ASDE Listed & Unlisted phone number, RDD wireless phone numbers
<b>Type of sample</b>	Telephone numbers
<b>Sample design</b>	All sample contacted
<b>Start and end dates of data collection</b>	March 29 to April 3, 2021
<b>Strategies used to gain cooperation</b>	Requested permission on the phone
<b>Margin of sampling error for total sample</b>	±6.8% for TIPP Participants and ±5.7% for Non-Participants (95% confidence level)
<b>Is data weighted?</b>	Yes, by age and city quadrant within Participants and Non-Participants
<b>Contact for more information</b>	Mary Ann Charters, maryannm@advanis.net Advanis (519) 340-0124
<b>Survey text</b>	Provided in footnotes in the report

[CRIC Public Opinion Research Standards and Disclosure Requirements.](#)



**Proposed Wording for a Bylaw to Amend Bylaw 9M2002  
Tax Instalment Payment Plan Bylaw**

1. Bylaw 9M2002, the Tax Instalment Payment Plan Bylaw, as amended, is hereby further amended.
2. Section 7(5) is deleted.
3. In section 10, the words “by ordinary mail to the Taxpayer’s last known address” are deleted.
4. This Bylaw comes into force on the day it is passed.

TEXT FOR DISCUSSION ONLY