



REVISED AGENDA

PRIORITIES AND FINANCE COMMITTEE

January 21, 2020, 9:30 AM
IN THE COUNCIL CHAMBER
Members

Mayor N. Nenshi, Chair
Councillor S. Chu, Vice-Chair
Councillor G-C. Carra (CPS Chair)
Councillor J. Davison (T&T Chair)
Councillor J. Gondek (PUD Chair)
Councillor W. Sutherland (UCS Chair)
Councillor E. Woolley (Audit Chair)

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
 - 4.1 Minutes of the Regular Meeting of the Priorities and Finance Committee, 2019 December 03
5. CONSENT AGENDA
 - 5.1 DEFERRALS AND PROCEDURAL REQUESTS
None
 - 5.2 BRIEFINGS
 - 5.2.1 Status of Outstanding Motions and Directions, PFC2020-0074
 - 5.2.2 ZBR Program Update, PFC2020-0035
 - 5.2.3 Financial Task Force 2020 January Update, PFC2020-0100

6. POSTPONED REPORTS
(including related/supplemental reports)

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Fiscal Sustainability in 2020 (verbal update), PFC2020-0117

7.2 2020 Business Improvement Area Budgets and Enabling Bylaws, PFC2020-0012

7.3 2020 Business Improvement Area Tax Bylaw, PFC2020-0009

7.4 2020 Non-Residential Property Tax Relief Options, PFC2020-0015
Attachment 8 held confidential pursuant to Section 27 (Privileged information) of *FOIP*.

Review by 2035 January 21

7.5 Council Innovation Fund Application - Roadside Naturalization Pilot, PFC2020-0075

7.6 Council Innovation Fund Application – City of Calgary Citizen Privacy Data Practices, PFC2020-0110

7.7 Civic Census Review, PFC2020-0094

7.8 Beltline and Inglewood Facilities Rates and Fees, PFC2020-0028

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

8.2.1 Bylaw Setback Reform, PFC2020-0106
Councillor Druh Farrell

8.2.2 Banning Conversion Therapy, PFC2020-0116
Evan Woolley, Druh Farrell, Gian-Carlo Carra, Jyoti Gondek, Naheed Nenshi

NEW MATERIAL

8.2.3 *Public Safety Task Force*, PFC2020-0120
Councillor George Chahal and Mayor Nenshi

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
None

10.2 URGENT BUSINESS

11. ADJOURNMENT

Members of Council may participate remotely, if required.



MINUTES

PRIORITIES AND FINANCE COMMITTEE

**December 3, 2019, 9:30 AM
IN THE COUNCIL CHAMBER**

PRESENT: Mayor N. Nenshi, Chair
Councillor S. Chu (Councillor-at-Large), Vice-Chair
Councillor G-C. Carra (CPS Chair)
Councillor J. Davison (T&T Chair)
Councillor J. Gondek (PUD Chair)
Councillor W. Sutherland (UCS Chair)
Councillor E. Woolley (Audit Chair)
Councillor P. Demong
Councillor J. Farkas
Councillor D. Farrell

ALSO PRESENT: Chief Financial Officer C. Male
Deputy City Clerk T. Mowrey
Recorder G. Chaudhary

1. CALL TO ORDER

Mayor Nenshi called the Meeting to order at 9:33 a.m.

2. ELECTION OF VICE CHAIR

This item was withdrawn at Confirmation of Agenda.

3. OPENING REMARKS

Mayor Nenshi provided opening remarks.

4. CONFIRMATION OF AGENDA

Moved by Councillor Farrell

That the Agenda for today's meeting be amended by adding Facilities Management Verbal Update, PFC2019-1564 as Confidential Urgent Business.

MOTION CARRIED

Moved by Councillor Farrell

That the Agenda for today's meeting be amended by adding Notice of Motion - Addressing Lead Pipes in Calgary, PFC2019-1569 as Urgent Business.

MOTION CARRIED

Moved by Councillor Woolley

That the Agenda for today's meeting be amended by bringing forward Report PFC2019-1430 Beltline Community Investment Fund Request for Humpy Hollow Park to be dealt with as the first item of business.

MOTION CARRIED

Moved by Councillor Carra

That the Agenda for today's meeting be amended by bringing forward Report PFC2019-1464 Council Innovation Fund Application for Greater Forest Lawn Governance and Communications Model to be dealt with as the second item of business.

MOTION CARRIED

Moved by Councillor Chu

That the Agenda for the 2019 December 03 Regular Meeting of the Priorities and Finance Committee be confirmed, **as amended**.

MOTION CARRIED

5. CONFIRMATION OF MINUTES

5.1 Minutes of the Regular Meeting of the Priorities and Finance Committee, 2019 November 05

A clerical correction was noted on page 1, Item 2. Opening Remarks by deleting the words "Local YYC day" and replacing with the words "Buy Local YYC Day".

Moved by Councillor Chu

That the Minutes of the 2019 November 05 Regular Meeting of the Priorities and Finance Committee be confirmed, **as corrected**.

MOTION CARRIED

6. CONSENT AGENDA

6.1 DEFERRALS AND PROCEDURAL REQUESTS

None

6.2 BRIEFINGS

6.2.1 Status of Outstanding Motions and Directions, PFC2019-1496

7. POSTPONED REPORTS

None

8. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

8.1 Compassionate Property Tax Penalty Relief Report Back, PFC2019-1105

Moved by Councillor Woolley

That with respect to Report PFC2019-1105, the following be approved:

That the Priorities and Finance Committee recommends that Council direct Administration to continue offering Compassionate Property Tax Penalty Relief in accordance with the principles and guidelines outlined to support the preliminary program (Attachments 2, 2A and 2B).

MOTION CARRIED

8.2 Four Year Formal Council Policy Review – 2016-2019 Outcomes, PFC2019-1525

Moved by Councillor FarrellThat with respect to Report PFC2019-1525, the following be approved, **as amended**:

That the Priorities and Finance Committee ("PFC") recommend that Council:

1. Receive the *Four Year Formal Council Policy Review – 2016-2019 Outcomes* report for the Corporate Record;
2. Approve the proposed rescindments, **with the exception of the Greater Prince's Island Park Master Plan (Council Policy Number CSPS027)**, listed in Attachment 3 (*Proposed Council Policy Rescindments*); and
3. Direct Administration to delay the launch of the next four-year Formal Council Policy Review cycle until Administration reports on the outcomes of the One Calgary Policy Review pilot project in Q3 2020.
4. **Direct that Administration engage with the Ward Councillor and the Community on the future of the Greater Prince's Island Master Plan.**

MOTION CARRIED

8.3 Beltline Community Investment Fund Request for Humpy Hollow Park, PFC2019-1430

The following documents were distributed with respect to Report PFC2019-1430:

- Revised Attachment 4; and
- Presentation entitled "Beltline Community Investment Fund Request for Humpy Hollow Park PFC2019-1430", dated 2019 December 03.

Moved by Councillor Farkas

That with respect to Report PFC2019-1430, the following be approved:

That the Priorities and Finance Committee recommends that Council:

1. For the purposes of capital construction of Humpy Hollow Park, approve the request for funding of \$1,230,386 from the Beltline Community Investment Fund (BCIF);
2. Approve a capital budget increase of \$1,230,286 to Parks Budget ID P500_006 (\$200,000 in 2020 and \$1,030,386 in 2021) funded by the transfer of \$1,230,386 from the Beltline Community Investment Fund (BCIF).

MOTION CARRIED

8.4 Council Innovation Fund Application for Greater Forest Lawn Governance and Communications Model, PFC2019-1464

The following documents were distributed with respect to Report PFC2019-1464:

- Letter from Caitlin Flegel, Forest Lawn Community Association; and
- Presentation entitled "PFC2019-1464 Council Innovation Fund Application for Great Forest Lawn Governance and Communications Model", dated 2019 December 03.

The following public speakers addressed Committee with respect to Report PFC2019-1464:

1. Alison Karim-McSwiney, Executive Director, International Avenue Business Revitalization Zone
2. Caitlin Flesel, President, Forest Lawn Community Association

Moved by Councillor Carra

That with respect to Report PFC2019-1464, the following be approved:

That the Priorities and Finance Committee recommend Council approve this application for the Council Innovation Fund for the Greater Forest Lawn Governance and Communications Model pilot project in the amount of \$227,000.

ROLL CALL VOTE

For: (6): Mayor Nenshi, Councillor Chu, Councillor Carra, Councillor Davison, Councillor Woolley, and Councillor Farrell

Against: (3): Councillor Gondek, Councillor Sutherland, and Councillor Farkas

MOTION CARRIED

8.5 2019 Triennial Reserves Review Report, PFC2019-1385

8.5.1 2019 Triennial Reserves Review Report, PFC2019-1385

A presentation entitled "2019 Triennial Reserve Review PFC2019-1385", dated 2019 December 03 was distributed with respect to Report PFC2019-1385.

Moved by Councillor Chu

That the Priorities and Finance Committee recommends that Council:

1. Approve the changes to reserves as outlined in Attachment 1 and Attachment 2; and
2. Approve the list of reserves to be reviewed in 2020 as outlined in Attachment 3.

MOTION CARRIED

8.6 Administrations Response to C2019-1472, PFC2019-1503

8.6.1 Administration's Response to C2019-1472, PFC2019-1503

A presentation entitled "Administration Overview & Recommendation (Re: Notice of Motion C2019-1472)", dated 2019 December 03 was distributed with respect to Report PFC2019-1503.

Moved by Councillor Carra

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, as amended, that Section 78(2)(a) be suspended to allow Committee to complete this item prior to the scheduled 12:00 noon recess.

Against: Councillor Chu

MOTION CARRIED

Moved by Councillor Farkas

That Recommendation 1 contained in Report PFC2019-1472 be amended by deleting the existing Recommendation 1 and adding the words:

"That Priorities and Fiance Committee recommends that Council direct Administration to end the retirement allowance no later than 2021 December 31".

For: (6): Councillor Chu, Councillor Davison, Councillor Gondek, Councillor Sutherland, Councillor Demong, and Councillor Farkas

Against: (4): Mayor Nenshi, Councillor Carra, Councillor Woolley, and Councillor Farrell

MOTION CARRIED

Moved by Councillor Woolley

That with respect to Report PFC2019-1503, the following be approved, **as amended**:

That the Priorities and Finance Committee:

1. **Recommends that Council direct Administration to end the retirement allowance no later than 2021 December 31.**
2. Directs that Attachments 2 and 3 remain confidential pursuant to the *Freedom of Information and Protection of Privacy Act* Sections 25 (Disclosure harmful to economic and other interests of a public body) and 27 (Privileged Information), to be reviewed by 2022 January 31.

MOTION CARRIED

Committee recessed at 12:32 p.m. and reconvened in the Council Chamber at 1:19 p.m. with Mayor Nenshi in the Chair.

- 8.7 Financial Task Force December Verbal Update, PFC2019-1519
Administration was thanked for their verbal presentation.
- 8.8 Update on Strategy for Improving Service Value (SISV), Verbal, PFC2019-1556
Administration was thanked for their verbal presentation.

9. ITEMS DIRECTLY TO COMMITTEE

Moved by Councillor Davison

That the following Notices of Motion, including Item 10.1 - Notice of Motion PFC2019-1569, be forwarded to Council in an omnibus motion:

9.1 REFERRED REPORTS

- 9.1.1 Ending The Payment of the Vacation Pay Retirement Allowance, C2019-1472

9.2 NOTICE(S) OF MOTION

- 9.2.1 Deeming Calgary 9-1-1 an Essential Service at The City of Calgary, PFC2019-1523

- 9.2.2 Efficient and Effective Parking Management - Calgary Parking Authority (CPA) becoming a "Controlled Corporation" pursuant to Section 75.1 of the Municipal Government Act (MGA), PFC2019-1510

A Notice of Motion checklist was distributed with respect to Notice of Motion PFC2019-1510.

- 9.2.3 Rallying Federal Support for Extended Producer Responsibility, PFC2019-1529

- 9.2.4 Ending the Payment of the City Council Transition Allowance, PFC2019-1552

The following documents were distributed with respect to Notice of Motion PFC2019-1552:

- A revised Notice of Motion; and
- A Notice of Motion checklist.

MOTION CARRIED

10. URGENT BUSINESS

10.1 Notice of Motion - Addressing Lead Pipes in Calgary, PFC2019-1569

The following documents were distributed with respect to Notice of Motion PFC2019-1569:

- A revised Notice of Motion; and
- A Notice of Motion checklist.

This item was dealt with under Item 9. Items Directly to Committee and was included in the omnibus motion.

11. CONFIDENTIAL ITEMS

11.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

11.2 URGENT BUSINESS

11.2.1 Facilities Management Verbal Update, PFC2019-1564

Moved by Councillor Davison

That pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, Council now move into Closed Meeting at 1:25 p.m., in the Council Lounge, to discuss confidential matters with respect to report PFC2019-1564.

MOTION CARRIED

Committee moved into Public Meeting at 1:36 p.m. with Mayor Nenshi in the Chair.

Moved by Councillor Chu

That Committee rise and report.

MOTION CARRIED

Administration in attendance during the Closed Meeting discussions with respect to Report PFC2019-1564:

Clerk: T. Mowrey, Advice: D. Bell and C. Arthurs, Observing: C. Male.

Moved by Councillor Chu

That with respect to Verbal Report PFC2019-1564, the following be approved:

That Committee:

Direct that the Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

12. ADJOURNMENT

That this meeting adjourn at 1:37 p.m.

The following items have been forwarded to the 2019 December 16 Combined Meeting of Council:

CONSENT

- Compassionate Property Tax Penalty Relief Report Back, PFC2019-1105
- Four Year Formal Council Policy Review – 2016-2019 Outcomes, PFC2019-1525
- Beltline Community Investment Fund Request for Humpy Hollow Park, PFC2019-1430
- Council Innovation Fund Application for Greater Forest Lawn Governance and Communications Model, PFC2019-1464
- 2019 Triennial Reserves Review Report, PFC2019-1385
- Administration's Response to C2019-1472, PFC2019-1503

ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- Notice of Motion - Ending The Payment of the Vacation Pay Retirement Allowance, C2019-1472
- Notice of Motion - Deeming Calgary 9-1-1 an Essential Service at The City of Calgary, PFC2019-1523
- Notice of Motion - Efficient and Effective Parking Management - Calgary Parking Authority (CPA) becoming a "Controlled Corporation" pursuant to Section 75.1 of the Municipal Government Act (MGA), PFC2019-1510
- Notice of Motion - Rallying Federal Support for Extended Producer Responsibility, PFC2019-1529
- Notice of Motion - Ending the Payment of the City Council Transition Allowance, PFC2019-1552
- Notice of Motion - Addressing Lead Pipes in Calgary, PFC2019-1569

The next Regular Meeting of the Priorities and Finance Committee is scheduled to be held on Tuesday 2020 January 21 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK

UNCONFIRMED

BRIEFING

Page 1 of 1

Item # 5.2.1

**Chief Financial Officer's Briefing to
Priorities and Finance Committee
2020 January 21**

**ISC: UNRESTRICTED
PFC2020-0074**

Status of Outstanding Motions and Directions

PURPOSE OF BRIEFING

Outstanding items for the Priorities and Finance Committee as of 2019 December 03.

SUPPORTING INFORMATION

On 2012 April 3, the Priorities and Finance Committee directed Administration to provide the Committee with a schedule of Status of Outstanding Motions and Directions.

This report is in alignment with the mandate of the Priorities and Finance Committee.

This report tracks outstanding motions and directions from the Priorities and Finance Committee to Administration. No specific risks are associated with this report. Any risks associated with specific directions or motions will be dealt with in the context of the report on that direction or motion.

ATTACHMENT(S)

1. Attachment 1 – Status of Outstanding Items for the Priorities and Finance Committee

DATE DUE	ITEM	DATE OF REQUEST	SOURCE	SUBJECT
2018 Q4	PROPOSED CODE OF CONDUCT FOR ELECTED OFFICIALS BYLAW26M2018	2018 May 28	PFC2018-0554	That with respect to PFC2018-0554, the following Motion arising be adopted: That Council direct the Ethics Advisor to investigate how to enhance reporter protection, including but not limited Councillors staff and Report back to the Priorities and Finance Committee no later than Q4 2018.
2019 Q3 2019 November 05 2020 March 10	PROCEDURE BYLAW AMENDMENTS	2019 June 17 2019 September 17 2019 November 05	PFC2019-0591 PFC2019-1184 PFC2019-1366	That with respect to Report PFC2019-0591, the following be adopted: That Council: 3. Direct Administration to return to the Priorities and Finance Committee in Q3 with an accurate cost estimate and implementation timeline for a hardware solution for electronic voting, for approval. Deferral Request to PFC 2019 November 5. Deferral Request Implementation of Electronic Voting to PFC 2020 March 10
2020 January 21	2020 ADJUSTMENTS TO THE ONE CALGARY SERVICE PLANS AND BUDGETS	2019 November 29	C2019-1052	That with respect to Report C2019-1052, the following Motion Arising be approved: That Council direct Administration to prepare a Council Innovation Fund application for an expanded pilot

				program of boulevard naturalization along selected roadways throughout Calgary for the January 2020 meeting of the Priorities and Finance Committee.
2020 January 21	2020 ADJUSTMENTS TO THE ONE CALGARY SERVICE PLANS AND BUDGETS	2019 November 29	C2019-1052	That Council refer the proposed amendment as contained in the, "Add a new user fee category to the fees outlined in Attachment 9C Amended Recreation User Fees document, contained in Attachment 9C of Report C2019-1052, to Administration to provide a report to the Priorities and Finance Committee 2020 January 21 Regular Meeting".
2020 Q1	COMPREHENSIVE PUBLIC SECTOR PENSION REVIEW	2019 October 24	AC2019-1329	That with respect to Report AC2019-1329, the following be approved: The Audit Committee recommends that Council direct Administration to bring a report to the Priorities and Finance Committee no later than Q1 2020 responding to the questions from the Working Group addressing citizen perceptions of the pension plans within The City.
2020 Q1	SOCIAL PROCUREMENT UPDATE	2019 June 3	PFC2019-0384	That the Priorities and Finance Committee recommends that Council: 1. Approve the Social Procurement Advisory Task Force Terms of Reference, Scoping Report for the Pilot Projects and the Work Plan identified in Attachment 1; and 2. Direct Administration to return to the Priorities and Finance Committee with an update no later than Q1 2020.

<p>2020 Q1</p>	<p>GOLF COURSE REAL ESTATE AND DEVELOPMENT FEASIBILITY ASSESSMENT</p>	<p>2019 May 27</p>	<p>CPS2019-0475</p>	<p>That with respect to Report CPS2019-0475, the following be adopted, after amendment:</p> <p>That Council:</p> <p>1. Adopt the recommendation to proceed with Stage 1 of the proposed plan for a Real Estate and Development Assessment, leveraging The City’s internal expertise to conduct an initial assessment of all golf course properties and return to the Priorities and Finance Committee no later than Q1 2020 with a recommendation on which properties should be included in Stage 2 of the analysis. The plan for Stage 2 will include Administration’s recommendation on which golf course lands require further analysis as well as recommendations on timeline, scheduling and costs for Stage 2.</p>
<p>2020 Q1</p> <p>On Going Until 2020 September</p>	<p>2020 ADJUSTMENTS TO THE ONE CALGARY SERVICE PLANS AND BUDGETS</p>	<p>2019 November 29</p>	<p>C2019-1052</p>	<p>11. Administration report back to Priorities and Finance Committee in Q1 2020 on all components of the Strategy for Improving Service Value, including anticipated activities and costs to undertake the scope of work identified in C2019-1011, Delivering Modern & Affordable Municipal Services in an Environment of Economic Constraint, which was passed unanimously by Council 2019 July 2019.</p> <p>13. Administration to provide regular updates through Priorities and Finance Committee as a standing agenda item from December 2019 to September 2020.</p>
<p>2020 Q1</p>	<p>2020 ADJUSTMENTS TO THE ONE CALGARY SERVICE PLANS AND BUDGETS</p>	<p>2019 November 29</p>	<p>C2019-1052</p>	<p>That with respect to Report C2019-1052, the following Motion Arising be approved:</p> <p>That Council direct administration to come back with options for a transitional non-residential Phased Tax</p>

				program for 2020 and 2021 to the Priorities and Finance Committee in Q1 2020.
2020 March	MAIN STREETS INVESTMENT PROGRAM & ESTABLISHED AREA GROWTH & CHANGE STRATEGY	2019 May 01	PUD2019-0305	That the Standing Policy Committee on Planning and Urban Development recommend that Council: Direct Administration to report by 2020 March to Council, through the Priorities and Finance Committee, with Phase 1 work elements, as identified in this report, and refinement of plans and timing for Phase 2 work.
2020 Q2	RESPONSE TO WATER FLUORIDATION IN THE CITY OF CALGARY REPORT	2019 October 29	CPS2019-0965	That the Standing Policy Committee on Community and Protective Services recommends to Council that: 3. Direct Administration to undertake a full cost analysis for the potential reintroduction of fluoride into the water system including ongoing projected operational costs, City's authority and jurisdiction with regard to fluoridation, capital costs and possible utility rate impacts; and 4. Report back directly through Priorities and Finance Committee no later than Q2 2020.
2020 Q2	2019 GROWTH STRATEGY MONITORING REPORT	2019 November 05	PFC2019-1062	That the Recommendations be amended by adding a Recommendation 6, as follows: 6. Explore the phasing out of the growth management overlay, and report back to the Priorities and Finance Committee no later than Q2 2020 with options to better align to our current economic situation and that creates policy that encourages a business-friendly environment and further development investment and retention in Calgary. 5. Evolve the practice of looking at a direct incremental operating cost model to a full operating cost model, in conjunction with other stakeholders. A briefing on
2020 June 09				

<p>2020 October 13</p>				<p>progress toward the new model will be presented at 2020 June 9 Priorities and Finance Committee meeting, with a targeted timeline for completion of no later than Q3 2021.</p> <p>4. Review business cases by May 29, 2020, with subsequent dialogue with proponents and a summary of approved and rejected cases to be forwarded to October 13 2020 Priorities and Finance Committee for review, discussion and recommendation. Recommendations will be forwarded to the following Council meeting for decision</p> <p>7. Bring a 2020 Growth Strategy Monitoring Report to Council through Priorities and Finance Committee by no later than 2020 October.</p>
<p>2020 Q2</p>	<p>CIF APPLICATION: ON DEMAND TRANSIT</p>	<p>2018 November 06</p>	<p>PFC2018-1291</p>	<p>That the Priorities and Finance Committee direct Administration to report back to PFC indicating how the money was spent and outcomes of the projects no later than Q2 2020.</p>
<p>2019 Q2 2020 June</p>	<p>ECONOMIC DEVELOPMENT INVESTMENT FUND GOVERNANCE AND TERMS OF REFERENCE OPPORTUNITY CALGARY INVESTMENT FUND GOVERNANCE STRUCTURE</p>	<p>2018 March 06 2019 July 02</p>	<p>PFC2018-0187 PFC2019-0828</p>	<p>7. As part of the proposed reporting process for the Wholly Owned Subsidiary, direct Administration to work with the EDIF Wholly Owned Subsidiary to bring a report to the Priorities & Finance Committee that reviews the pilot EDIF governance structure no later than 2019 Q2.</p> <p>Deferral.</p>

2020 Q2	RESILIENT CALGARY	2019 June 17	PFC2019-0617	That with respect to Report PFC2019-0617, the following be adopted: 2. Direct Administration to report back with an update to the Priorities and Finance Committee no later than Q2 2020.
2020 September 08	2020 ADJUSTMENTS TO THE ONE CALGARY SERVICE PLANS AND BUDGETS	2019 November 29	C2019-1052	12. d. Present preliminary results and actions to the 2020 September 8 Priorities and Finance Committee to inform November 2020 budget deliberations.
2020 September	KENSINGTON MANOR – BUILDING SAFETY STATUS AND PLANS	2019 June 04	PFC2019-0739	That the Priorities and Finance Committee recommend that Council approve: 4. Directing Administration to report back to Council through the Priorities and Finance Committee, six months after demolition is complete, or if there is a material change on site but in any event, not later than September 2020.
Prior to November 2020 Mid-cycle Adjustments	2020 ADJUSTMENTS TO THE ONE CALGARY SERVICE PLANS AND BUDGETS	2019 November 29	C2019-1052	That with respect to Report PFC2019-1402, the following be approved: That Council direct Administration to report back to the Priorities and Finance Committee with indicative rates for 2021 and 2022 prior to the November 2020 Mid-cycle Adjustments.
2020 Q3	CIF APPLICATION: ONE CALGARY POLICY REVIEW	2018 November 06	PFC2018-1300	That the Priorities and Finance Committee direct Administration to report back to PFC indicating how the money was spent and outcomes of the projects no later than Q3 2020.

2020 Q4	NOTICE OF MOTION PROCESS FLOW AND CHECKLIST	2019 September 30	PFC2019-0913	That Council: 4. Direct the City Clerk's Office to provide an update of this process to the Priorities and Finance Committee by Q4 2020.
2021 Q2	UNIVERSITY OF CALGARY – CITIZEN SCIENTIST WEARABLES PROGRAM	2019 September 30	PFC2019-1096	That with respect to Report PFC2019-1096, the following be adopted: That Council: 1. Approve this application for the Council Innovation Fund for the University of Calgary Citizen Scientist Wearable Program in the amount of \$57,500; and 2. Direct Administration to report back to Priorities and Finance Committee indicating how the money was spent and the outcomes of the projects no later than Q2 2021, as per the Council Innovation Fund Terms of Reference.
NO DATE	MODERNIZATION OF MUNICIPAL EXPENSE DISCLOSURE: CITY OF CALGARY BLUE BOOK	2019 September 30	C2019-1278	That with respect to Notice of Motion C2019-1278, new Resolution 1 be adopted, as follows: That Council direct Administration to: 1. Review the Blue Ribbon Panel Report and report back directly through the Priorities and Finance Committee on those Recommendations that have applicability to the City of Calgary.

BRIEFING

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PFC2020-0035

Item # 5.2.2

**Chief Financial Officer's Briefing to
Priorities and Finance Committee
2020 January 21**

**ISC: UNRESTRICTED
PFC2020-0035**

ZBR Program Update

PURPOSE OF BRIEFING

This report provides an update on the Zero-Based Review (ZBR) Program, including an update on the program benefits to date and the results of the Legal Services review and the Internal Recoveries opportunity within the Shared Challenges of the Internal Services ZBR.

SUPPORTING INFORMATION

ZBR Program updates and milestones: Eleven reviews have been completed since 2012 with real benefit to citizens, including \$53.1M in total annual financial gains¹ realized as of December 2019, plus various improvements to service effectiveness. More details on the program's financial progress, including the \$9.5M annual financial gains realized in 2019, are available in the ZBR Program Dashboard (Attachment 1). Case studies on other tangible service effectiveness benefits delivered to Calgarians are presented in the Service Improvement Case Studies (Attachment 2). Milestones have recently been reached by two ZBRs: Legal Services and Internal Recoveries (part of the Shared Challenges of the Internal Services ZBR), and their findings bring the total predicted annual gains identified through the ZBR program up to \$64M – \$80M.

The Legal Services ZBR Steering Committee has approved Administration's Commitments, with the ZBR now moving into the Implementation phase (Attachment 3). Creating a resilient and scalable legal service will result in an estimated \$3M – \$5M in cost avoidance, and further benefits the entire Corporation by better managing risk, (which in turn helps protect The City's reputation and its entire \$4.5B operating and \$1.7B capital budgets). Implementation of some of Administration's Commitments is already underway, while other elements will require more detailed planning. Legal Services will develop an in-depth implementation plan in 2020 and bring forward any identified one-time budget requirements to support it through the adjustments process in 2020 November.

The Internal Recoveries opportunity examines when and how recoveries can support the strategic and financial goals of The City. Through engagement of an external consultant, the current state report was completed, and recommendations for creating a future state have now been approved by the Administrative Leadership Team (ALT). Attachment 4 provides further detail. Some of the challenges this opportunity identified were systemic in nature, affecting more than just internal recoveries. The recommendations have taken this into account, identifying opportunities to resolve both internal recoveries questions and the broader systemic issues. The opportunity's cost savings and productivity gains are estimated to be between \$550K – \$2.2M annually, and this work also presents an opportunity to continue bridging organizational silos, centralizing decision-making and furthering cross-corporate collaboration.

¹ This includes annualized gains which are realized at different frequencies.

BRIEFING

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PFC2020-0035

Item # 5.2.2

Background: The ZBR Program was created in response to Council’s direction to become “a more effective and disciplined organization” (C2011-55), and in 2016 a new program mandate and reporting method were approved (PFC2016-0883). ZBRs are one of the elements incorporated into the Solutions for Achieving Value and Excellence (SAVE), formerly known as the Strategy for Improving Service Value (SISV). It was introduced to Council in 2019 July (C2019-0883) and will create a more structured savings and efficiency environment – including increased coordination and triage of tools and initiatives, and better tracking of progress towards targets. SAVE capitalizes on existing and new work all organized under five levers, one of which is Service Efficiency and Effectiveness. The Priorities and Finance Committee will receive monthly SAVE updates which will include information on service review and improvement work, and the ZBR program will continue to evolve with the development of SAVE, including the introduction of external consultants who will support Council and Administration to accelerate the modernization of service delivery and the sustainability of operations.

For an overview of the ZBR program, please visit www.calgary.ca/ZBR.

Conclusion: Eleven ZBRs are now complete, with many improvements to service effectiveness and \$53.1M in total annual financial gains. Milestones were reached by the Legal Services ZBR and the Internal Recoveries – Shared Challenges of the Internal Services ZBR, and they bring the predicted annual gains identified through the ZBR program up to \$64M – \$80M.

This year, the conversation continues with Council about the future focus of all streams of service efficiency and effectiveness work within the larger context of SAVE.

ATTACHMENT(S)

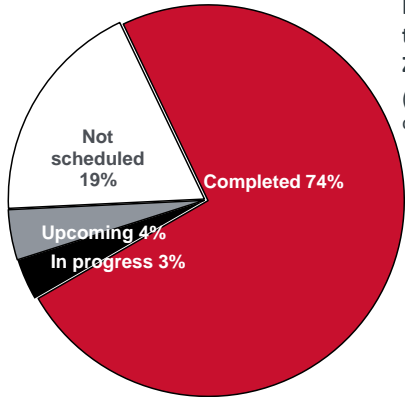
1. Attachment 1 – ZBR Program Dashboard
2. Attachment 2 – Service Improvement Case Studies
3. Attachment 3 – Legal Services ZBR Summary Report
4. Attachment 4 – Shared Challenges of Internal Services ZBR Summary Report



PROGRAM PERFORMANCE: HEADLINE MEASURES

How much did we do?

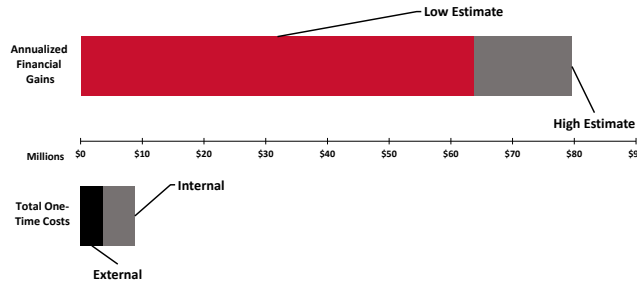
Proportion of City Services Reviewed through the ZBR Program
(measured by % of 2019 gross operating budget)



Story behind the data:

- To date, ZBRs have been completed on approx. 74% of City services. The program remains on track to meet the goal of reviewing 80% of City services by the end of 2020.
- Subsequent to the last update, the ZBRs for both Internal Recoveries and Legal Services have been concluded. Implementation planning is well underway for both initiatives.
- This year, the conversation continues with Council about the future focus of all streams of service efficiency and effectiveness work within the larger context of the Strategy for Improving Service Value (SISV). The Priorities and Finance Committee will be receiving monthly updates on the strategy, which will include ZBR updates.

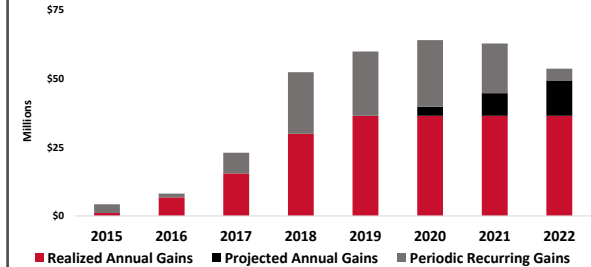
How well did we do it?



Story behind the data:

- The total predicted annual financial gains identified by the ZBR program to date are between \$64M (low estimate) and \$80M (high estimate) after full implementation. Financial gains include cost savings, productivity gains, cost avoidance and increased revenue.
- Efficiency and effectiveness improvements go hand-in-hand. Beyond the financial gains, over half of the ZBR recommendations identify advances such as improved service outcomes, higher customer satisfaction and increased employee morale. Examples of effectiveness improvements are highlighted in Attachment 2.
- The estimated cost of undertaking the 11 completed ZBRs is around \$8.8M, including the pilot project with Fleet. This includes internal costs (staff time) and external costs (consulting contracts). This amount does not include costs associated with implementing the recommendations.
- Comparing costs and financial benefits, there have been about \$8.14 in annualized financial gains identified per one-time \$1 spent on the program.
- Annualized financial gains include annual gains plus the periodic recurring gains which are averaged over the implementation period.

Is anyone better off?



Story behind the data:

- A forecast for financial gains from the first ten completed ZBR projects is shown above (data as of 2019 Oct). Financial benefits include budget savings, cost avoidance, increased revenue, and improved productivity.
- As additional ZBR projects and implementation plans are completed (including Legal Services and Internal Recoveries), projections for future gains will increase accordingly.
- In addition to annual financial gains, which recur every year, a number of recommendations identify recurring cost avoidance or other gains which are realized at different frequencies. These are identified as periodic gains.
- Business units that have completed ZBR projects in the past are now adapting their tracking to regularly report on and forecast financial gains. The degree of accuracy in predictions will improve with time as this becomes an upfront requirement for business units completing their ZBR projects.

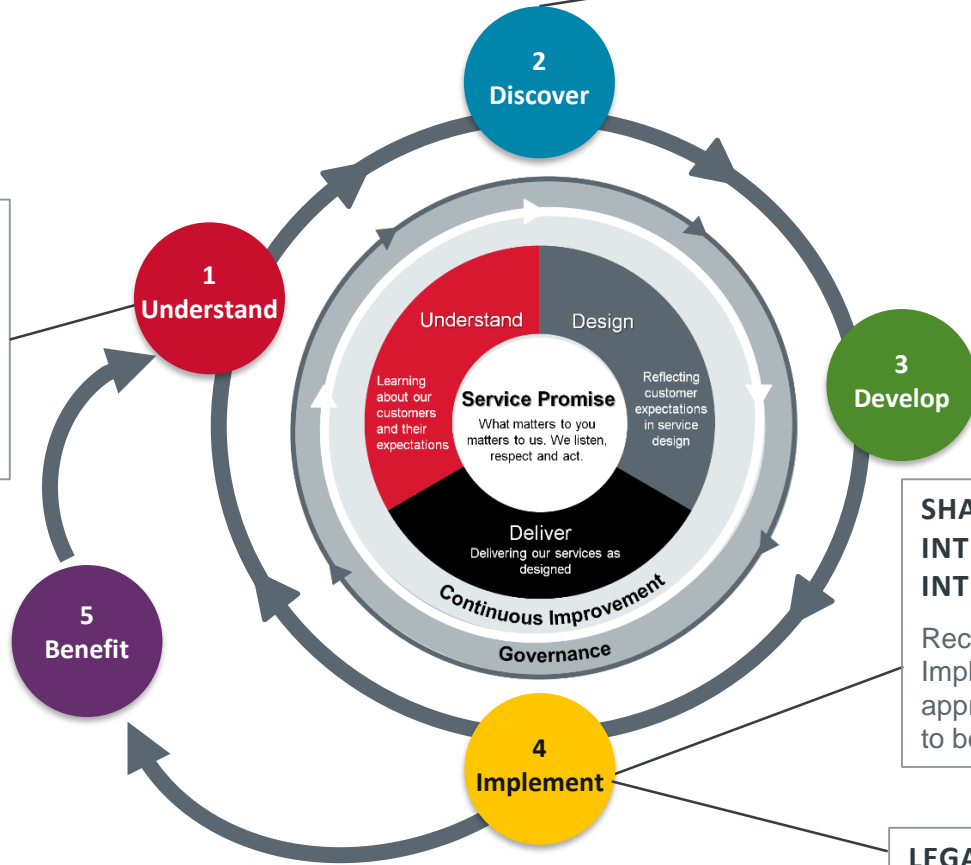


SUPPLY ON HOLD

Work on defining and evidencing opportunities is complete. To avoid rework and provide a solid foundation for future ZBR efforts, Supply is now focused on completing its policy redesign before proceeding with the ZBR.

FACILITY MANAGEMENT ON HOLD

ZBR delayed till the ongoing Corporate Coordinated Operations Management initiative is concluded to avoid any distortions in achieving corporate objectives



SHARED CHALLENGES OF THE INTERNAL SERVICES – INTERNAL RECOVERIES

Recommendations for the Implementation Phase have been approved and plans are underway to begin implementation.

LEGAL SERVICES

Implementation planning is in progress.



ZBR Project Implementation Tracker

	Date Initially Reported to PFC	Approx. Date of Full Implementation	Current Status of Recommendations			Financial Benefits - Annual Gains (\$M)		Annual Gains Realized To Date* (\$M)
			Total Recommendations	Number Being Implemented	Number Complete	Low Estimate	High Estimate	
Fleet (pilot project)	Jul 2012	Closed	8	0	8	0	0	0
Parks	Jul 2014	Closed	6	0	0	4.3	4.3	3.0
Roads	Oct 2014	Closed	5	0	0	1.4	1.9	2.8
Fire	Sep 2015	Closed	4	0	0	14.1	15.1	14.1
Water Services	Mar 2015	2022	5	4	1	2.4	6.1	7.0
Calgary Transit	Jun 2016	2021	7	4	3	10.3	11.1	4.6
Water Resources	Sep 2016	2026	4	3	1	17.0	20.5	14.4
Calgary Building Services	Nov 2016	2019	4	2	2	3.2	4.6	5.8
Recreation	Jun 2018	2022	8	8	0	2.0	2.2	0.0
IT	Jan 2018	TBD	7	6	1	5.7	5.7	1.4
Legal Services	Jan 2020	TBD	6	4	0	3.0	6.0	0.0
Internal Recoveries	Jan 2020	TBD	3	3	0	0.5	2.2	0.0
ZBR Program Total			67	34	16	63.9	79.7	53.1

*Includes annual financial gains plus average periodic gains (recurring cost avoidance or other gains which are realized at different frequencies). As reporting continues the dashboard will evolve with our ongoing commitment to the continuous improvement of the program.



ZBR Program Dashboard: Key Milestones



The **Calgary Transit ZBR** started realizing financial gains in 2017. A total of \$4.8M has been realized in annual savings in 2019 with estimated additional benefits of \$1.2M to be realized in 2020 and 2021. It is also anticipated that \$25M will be realized over the next two years from capital cost avoidance because fewer replacement buses will be ordered as a result of a lowering in the bus spares ratio.



The **IT ZBR** defined and developed seven opportunities. Implementation started in 2017 and non-financial benefits were immediately realized. A total of \$1.4M in financial savings was found in 2019 with the bulk of this amount saved as a result of the Right Device initiatives.



The **Water Services ZBR** implementation is well underway and has delivered a total annual savings of \$7M to date, above the predicted savings.



The **Water Resources ZBR** continues to deliver gains beyond its projections with an annual average of \$14.4M being realized since 2017. The Capital Investment Portfolio Management initiative is now fully implemented, and the other recommendations are expected to be fully implemented by the end of 2026.



Implementation for the **Recreation ZBR** kicked off in 2019 and savings are yet to be captured from its initiatives. However, ZBR implementation is projected to realize up to \$1.8M in revenue generation over four years and \$131K – \$374K in annual savings.



All recommendations from the **Calgary Building Services ZBR** have been successfully implemented. An annual savings of \$5.8M has been realized from ZBR-related initiatives, outperforming the original projected savings of \$3.2-4.6M. A close-out report will be submitted to PFC at the next update.



In 2019 the **Shared Challenges of the Internal Services ZBR** worked with external consultants to conduct a review of the existing internal recovery model. The consultants provided recommendations for a Future State Model which were approved by ALT on 2019 Nov 4. The financial benefits of adopting the recommendations could be up to \$2.2M. Implementation planning is ongoing.



The **Legal Services ZBR** concluded in 2019 and four of Administration's six commitments are underway. Implementation planning for the other commitments will begin in early 2020 while the budget requirements to complete implementation will be brought through the mid-cycle budget adjustments process.



Service Improvement Case Studies: Continuous Improvement Initiatives

SECTION OVERVIEW

The ZBR program draws on all elements of the Performance Management System to identify efficiency and effectiveness improvements. It has the greatest intersection with the “Service Review and Improvement” strand, where the ZBR program complements The City’s other continuous improvement activities by adding a periodic, more thorough review of whether the right services are being provided in the right way.

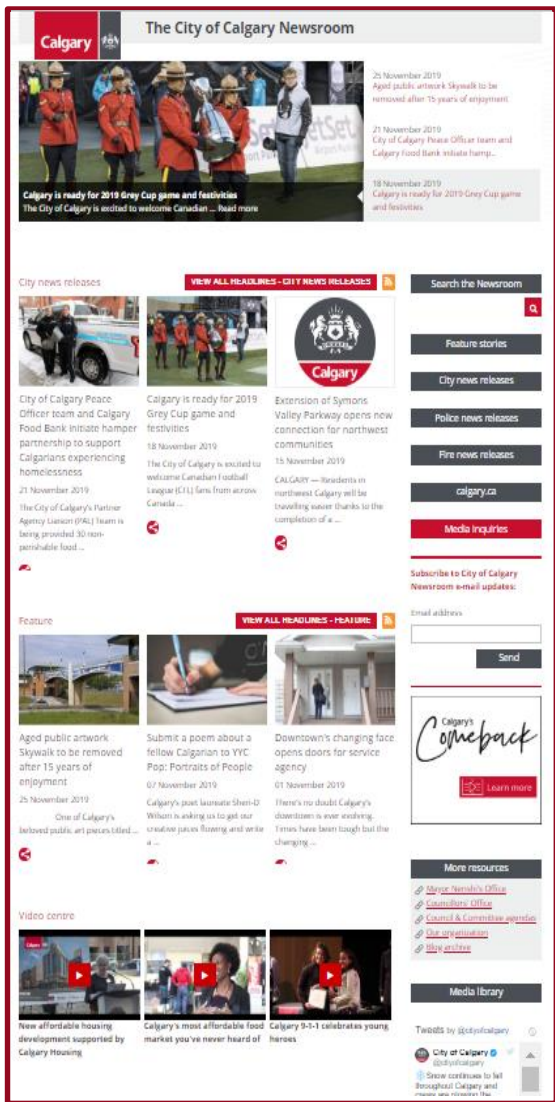
These case studies provide examples of service improvements undertaken outside of the ZBR program, which demonstrate Administration’s increasing capacity for continuous improvements in line with the second purpose of the ZBR program.

The **Performance Management System** is a disciplined approach to continuous improvement designed to better serve our customers, communities and citizens.





Evolution of *The Newsroom*



1 Opportunity

Make The Newsroom more attractive and tell more positive City stories for enhanced media coverage.

- Our Newsroom houses all press releases sent to media. With the bulk of those coming from Fire and Police, the homepage was often filled with negative content.
- The channel also didn't allow us to take advantage of storytelling directly to Citizens that could potentially garner coverage from media.
- Content was wordy with few images.
- It didn't allow Citizens to easily subscribe to releases.

2 Action

- In 2019 February, after months of researching best practices and at no additional cost, The Newsroom was relaunched.
- It now hosts feature stories as well as the regular news releases/advisories.
- Police and Fire were given their own pages so the tone of the homepage became more positive and vibrant.
- Citizens can subscribe directly.
- Special campaigns have their own button as well as archived material.
- It houses video and image libraries.
- Social Media is used to draw attention to content and extend the readership.

3 Is anyone better off?

- Since the launch, The Newsroom has run 75 feature stories. Of those features, 39 have drawn media coverage. These stories may not have otherwise been covered and the opportunity to bring positive attention to City employees, departments or initiatives would have been lost.
- Citizens can subscribe to email releases and features and RSS Feed.
- Visits to The Newsroom have nearly doubled since the relaunch. Feb. 2018 - Dec. 2018 = 281,162 visits. Feb. 2019 (relaunch) - Dec. 2019 = 490,938 visits.

EFFICIENCY

Cash savings

Productivity gains

Cost avoidance

CAPACITY BUILDING

Continuous improvement

EFFECTIVENESS

Service outcomes

Customer satisfaction

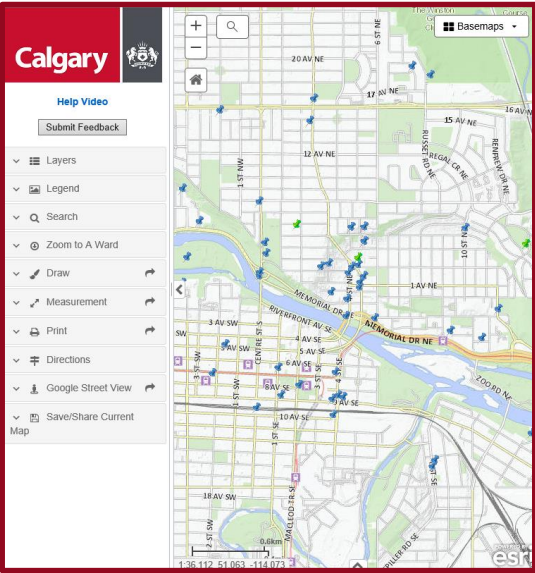
Employee morale

Safety

Partner relationships



311 Live Maps



1 Opportunity

- Deploy a public online mapping tool that displays 311 services requests. Progress is updated by work crews – in near real time and at minimal cost.
- The 311 system generates over one million service requests a year, but there was no way for citizens to see if their concern had already been reported before calling 311. This resulted in the potential for duplication and additional cost.
- New 311 system functionality deployed a new map solution that allows citizens to view and track reported service requests online using their mobile devices without having to call 311.

2 Action

- The map was soft launched on 2018 September 11 with the official launch and promotion starting 2019 February.
- The map displays service requests created or updated within the last 30 days (Open, Closed and Overdue) and will refresh with live updates every 5 minutes.
- There are now 20 Roads services and Catch Basin concerns available for viewing on the map.

3 Is anyone better off?

- As recognized by the Minister’s Award of Excellence for Innovation from the Province of Alberta, this solution required no extra cost to maintain.
- There have been over 10,000 visits and 13,000 views of the map with users spending an average of 4.2 minutes viewing data during each visit.
- 5,539 fewer duplicate requests have been reported for those services that are available on the map, when compared to 2018 (a 43% reduction).
- This reduction has contributed to \$38,551 in cost avoidance in 2019 for 311 thereby increasing agent capacity for other calls. Further savings are expected as more services are deployed to the map in 2020.
- 311 is now seen as a primary strength for The City and 311 satisfaction remains high at 93% (2019 Fall Citizen Satisfaction Survey).

EFFICIENCY

- Cash savings
- Productivity gains
- Cost avoidance

CAPACITY BUILDING

- Continuous improvement

EFFECTIVENESS

- Service outcomes
- Customer satisfaction
- Employee morale
- Safety
- Partner relationships



Safety Delivery Model



1 Opportunity

The Corporation continually strives to improve its safety culture and performance. Analysis indicates that business units (BUs) with higher-risk operations have a greater influence on improving corporate safety scores. To improve our scores without adding staff, allocation of safety advisors were optimized across higher-risk operations BUs. This project aimed to:

- Meet and improve corporate safety performance requirements to protect employees and The City.
- Be fiscally responsible, address cost pressures, and increase staff flexibility and productivity.
- Address staffing challenges related to division of responsibilities and workload.
- Advance The City’s reputation for reliability, health and safety expertise and legislative compliance.

2 Action

Optimized the allocation of safety advisors through the following:

- Evaluated existing resource allocation to better understand current state and identify gaps.
- Applied a risk-based approach by focusing on higher-risk operations BUs.
- Conducted customer interviews to identify which areas were at risk and which services customers valued or needed most.
- Re-aligned safety advisors to better support BU activities.

Recommendations to achieve better service delivery and a safer workplace were validated by safety risk indicators.

3 Is anyone better off?

- **Safety Performance improvement:** The implementation of project recommendations has contributed to a decrease in the Lost Time Claims Frequency (LTCF)* for higher-risk operations BUs. This in turn resulted in a reduction of \$360 thousand in direct costs and \$1.1 million in indirect costs (total \$1.4 million) over the past year. As additional actions are implemented, LTCF, direct and indirect costs are expected to further improve.
- **Getting better value at no extra cost:** These allocation and activity changes have resulted in a more balanced workload and positive customer feedback. The changes have been achieved without an increase in budget.
- **Continuous Improvements:** Environmental & Safety Management will continue to implement improvements to support higher-risk operations BUs and will prioritize staff activities related to incident and site investigations.

* LTCF - Frequency of injury-related claims resulting from lost time cases.

EFFICIENCY



Cash savings



Productivity gains



Cost avoidance

CAPACITY BUILDING



Continuous improvement

EFFECTIVENESS



Service outcomes



Customer satisfaction



Employee morale



Safety



Partner relationships



Legal Services ZBR Summary Report

Building Sustainable, High Caliber Legal Services

Service Review and Improvement Team, Corporate Initiatives
Chief Financial Officer's Department

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Administrative Commitments

1. Ensure Legal Services has an appropriate team to lead and support business operations

- a. Hire a permanent Director for Law with a clear mandate to pursue the recommendations of this ZBR; and
- b. Assign responsibilities to resources with business operations skills to support the Director and Managers.

2. Develop a clear picture of strategy

- a. Engage the Administrative Leadership Team to define priorities for the service;
- b. Articulate and document a strategic direction for the Legal Services;
- c. Develop a strategic roadmap (workplan) to implement that strategic direction; and
- d. Communicate strategy and direction with all Legal Services staff and customers.

3. Develop robust performance measures

- a. Identify and adopt measures that tell the story of “how much did we do”, “how well did we do it” and “is anyone better off” using the Results-Based Accountability™ framework;
- b. Create a data development agenda to identify and implement data requirements needed to track selected performance measures;
- c. Select 3-5 headline performance measures for Legal Services; and
- d. Formalize any changes to headline performance measures through the plan and budget adjustments process.

4. Use customer understanding to formalize service offerings, scope and levels

- a. Classify each customer group using the customer segmentation model developed in this ZBR;
- b. Work with customers to define and scope the services offered by Legal Services;
- c. Formalize service level commitments with key customers, including roles and responsibilities as well as methodology to update and keep commitments relevant;
- d. Develop and implement an annual customer satisfaction survey to monitor customers' perception of performance; and
- e. Develop and implement a formal intake, triage and work scoping process.

5. Streamline work processes supporting high-volume and/or low-risk work

- a. Engage Legal Services staff in Corporate Risk Tolerance and Appetite training with the Corporate Integrated Risk Management Team;
- b. Build online self-serve capabilities for Transactional and Casual work;
- c. Develop standard templates for all highly used documents (including standard caveats, covenants and conditions) along with a formal process for regular template reviews and updates;
- d. Work with stakeholders to explore the use of electronic signatures; and
- e. Develop a robust, standard framework for better communication of legal risk and mitigation alternatives in cooperation with the Corporate Integrated Risk Management Team.

6. Engage experts to support a redesign of the service's operating model

- a. Develop an Integrated Technology Ecosystem Roadmap;
- b. Streamline, standardize and automate business processes where possible; and
- c. Craft an updated staffing model which better supports Corporate needs at appropriate costs.

Benefits at a Glance

Administration's Commitments will result in a primary benefit of realignment and improved resilience and scalability, which will then enable further benefits in the future.

Realignment, Resilience & Scalability of Legal Services Enhances Risk Management for the Corporation



and enables the ability to...

Track, analyze & respond to cost
drivers



Cost Avoidance

- Prevents a potential budget increase of **\$3M-\$6M** due to forecasted volume increase

Focus on streamlining operations



Productivity Gains

- Less time required for administrative and other non-law tasks

Intentionally design and manage
people, processes and technology



Service Outcomes

- Reduced risk to the Corporation through handling more of the most important files faster

Identify corporate and customer
priorities and defer non-priorities



Employee Morale

- Less over-work and increased ability for lawyers to focus on what they were trained to do, may contribute to lower turnover rates

1. Executive Summary

Building the Sustainable, High Caliber Legal Service Required to Serve the Interests of all Calgarians

Over the past 20 years, The City of Calgary scope, scale and vision has broadened in response to a growing population and changing environment. In parallel, the volume and complexity of legal matters has increased at a faster rate than either workforce or expenditures. Ultimately, major changes in legal service operations are required to ensure the long-term viability of The City's Legal Services.

As the City grew, Legal Services developed organically into a service provider whose customers readily praise the quality of their legal advice and deliverables. "Law is always there for us" is a common sentiment among Legal Services' key customers. Today, legal services are integral to the delivery of all City services and the Corporation's ability to serve the interests of all Calgarians.

With growth and service success comes the need to formalize and intentionally manage operations. This ZBR is about the 'business of law', not the quality of legal output. It's about how the service is managed in a time of growing demand and constrained resources. Ultimately, we must leverage the investment made in Corporate lawyers by focusing them on our highest risks and most impactful issues, leaving low-value and low-risk work (e.g. repetitive operational tasks) to more appropriate, cost-effective resources.

A good starting point for legal service operations assessment is the Legal Services Maturity Model developed by Deloitte's Legal Services practice (see page 9). The model identifies various states of progression in legal services operational improvement. According to this operating maturity model, Legal Services' operations are at the lower end of the maturity scale, "Ad Hoc" to "Forming", indicating that substantial work is required to build a highly effective legal services operation. As the Corporation matures, so must Legal Services.

Legal Services is now at a tipping point. With a workload trending towards more complexity and increasing volume (28 per cent increase in files from 2012 to 2018) and a lawyer turnover rate of 41 per cent between 2017 January and 2019 November, Legal Services cannot keep up with Corporate demand. A rough estimate calculation (see page 8) illustrates the imbalance in service demand with Legal Services capacity.

In 2018, Legal Services had a capacity deficit of approximately 11,000 hours or 8 lawyers. They addressed the capacity deficit with \$178,000 in overtime payments, time in lieu (which only exacerbates capacity issues), and 'just getting the work done.' This is not a long-term solution. Nor is 'just hire more lawyers,' given The City's current financial constraints. Nor is outsourcing a solution, with the cost of outside lawyers at least three times greater than in-house staff. It is clear the current Legal Services service model is unable to scale up to effectively support the Corporation in the traditional way. Without a major redesign of its Legal Services operations, Legal Services is at a breaking point. If Legal Services is stretched too thin, the Corporation is at risk.

The opportunity emerging from this ZBR is the chance to build a more resilient, scalable and effective operation by:

- better understanding cross-Corporate priorities in order to better define Legal Services' priorities;
- better understanding client needs;
- clearly defining core services and service levels and empowering Legal Services to turn away low-risk or low-value items;
- optimizing and automating tasks that do not require human critical thinking; and
- building an organization that is agile in the face changing demands.

The City of Calgary is not alone with its legal services challenges. Scanning a range of industry publications and discussing challenges with General Counsel for the City of Toronto, the ZBR team discovered a very conservative legal industry facing major shifts as service value, cost controls and new technologies replace traditional operating models.

Building a resilient and scalable legal service operation focused on doing the right work with the right resources in the right way benefits the entire Corporation. Strong Legal Services provides protection both of taxpayers’ investment in The City’s entire \$4.5B operating and \$1.7B capital budgets and of The City’s reputation.

Redesigning the Legal Services will take time. The Administrative Commitments presented in this report provide the first steps and a guide to priority actions. Legal Services has been discussing many of the issues identified in this report for years. Through the ZBR, an understanding has been gained for operational change planning with commitments and work underway.

2. Legal Services is at a Tipping Point

The story of the Legal Services ZBR begins with a service that is integral to the delivery of all City services. It is a service in high demand, described by their customers as ‘trustworthy and reliable’ advisors. As Doug Morgan, Acting General Manager of Transportation, describes, “Law greases the wheels of all the interfaces Transit must deal with to get the job done...They are the oil that makes the engine spin.” Over the years, Calgary’s Legal Services have built a quality reputation and is known to ‘just get the job done!’ “Law is always there for us” is a common sentiment among Legal Services’ key customers.

It is also the story of increasing volume and complexity of legal matters, an organization with limited focus on ‘the business of law’ and major challenges in hiring and retaining legal staff. As the City has broadened its scope, scale and vision in response to a growing population; the demand for Legal Services has outpaced the service’s capacity in its current state, putting the Corporation at risk. In order to support the management of overall corporate risk, Legal Services must be empowered to turn away low-risk and low-value work.

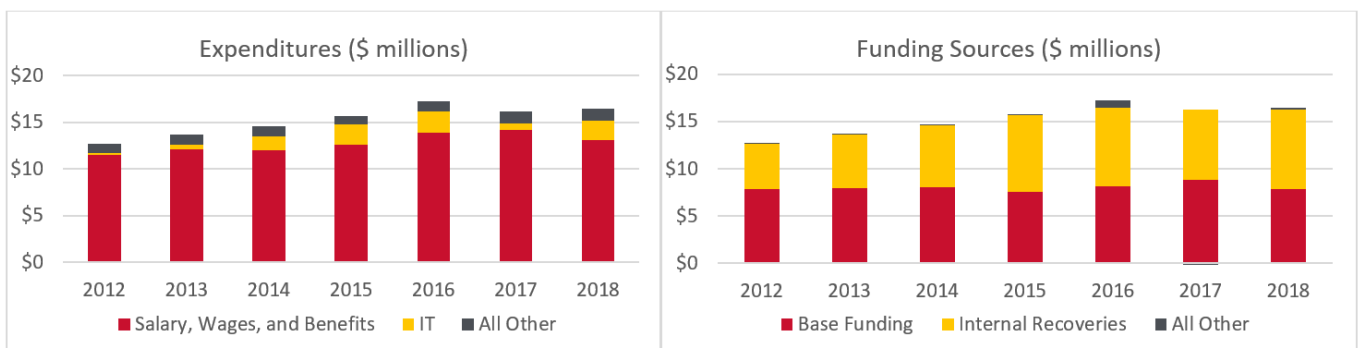
2.1 By The Numbers

Legal Services: The Legal Counsel & Advocacy service works with all City services and represents internal clients in legal proceedings involving The City. It also supports service delivery to citizens through issue and risk identification, drafting legal documents, advising on legal and regulatory requirements, supporting informed decision-making and developing solutions/strategies.

Legal Practices: The organization is structured into six legal sections comprising eight areas of legal practice, plus a small business support division.

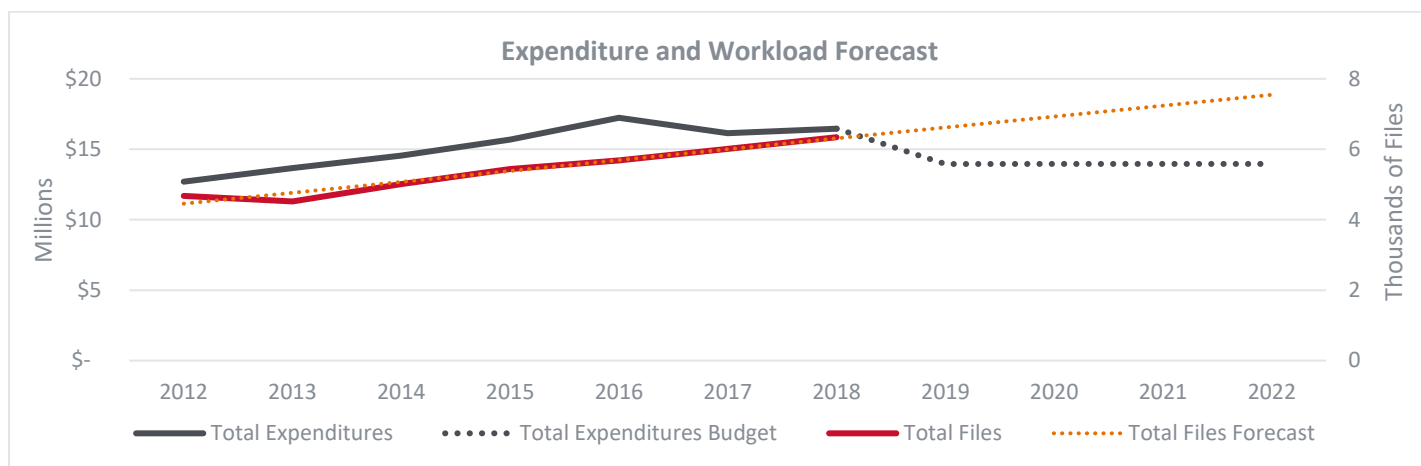
- Prosecutions - Specialists focused on prosecuting offenses against The City
- Litigation - Specialists focused on defending The City against legal suits in court
- Planning & Environment - Specialists focusing on the legalities of land use and environmental issues
- Real Estate & Expropriation - Specialists focusing on the legalities of acquiring and disposing of property
- Corporate Services - Standard corporate legal practices including contract law, HR law and FOIP
- Research, Legislative, & Administrative Law - Combination of three practice areas: legal research, legislative law (bylaws and other legislation) and administrative law (internal policies and tribunals)

People: 62 lawyers, 6 paralegals, 17 assistants (legal & library), 12 other (filled positions as of 2018 December 31).



2.2 Increasing Legal Workload

From 2012 to 2018, the volume of legal files has increased 28 per cent. This increase is due to many factors beyond Calgary's growing population and the Corporation's broadening scope. Over the years Legal Services has provided advice and results that all City services have come to count on. In a 2018 Internal Services Impact survey, 64 per cent of respondents rated Legal Services as having the greatest impact on their ability to service customers, second only to HR at 65 per cent. However, at least one General Manager feels staff is "hooked and dependent on law... we need to take responsibility for our own business risk and be taught 'how to fish.'" Over-dependence on Legal Services plus a changing environment (i.e. regionalization, aging infrastructure, economics) continues to put pressure on an organization that is dealing with a 41 per cent lawyer turnover rate (2017 January to 2019 November) and other operational issues.



If this continues at the current pace and no changes are made to how Legal Services operates, by 2022 we will need to either **increase budget by up to \$6M** or accept that **almost 30 per cent of demand** (over 2100 files) will go unsatisfied.

2.3 Operational Challenges

Through workshops, data reviews and customer and staff interviews, a range of issues facing the Legal Services were identified, all of which are related to the management of service operations:

- **Gap in leadership:** No director¹ and no formal direction from the Corporation to Legal Services, resulting in an organization that lacks a shared overarching strategy or long-term direction and goals. Staff are unclear on both cross-corporate and intra-service priorities and risk tolerance.
- **Lack of clearly defined service value and service levels,** resulting in Legal Services over-performing in some instances and under-performing in others, with no basis upon which to say "no."
- **Lack of standardization and automation** across and within legal practices, such as no standard intake process, inconsistent contracts/leases and unnecessarily manual or paper-based processes.
- **41 per cent lawyer turnover rate** (2017 January to 2019 November) due to long-running salary freezes, uncompetitive compensation, work/life balance issues and retirements. This has associated financial costs as well as opportunity costs (e.g. lowered capacity for succession planning).
- **Few meaningful performance measures** and no data development plan, making it difficult to manage and measure success.
- **Limited operations staff** focused on working on the business.
- **No integrated technology strategy,** along with **existing technology past end-of-life** and limited staff understanding of or training on how best to use existing technologies, resulting in wasted time and inefficiencies.

¹ Note: leadership structure has changed since findings were noted. While a director position is being hired, the gap in leadership will remain due to capacity challenges.

2.4 A Service at Risk

Despite the will to do the best job possible for the Corporation, Legal Services is hampered by the above operational challenges. A 2018 rough estimate calculation illustrates the capacity deficit this has created: 11,000 hours or 8 lawyers. The situation has deteriorated further in 2019.

The result is a management team continually fighting fires, with inadequate time for intentional management, succession planning, proactive problem solving and evidence-based decision making. This is compounded by a lack of expertise and support for business operations and continuous improvement.

The opportunity emerging from this ZBR is the chance to build a more resilient, scalable and effective operation – one better suited to managing overall Corporate risk, enabling decisions having high financial impact and contributing to modern and efficient local government – by understanding client needs, clearly defining core services and service levels and automating tasks that do not require human critical thinking. While this may reduce the scope of service provided, it will enable Legal Services to ensure the *right* service is being provided at the *right* cost and the *right* time by the *right* people.



2.5 Calgary is Not Alone

Industry publications were reviewed to gain insight into current legal issues trending elsewhere. In addition, General Counsel for the City of Toronto took time to share her challenges. The following is an overview of trends driving changes in the legal services industry.

- More work is remaining in-house due to the high cost of outside counsel who often have little insight into business issues and organizational politics.
- Increase in legal matters volume and complexity due to: changes at all levels of government driving increases in administrative requirements, emerging industries, disruptive technologies and greater public scrutiny – balancing accountability, transparency and an increase in timing of news cycles.
- Many legal departments are moving from cost driven to value driven organizations. In-house lawyers are increasingly expected to be not only lawyers, but also business partners.
- Increased automation and artificial intelligence (AI). 84 per cent of surveyed firms expected an increase of automation and AI in the legal industry.
- The role of legal operations is growing. The legal operations professional is vital for tasks which lawyers and their support teams typically don't have either the time or skill set to manage.

2.6 A Call to Action!

Industry research on best practices is focused on three pillars required to manage an effective legal service: the legal practice, the business operations and the technology that supports it all. The key issues concerning Legal Services relate to a lack of focus on the 'business of law' (i.e. service operations) and its supporting technology.

Legal Services has built a great reputation for their legal expertise and providing platinum service. This legal expertise must be supported by a resilient and scalable operating model. But no matter how desirable, The City can no longer afford this level of service across all customer segments and must begin to say no to lower-risk work.



Legal Services’ relatively unchanged business model has yet to substantially affect the *quality* of legal work, but has certainly affected the *amount* of work that can be accommodated. A well-managed legal service must manage both sides of the operational equation, demand and capacity, to be able to simultaneously minimize risk and maximize efficiency.

With Legal and Compliance one of The City’s top risks (see the upcoming risk report AC2020-0011), this is a call to action because a legal service stretched to its maximum ability puts the Corporation at risk.

3. A New Approach to Legal Services

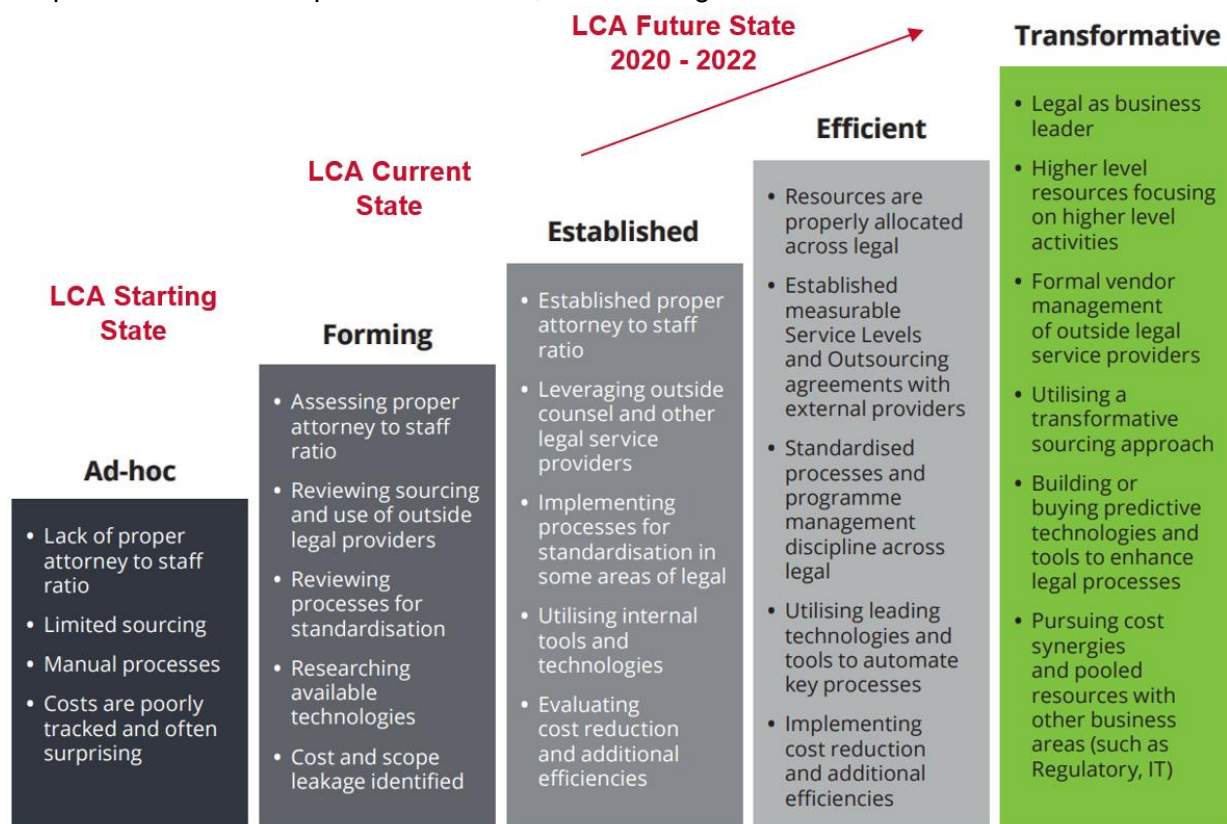
The City requires that its legal team keep pace with the needs of the organization – at the same time Legal Services is increasingly being asked to do more with fewer resources. The current business landscape and the current state of Legal Services creates a compelling reason for The City to rethink:

- **Why** Legal Services exists and agree, at the Corporate level, on Legal Services’ mandate;
- **Who** are Legal Services’ customer groups and what are their needs;
- **What** are Legal Services’ core and supporting services that meet customer needs; and
- **How** does Legal Services operate to achieve greater efficiencies, increase the value provided to the Corporation, customers and citizens and ensure long term sustainability.

3.1 Legal Services Maturity Model

To benchmark the state of Legal Services’ operation, the ZBR team turned to Deloitte’s Legal Service Operating Maturity Model², below. This is an analytical tool for measuring law department performance in terms of technology, analytics and process.

According to this operational maturity model, Legal Services’ operations are at the lower end of the maturity scale, “Ad Hoc” to “Forming,” indicating that substantial work is required to build a highly effective legal services operation. As the Corporation matures, so must Legal Services.



² (Deloitte Legal, 2017, <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Legal/dtl-legal-deloitte-changing-world-requires-a-new-approach-to-law.pdf>)

3.2 Building a Future State

The Legal Services ZBR recommendations were divided into two focus areas:

Focus Area 1: Build a Service Foundation – rebuilding Legal Services’ service foundation to align with our changing Corporation and industry best practices; and

Focus Area 2: Redesign and Implement a Resilient Operational Model – redesign the how (people, process and technology) of service operations to ensure the City of Calgary’s Legal Services are efficient, sustainable, and scalable into the future.

As Legal Services looks to effectively balance service demands with organizational capacity and increase value to the Corporation, the management team must first build a Corporate wide understanding of ‘what are the right things to do,’ and only then focus on ‘doing them right.’ By answering fundamental questions: ‘the why, who, what’ of a service, the ‘how’ can then be addressed.

In short, this ZBR has recommended that Legal Services begin at the beginning: Defining purpose, value, customer groups, core vs other services, and key performance measures before focusing on redeveloping process, integrating technologies, or redesigning the organization.

The following is a high-level list of commitments accepted by the Legal Services ZBR Steering Committee.

Focus Area #1 Build a Service Foundation (In Process)	Focus Area #2 Operational Redesign (Future Development)
<ol style="list-style-type: none"> 1. Ensure Legal Services has an appropriate team to lead and support business operations 2. Develop a clear picture of strategy 3. Develop robust performance measures 4. Use customer understanding to formalize service offerings, scope and levels 5. Streamline work processes supporting high-volume and/or low-risk work 	<ol style="list-style-type: none"> 6. Engage experts to support a redesign of the service's operating model <ol style="list-style-type: none"> A. Develop an Integrated Technology Ecosystem Roadmap; B. Streamline, standardize and automate business processes where possible; and C. Craft an updated staffing model which better supports Corporate needs at appropriate costs.

4. A Journey of Service Realignment, Resilience and Scalability

In the short term, Legal Services is “getting the job done” despite high turnover and budget cuts. In the long term, The City requires a legal service that is resilient and scalable and can meet the changing needs of the Corporation and its citizens. Defining and communicating the Legal Services’ service foundation is essential to planning and developing an operating model that can best achieve Corporate objectives and deliver service that is fit for the future.

4.1 A Multi-Year Journey

The process of creating a service foundation and planning and implementing a more effective operating model is not something to rush. Stepping back for clarity and understanding requires both time and ‘head space’ from those involved. This work is vital to both Legal Services and the Corporation to ensure that our legal function is fit for purpose and aligned to the organization’s current strategy rather than a reflection of its past. The change required is transformational. The following are **critical success factors** that will ensure this work does not get lost in the everyday work demands of the organization:

- Organizational acknowledgement that transformational change takes time;
- A clear vision of where Legal Services is headed shared with and understood by the Corporation;
- A senior management governance that will help guide this change with an executive sponsor with clear accountability and line of sight;
- A structured, managed process based on a multi-year implementation roadmap; and
- A project leader given clear responsibility for change with the rest of the service leadership team offering unconditional support for the process of change.

4.2 The Future Begins Now

As a testament to its commitment, Legal Services has already begun to build the foundation for operational redesign:

- Ensure Legal Services has an appropriate team to lead and support business operations**
 Currently, the Law business unit has an Acting Director and has hired an operational resource to assist in driving the implementation of the Legal Services ZBR Administrative Commitments.
- Develop a clear picture of strategy**
 Strategic discussions regarding role and purpose of the Legal Services within the Corporation have begun. This work will continue into 2020 with a focus on the service’s long term goals. It is recommended that discussions regarding this strategy include the whole ALT since it is in the best interest of the Corporation to ensure Legal Services has a clear understanding of corporate priorities and focus.
- Develop robust performance measures**
 Each legal practice is determining both headline and managerial performance measures for the group. In addition, the teams identified gaps in data that is collected. This information will be used by Legal Services management to (1) develop impactful headline measures at the service level and (2) feed data needs into Commitment 6A: Technology Strategy and Roadmap.
- Use customer understanding to formalize service offerings, scope and levels**
 Customer understanding research included 75 customer interviews including Civic Partners, 30 staff interviews, 5 employee engagement session with section management and staff. The feedback from customers reinforced the ZBR team’s initial impressions; an approach to customer segmentation was developed for Legal Services’ future use; and 4 actions (see Administrative Commitments, page 3) were recommended to ensure Legal Services continues this work. A pilot project is already being scoped to right-size the level of service provided to Supply and reallocate low-risk tasks to Supply staff.



Once Legal Services builds their service foundation, they can then turn attention to operational redesign. An external consultant will be hired once the organization is ready to move on to Focus Area 2 – Operational Redesign. The Legal Services ZBR budgeted dollars will be available in 2020 for external consultants with legal services experience to provide insight on best practices and options for process and automation improvements.



4.3 Changes in Legal Services Multiply Across the Organization

An investment in Legal Services benefits the Service, the Corporation and, ultimately, all Calgarians. Efficiencies found through the redesign of the Legal Services operating model will have ripple effects across the Corporation in terms of time saved for their clients and costs avoided. It is difficult to quantify the financial benefits without details of the specific changes being implemented, though the actual scenarios found in the next section demonstrate potential outcomes.

4.4 Examples of Legal Services' Corporate Impact

Service Improvement Between Service Lines

Challenge: Legal Services was experiencing significant work volumes from a high-volume client and had little insight into priority work. Legal Services could spend several days on low risk work for a low value gain (e.g. less than \$5K) while being given very limited time to prepare for and handle high value files (e.g. \$10M+).

Legal Services felt the client could better use legal services to maximize success and wanted to ensure their legal work was: "Consistent, Understandable, and Defensible; to ensure citizen trust and confidence in the Corporation".

The underlying question for both Legal Services and the client was 'What does success look like?' and how do we ensure 'The right resources are doing the right work in the right way.'

The two teams worked together at the staff level for two years to address the 'how' of managing workload and improving the value of legal service to the client. Together the service teams developed shared principles and criteria for prioritizing work and developed rigor and structure to manage expectations and focus on the work most important to the business and Corporation.

Outcomes:

- Shared clarity of what success looks like
- Improved employee engagement and satisfaction in both organizations
- Staff understood priorities
- Legal Services has a set of criteria to triage the work
- Shared understanding of when it is critical to bring in Legal Services and why Legal Services says no to work

Corporate Benefit/Opportunity: This was a win, not just for Legal Services but for the client, the Corporation and the citizens of Calgary. This type of service improvement work with partners should be ongoing to ensure that Legal Services is focused on that which most benefits the Corporation. Legal Services requires operational resources to do this type of work; ensuring lawyers do the work they are paid a premium to do. Additionally, when Legal Services understands and focusses on Corporate priorities, everyone wins.

On-Demand Transit Initiative

Challenge: The On-Demand Transit Initiative was a \$340k pilot project. The project manager described the legal team as "exceptional lawyers, responsive, and thoughtful." This was a small initiative that required interfacing with over 50 people, a dozen different approvals and 5 different lawyers providing expertise in the areas of bylaws, provincial regulations, litigation, supply, risk, community standards, and IT.

Outcomes: The pilot was successful, views were valuable, risks were minimized.

Corporate Benefit/Opportunity: The question is one of Corporate risk tolerance. Is the risk on this \$340k project worth the involvement of 5 staff lawyers? The answer may be yes on this project, but can the Corporation continue to provide this type of support on all small initiatives? With a broader understanding of Corporate risk tolerance, Legal Services can better balance needs and capacity for the breadth of their customers.



Shared Challenges of Internal Services Zero-Based Review Summary Report

Internal Recoveries Opportunity

Prepared by: Corporate Initiatives, Chief Financial Officer's Department

Date: 2020 January 21

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Internal Recoveries Zero-Based Review – Benefits at a Glance

Cost Savings 
 +
Productivity Gains 
\$550K - \$2.2M
 Annually

Through Reduced
Administrative Burden

- Reduced staff- time spent on**
- Processing transactions
 - Reconciling charges
 - Monitoring discrepancies
 - 1:1 Negotiations
 - Issue resolution
 - Redundant processes and tools
 - Reporting

**Cost Savings
and
Productivity
Gains will be
further
estimated in
the next phase**

Indirect Benefits 

- Advancing "One Calgary" thinking
- Operational insights → better decision making
- Optimal budget and resource allocation
- Improved employee experience
- Strategic Provider-Customer discussions
- Improved Service-value for Citizens

Consultant Recommendations to achieve these Benefits	
<p>1. Internal Service Funding Structure: Transition to an "Internal Recoveries Reduction Model"</p> <ul style="list-style-type: none"> a. Establish a Board to provide oversight and governance to the future b. Integrate the Model into Budget and Planning practices 	<p>2. Criteria for Chargeback Mechanisms Use</p> <ul style="list-style-type: none"> a. Assign a dedicated working group to develop an Enabling services catalogue b. Ensure the Board has the authority to implement changes c. The centralization and coordination of specific financial functions
<p>3. Create a detailed Implementation Plan</p> <ul style="list-style-type: none"> a. Assign dedicated resources 	

Administration's Commitments¹

Administration's Commitments	Actions and Next Steps
1. Internal Service Funding Structure: Transition to an “Internal Recoveries Reduction Model”	
<ul style="list-style-type: none">a. Establish a Board to provide oversight and governance to the futureb. Integrate the Model into Budget and Planning practices	<ul style="list-style-type: none">i. Create a governance structure with appropriate representationii. Provide necessary mandate and authority
2. Criteria for Chargeback Mechanisms	
<ul style="list-style-type: none">a. Assign a dedicated working group to develop an Enabling services catalogueb. Ensure the Board has the authority to implement changesc. The centralization and coordination of specific financial functions	<ul style="list-style-type: none">i. Develop internal services' cataloguesii. Categorize service offeringsiii. Optimize base budget allocation and related levels of service to achieve best overall support for frontline servicesiv. Finalize mechanisms types, rates etc. for Incremental and Specialized service categoriesv. Create centralized processes, tools, and standards for administration, reporting and governance
3. Create a detailed Implementation Plan	
<ul style="list-style-type: none">a. Assign dedicated resources	<ul style="list-style-type: none">i. Finalize project team compositionii. Identify broader resourcing needs from other business unitsiii. Identify funding source for implementation costs

¹ Based on recommendations from the external consultant supporting this work, Grant Thornton.
PFC2020-0035 Attachment 4
ISC: Unrestricted

Internal Recoveries Overview

In line with the ZBR approach, the Shared Challenges of the Internal Services ZBR was approved as a new ZBR topic by the ALT (ALT2017-1058) in 2018 with the direction to pursue the first two cross-organization opportunities: Internal Services' Role and Mandate, and Internal Recoveries. The Zero-Based Review (ZBR) program initiated work in the fall of 2018 to determine the circumstances and methodologies by which internal recoveries can better support the strategic and financial goals of The City.

In general, internal recoveries, or chargebacks, are utilized by organizations to recover expenses from one business unit to another. Internal recoveries are used to achieve many outcomes, which include, but are not limited to:

- Managing demand for good and services;
- Developing an understanding of true cost of service;
- Managing source of funds that pay for a particular service;
- Balancing business unit / service line budgets; and
- Resource forecasting.

Why look at Internal Recoveries

- Recoveries represent about 18% of The City's gross operating expenditure (2008 - 2018), estimated at over \$550M annually (2018).
- The amount of funds moving between business units annually is increasing.
- The cost to track and administer recoveries could be as high as \$5M annually (approximately one per cent of total amount transferred, based on analysis of twelve business unit case studies).

An external consultant, Grant Thornton, was engaged to support the Internal Recoveries ZBR. The consultant conducted a current state assessment and highlighted many challenges, including systemic challenges beyond the scope of internal recoveries.

In addition, the consultant identified improvement opportunities in many areas of the internal recovery ecosystem at The City. Many of these opportunities, once implemented, will generate efficiencies that would result in both cost savings and productivity gains. One such identified opportunity is reducing the internal recoveries administrative burden that exists across Provider and Customer business units at The City. A high-level Class 5 estimate is that between \$550K and \$2.2M per year in efficiencies is available. More work will be needed in the implementation planning phase of the project to arrive at a definitive estimate. Additionally, indirect benefits such as greater transparency, accountability, equitability, and measurability are expected.

The proposed changes to internal recoveries provide an opportunity for The City to realize broader long-term benefits including: further progress in breaking down organizational silos, centralizing decision-making for the greater good of the Corporation, and enabling a culture of cross-corporate collaboration.

Due to the cross-corporate nature of the project, no one business unit could take on the implementation work. Hence, this phase will be led by the Corporate Initiatives team and overseen by the Service Leaders Forum (SLF).

What Can We Learn from the Outside?

External Benchmarking

External benchmarking compared different methods utilized by comparable organizations to assess the accompanying benefits and challenges. The exercise included four municipal participants (the Cities of Edmonton, Ottawa, Regina, and Saskatoon), a semi-private utility company (ENMAX) and a provincial government entity (Alberta Transportation).

The full spectrum of internal recoveries models as identified through the benchmarking survey are:

1. **100% Corporate Funding Model** – no internal recoveries; use of central funding pools.
2. **Internal Recovery Reduction Model** – preference for corporate funding for core/enabling services, while additional services are recovered for.
3. **Mixed Recovery Model** - base level of funding for some centralized, internal services; recoveries used where deemed appropriate. This is the model currently adopted by City of Calgary and the municipalities in the benchmarking exercise.
4. **Internal Recovery Expansion Model** - greater autonomy and reduction of Corporate funding to favour recoveries for Business Units.
5. **Full Cost Recovery Model** - funding for all services are supported through internal recoveries.

It was discovered that, similar to the City of Calgary, the surveyed municipalities also adopt the the mixed recovery model approach whereby internal services are cost-recovered for at varying degrees as illustrated in the image below:



Benchmarking Survey Findings

Challenges associated with developing, administering, and governing internal recovery processes were common among all participants surveyed. Key observations from the benchmarking analysis are listed below:

1. The absence of guiding principles and structured methodologies regarding internal chargeback mechanisms were consistently cited as the root cause of a number of challenges;
2. Revenue generating business units (i.e. utilities) are charged differently by the majority of participants;
3. A balance between the demand management and control of a service through internal recoveries as compared to the accessibility and requirement to use the service is required;
4. A lack of communication, consultation, and shared reporting systems between business units frequently limited the effectiveness of chargeback mechanisms;
5. The administrative burden to accurately document inter-business unit transactions is resource-intensive, complicated, and time-consuming; and
6. Organizational structure directly influences the effectiveness of internal chargeback mechanisms

Implementation Roadmap

Grant Thornton developed a three-year implementation roadmap based on the recommendations they provided, timelines and the expected resulting value. The estimated associated costs and resource requirements as provided by Grant Thornton are as follows:

- \$384K - \$1.15M over a three-year period, including:
 - 1 - 3 full time project staff (PMO);
- Additional external consultant support, as required;
- Additional business unit resources, as required.

Class 5 benefits estimates by the consultant

Information gaps and challenges were uncovered during the review. This, combined with the early stage of the implementation, make it difficult to arrive at a narrow range of financial benefits resulting from the transition to the recommended future state model. A class 5 estimate of \$550K – \$2.2M was recommended by Grant Thornton as potential efficiencies through reduced administrative burden associated with internal recoveries. This estimate consists of Cost Savings and Productivity Gains as outlined below:

- **Cost Savings** – resulting from reduced burden in administering and reporting Internal Recoveries;
- **Productivity Gains** – resulting from reduced staff time spent on monitoring and reconciling charges, one to one negotiations and issue resolution between provider and customer management teams, as well as through removed redundant processes and tools.

Further work will be carried out during the implementation planning phase to estimate how much of the identified efficiencies (\$550K - \$2.2M) could be realized in cost savings vs productivity gains.

In addition, Grant Thornton highlighted a number of additional indirect benefits.

- **Indirect Benefits** – broader long-term benefits including further progress in building a culture of cross-corporate collaboration and centralized decision making for the greater good of the Corporation leading to enhanced service value for the citizens and customers.

As the implementation phase of the project progresses, periodic updates will be provided to the Priorities and Finance Committee of Council as a part of regular ZBR Program updates.

BRIEFING

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Item # 5.2.3
PFC2020-0100

**Chief Financial Officer's Briefing to
Priorities and Finance Committee
2020 January 21**

**ISC: UNRESTRICTED
PFC2020-0100**

Financial Task Force 2020 January Update

PURPOSE OF BRIEFING

The Financial Task Force is providing the following update to inform the Priorities and Finance Committee (PFC) and Council on the membership of the Financial Task Force, as well as an outline of the work that the group is addressing through the direction provided by Council.

SUPPORTING INFORMATION

The prolonged economic downturn in Calgary has resulted in a drastic shift downward in the amount of property taxes being paid by downtown non-residential property owners. This shift in revenue collected has resulted in Council undertaking some short term and “one off” mitigation solutions to manage The One Calgary plans and budgets and support businesses who have seen increased tax responsibilities due to the shift.

To provide support to the economic recovery and to further create financial resiliency within The City, Council identified the need for a Financial Task Force to identify and assess innovative solutions for short term economic mitigation, long term economic recovery solutions, and revenue options to improve financial resiliency for The City. The task force is led by The City’s Chief Financial Officer, Carla Male, CPA-CA as Chair and a consists of panel of twelve external members with expertise in policy formulation, business strategy, property valuations and finance.

The Financial Task Force external membership includes:

- Heidi Conrad, CPA-CA
- JT Dhoot, AACI, CBV
- Dave Dunlop, CPA-CA, MBA, CFA
- Brian Hahn, BSME
- Sarah Lerner, CFA, MBA
- Annie MacInnis, MSc (Economics)
- Dave Mewha
- Lindsay Tedds, PhD (Economics)
- Alan Tennant, EMBA, FRI, CAE
- Rene Wells, PhD, (Finance)
- Nizar Walji, CFA
- Mike Yuzwa, CPA-CA, CBV

The external members of the Financial Task Force are supported by internal experts from the following departments and business units:

BRIEFING

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- Chief Financial Officers Department
- Tax
- Assessment
- Corporate Budget Office (including Corporate Economics)
- Intergovernmental and Corporate Strategy
- Law

The membership of the Financial Task Force have been meeting regularly since 2019 September in an effort to solidify their understanding of the complex financial issues facing The City of Calgary and further identify options and opportunities that are available and have the potential to provide the most impact in recommendations to Council.

Many of the options that have been discussed to date fall within two categories –

- Near term items that are possible within our current legislated authorities; and
- Longer term solutions that will require cooperation and collaboration with other orders of government, other municipalities and adjacent counties.

Some of the principal issues that the Financial Task Force have focused on are:

- Decreasing the volatility of annual property taxes to individual taxpayers
- Improving the consistency and predictability of annual revenues for The City
- Considering alternatives to enhance sustainable revenue options that are tied to appropriate levels of service and related costs incurred by The City; and
- Creating a framework for financial decision making based on “evidence-based decision making principles” to help align decision making with the longer term vision for the City.

Some of these items may be addressed through taxation or assessment policy recommendations while others may be addressed through recommendations relating to potential new revenues sources.

The work of the Financial Task Force is also mindful of the need to align with the longer term vision for The City as outlined in “Calgary in the New Economy” – our city’s collective plan to support economic competitiveness, embrace shared prosperity and build a strong Calgary. The four pillars of talent, innovation, place and business environment will be considered as the Financial Task Force progresses through its work.

In addition to the above, the Financial Task Force will also consider proposed revisions to our Property Tax and Assessment Policies. These two areas are complex and require careful consideration and research to ensure that whatever policy revisions are proposed in our current economic environment will serve Calgary well and be relevant into the future.

The Financial Task Force will continue to meet into 2020 and a report on their findings and proposed recommendations are expected later in 2020.

ATTACHMENT(S)

None.

Chief Financial Officer's Report to
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2020 January 21

ISC: UNRESTRICTED
PFC2020-0012

2020 Business Improvement Area Budgets and Enabling Bylaws

EXECUTIVE SUMMARY

Approval is being sought for the 2020 budgets for Calgary's 15 Business Improvement Areas (BIAs) and Business Revitalization Zones (BRZs) and the enabling 2020 BIA tax rates bylaws on behalf of BIAs. This process is undertaken annually pursuant to the BIA Regulation, and provides BIAs with the funding required to deliver programs and services valued by their member businesses.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council:

1. Approve the proposed 2020 BIA budgets (Attachment 1) and, if budget amendments are needed, authorize each BIA board to amend its respective budget by:
 - (a) transferring amounts to or from a BIA board's reserves, and
 - (b) transferring amounts between expenditures so long as the amount of the total expenditures is not increased; and
2. Give three readings to the proposed 2020 BIA Tax Rates Bylaw (Attachment 2).

PREVIOUS COUNCIL DIRECTION / POLICY

Annually, since the inception of BIAs in Calgary in 1984, Council has approved the BIA annual budgets and enabling bylaws as required by the *Municipal Government Act* (MGA) and the *Business Improvement Area Regulation* (BIA Regulation).

The 2020 BIA Tax Bylaw is being presented at the 2020 January 21 Priorities and Finance Committee Meeting concurrent with this report.

BACKGROUND

The Government of Alberta (the Province) passed enabling legislation in 1983 to allow municipalities to establish BIAs. The provisions are contained in Section 50 of the MGA, as amended, and the BIA Regulation. Legislation requires that, for each calendar year, Council:

- approve the BIA budgets as prepared and approved by each BIA Board (BIA Regulation, Section 11);
- pass a BIA tax bylaw authorizing the imposition of a tax on businesses operating within a BIA subject to certain exempted businesses (BIA Regulation, Section 20); and
- pass a BIA tax rates bylaw establishing the tax rates applicable to each BIA (BIA Regulation, Section 21).

Historically, The City would administer and impose the BIA tax in conjunction with the general business tax regime, however, given the elimination of the business tax, it is necessary to enact a standalone BIA tax bylaw. In accordance with the BIA Regulation (Subsection 13(1)) Council may, in its approval of the BIA Boards of Directors' (BIA Boards) budgets, if needed, authorize the BIA Boards to amend their budgets by:

- (a) transferring amounts to or from a BIA board's reserves, and
- (b) transferring amounts between expenditures so long as the amount of the total expenditures is not increased.

**Chief Financial Officer's Report to
Priorities and Finance Committee
2020 January 21**

**ISC: UNRESTRICTED
PFC2020-0012**

2020 Business Improvement Area Budgets and Enabling Bylaws

Administration is recommending that Council authorize BIA Boards to amend their budgets, if needed, in accordance with Subsections 13(1) and 13(2) of the BIA Regulation to allow BIA Boards to more effectively manage their budgets to provide programming and services that is responsive to the needs of their business communities, while staying within the total expenditure approved by Council.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Currently, there are two BRZs and thirteen BIAs in Calgary. As of January 2020, there are three new Council approved BIAs: Crescent Heights Village Business Improvement Area, the Bridgeland Business Improvement Area, and the Beltline Business Improvement Area. A list, including a reference to the bylaw which creates each respective BIA, is contained in Schedule "A" to the 2020 BIA Tax Bylaw (Attachment 3). Each BIA Board has met and approved its 2020 program and budget requirements in accordance with their respective internal processes. The BIA budgets have been submitted to Administration and are included in this report for Council's approval. Pursuant to the BIA Regulation, a BIA Board must submit an annual proposed budget to Council for approval. The BIA levy is based on the BIA's proposed budgets (Attachment 1) and is collected through a BIA tax (calculated by multiplying a business assessment by the applicable BIA tax rate set by the BIA tax rates bylaw) levied against each taxable business located in the BIA.

The 2020 BIA Levy Summary and Budgets (Attachment 1) contains, for each BIA, a summary comparing the 2020 and 2019 BIA levy followed by the 2020 budget request. The BIA budget template includes a budget overview that allows for the presentation of qualitative factors which have influenced the development of BIA budgets, as well as variance explanations. The budget overviews and variance explanations provided by individual BIAs are included verbatim and have not been edited for content. These templates, completed by each of the BIAs, can be found in Attachment 1. The proposed 2020 BIA tax rates bylaw sets the tax rates required to raise the BIA levy identified in each budget.

To enhance administrative efficiency, businesses with a calculated BIA tax of \$24.99 or less will not receive a 2020 BIA tax notice. Administration proposed in 2019 that \$25.00 in BIA tax revenue is the minimum amount required to cover the resources required to bill, monitor and collect the BIA tax. Administration estimates this will result in approximately 180 accounts not being charged BIA tax for 2020, totaling approximately \$2,700 in BIA tax revenue. The difference in revenue as a result of this relaxation will be recovered through adjustments to BIA tax rates in the following year.

Stakeholder Engagement, Research and Communication

In accordance with the BIA Regulation (Section 12), the Finance Business Unit mailed those taxable businesses in each of the 15 BIAs a copy of the appropriate 2020 BIA budget and notice of the date and place of the 2020 January 21 Priorities and Finance Committee Meeting, and the 2020 February 03 Combined Council Meeting.

Strategic Alignment

Council's direction and the work discussed in this report aligns with the Citizen Priority of A Prosperous City in One Calgary 2019-22, "Calgary continues to grow as a magnet for talent, a

Chief Financial Officer's Report to
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2020 Business Improvement Area Budgets and Enabling Bylaws

place where there is opportunity for all, and strives to be the best place in Canada to start and grow a business.”

The work of BIAs also supports and aligns with *Calgary in the New Economy: an updated economic strategy for Calgary*. BIAs are included as part of the Economic Development & Tourism service line in One Calgary.

Social, Environmental, Economic (External)

BIAs play an important role in supporting economic activity and neighbourhood revitalization.

Financial Capacity

Current and Future Operating Budget:

The revenue raised as a result of the BIA levy is transferred directly to the respective BIA.

There is an annual impact to The City's operating budget of approximately \$500,000 to provide support to BIAs. This consists of the provision of professional and administrative support in Calgary Neighbourhoods, and across the Corporation including Law, City Clerk's and Finance. This work is administered through existing operating budgets using existing staff resources.

Current and Future Capital Budget:

Where the MGA currently enables the imposition of a BIA tax on taxable businesses within a BIA, *An Act to Strengthen Municipal Government* proposes amendments to the MGA which would permit, as an alternative, that the BIA tax be imposed on property within a BIA. To date these amendments are not in force, meaning that the BIA tax must be imposed on taxable businesses and collected through business operators. Revisions to the BIA Regulation to allow the BIA tax to be collected through BIA property owners are also anticipated but have not been released by the Province to date.

Once the revisions to the BIA Regulation are released and the amendments to the MGA are in force, it is anticipated that Administration will prepare a report for Council to consider the option to impose the BIA tax on property within a BIA instead of businesses. If these revisions are not approved The City could potentially face capital costs to maintain or develop information technology systems to allow for the continued taxation of businesses, and the collection of BIA taxes from business operators.

Risk Assessment

2020 BIA tax bills, are scheduled to be mailed on or before 2020 February 07. From the Council meeting on 2020 February 03 to the scheduled mailing date, limited time is available to complete required activities. A delay in approving the BIA budgets and third reading of the BIA tax rates bylaw could delay the mailing of the BIA tax bills.

REASON(S) FOR RECOMMENDATION(S): The MGA requires Council to approve the BIA budgets and BIA tax rates bylaw annually to provide funding to the BIAs.
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Chief Financial Officer's Report to
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PFC2020-0012

2020 Business Improvement Area Budgets and Enabling Bylaws

ATTACHMENT(S)

1. Attachment 1 – 2020 BIA Levy Summary and Budgets
2. Attachment 2 – Proposed wording for a 2020 Business Improvement Area Tax Rates Bylaw
3. Attachment 3 – 2020 Business Improvement Area Tax Bylaw

**CALGARY'S BUSINESS IMPROVEMENT AREA (BIAs)
2020 ANNUAL BUDGETS
(SUMMARY)**

BUSINESS IMPROVEMENT AREA	2020 BIA LEVY \$	2019 BIA LEVY \$	Page Reference
Mainstreet Bowness BIA	50,100	50,100	Page 4
Calgary Downtown Association	1,586,825	1,586,825	Page 8
Chinatown BIA	215,000	215,000	Page 10
4th Street South West BIA	205,800	205,800	Page 14
Greenview Industrial BIA	50,000	50,000	Page 16
Inglewood BIA	285,000	265,000	Page 18
International Avenue BRZ	288,500	275,000	Page 20
Kensington BRZ	220,000	220,000	Page 22
Marda Loop BIA	220,000	220,000	Page 24
Montgomery on the Bow BIA	70,000	70,000	Page 26
17th Avenue Retail & Entertainment District BIA	559,000	410,800	Page 28
Victoria Park BIA	369,369	389,369	Page 30
Sub-total (existing BIAs/BRZs)	4,119,594	3,957,894	

Beltline BIA	400,000	N/A	Page 2
Bridgeland BIA	100,000	N/A	Page 6
Crescent Heights Village BIA	120,000	N/A	Page 12
Sub-total (new BIAs)	620,000	N/A	

Grand total (all BIAs/BRZs)	4,739,594	3,957,894	
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The Beltline BIA

2020 BUDGET

BUDGET OVERVIEW

The inaugural Beltline Budget will be used to build the foundation for the BIA. This will include Brand, Marketing, Communication, Executive Director and board development and team enhancement. Executive Director has been nominated by the board and our goal is to be able to commence our efforts once budget is approved in 2020. The board will strive to secure grants and funding for additional initiatives.

2020 BIA Levy Summary and Budgets

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The Beltline BIA

2020 BUDGET

	2020	2019	Change (INC./DEC.)		<u>Rationale:</u>
	\$	\$	\$	%	
<u>REVENUES</u>					
BIA Levy	400,000	N/A	400,000	0%	
Grants			0	0%	
Events Income			0	0%	
Interest/Other Income			0	0%	
Total Revenues	400,000	N/A	400,000	0%	
<u>EXPENDITURES</u>					
Administration	120,000	N/A	120,000	0%	Hire ED / Executive Assistant (PT) / Insurance / Benefits / P/T executive assistant.
Marketing/Communications	60,000	N/A	60,000	0%	Foundation brand development - Website, brand design and collateral materials.
Urban Devt. & Planning			0	0%	
Streetscape Improvements	60,000	N/A	60,000	0%	
Special Projects/Events	60,000	N/A	60,000	0%	Invest in the development and enhancement of events in our defined area
Public Safety & Social Issues	40,000	N/A	40,000	0%	Work in conjunction with our businesses to determine a plan of action to create a safe environment in the Beltline
Capital Assets			0	0%	
Other - BIA Specific	60,000	N/A	60,000	0%	To be used to determine strategic budget for Urban Dev / Events / Streetscape improvements.
Total Expenditures	400,000	N/A	400,000	0%	

Surplus/(Deficit)	0 N/A
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OTHER INFORMATION (Below this line) (Optional):

Details of "Other Income"

1.	0	0	0	0%
2.	0	0	0	0%
3.	0	0	0	0%
	0	0	0	0%

Mainstreet Bowness BIA

2020 BUDGET

BUDGET OVERVIEW

1. We are the smallest BIA in the city with the smallest budget. We have 60 businesses in our BIA and as of just 3 years ago we had about 67 businesses. Just in last few months, 3 businesses have closed which is making it harder to attract new businesses to our area. We try very hard to do our best and be creative with the budget restraints we have to work with. The economic environment in Calgary has affected all of our businesses in Bowness.
2. Opportunities are out there in Calgary for opening up a business. However, never before has there been so many vacancies to choose from. This could be seen as an opportunity or a constraint depending on how one looks at it. Our BIA has been able to save a little bit of money over the years so we have been able to help finance a few projects on Mainstreet the last couple years. However, when it comes to bigger projects we look to funding and grants within our community to help support us. Our goal is to keep our business community looking full (few vacancies), attractive and intact so our customers feel safe and welcomed here.
3. Bowness was once a small town on its own, outside of Calgary. "Bownesians" are proud of their community. There are amazing community groups here and the Bowness Community Association works very closely with our BIA on projects and events. We are very lucky and grateful for this positive relationship. We hope we can continue that positive relationship with them moving forward into 2020! Therefore, we are very aware of our budget and what we can do together to make Bowness and our BIA better.
4. Trends moving forward for small businesses in Calgary do not look positive. However, our BIA is determined to work within our budget and continue to be an attractive place to shop, dine and play so others can come and enjoy our community as well.

2020 BIA Levy Summary and Budgets

Bowness BIA

2020 BUDGET

	2020	2019	Change (INC./(DEC.))		<u>Rationale:</u>
	\$	\$	\$	%	
<u>REVENUES</u>					
BIA Levy	50,100	50,100	0	0%	
Grants	9,500	9,000	500	6%	
Events Income	12,000	11,000	1,000	9%	
Interest/Other Income	1,000	1,200	(200)	(17%)	
Total Revenues	72,600	71,300	1,300	2%	
<u>EXPENDITURES</u>					
Administration	40,000	38,700	1,300	3%	
Marketing/Communications	1,600	1,600	0	0%	
Urban Devt.& Planning			0	0%	
Streetscape Improvements	17,500	17,500	0	0%	
Special Projects/Events	13,500	13,500	0	0%	
Public Safety & Social Issues			0	0%	
Capital Assets			0	0%	
Other - BIA Specific			0	0%	
Total Expenditures	72,600	71,300	1,300	2%	
Surplus/(Deficit)	0	0			

OTHER INFORMATION (Below this line) (Optional):

Details of "Other Income"

1. Interest income	1,000	1,200	(200)	(17%)
2.	0	0	0	0%
3.	0	0	0	0%
	1,000	1,200	(200)	(17%)

Details of "Other-BIA Specific" expenditure

1.	0	0	0	0%
2.	0	0	0	0%
3.	0	0	0	0%
	0	0	0	0%

Bridgeland BIA

2020 BUDGET

BUDGET OVERVIEW

Not provided by Bridgeland BIA.

2020 BIA Levy Summary and Budgets

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Bridgeland BIA

2020 BUDGET

	2020	2019	Change (INC./(DEC.))	<u>Rationale:</u>
	\$	\$	\$ %	
<u>REVENUES</u>				
BIA Levy	100,000	N/A	100,000	0% We're hoping to spend less than this amount in our first year, but figured we would like to have a buffer. As this is our first year in operation, we have a budget mostly for start up, and contingency for main streets
Grants			0	0%
Events Income			0	0%
Interest/Other Income			0	0%
Total Revenues	100,000	N/A	100,000	0%
<u>EXPENDITURES</u>				
Administration	30,000	N/A	30,000	0% We would like to hire some part time admin assistance for our start up, but don't feel we will require any full time positions in this first year. Our marketing budget simply includes web design and maintenance for this first year
Marketing/Communications	2,500	N/A	2,500	0%
Urban Devt.& Planning	10,000	N/A	10,000	0%
Streetscape Improvements			0	0%
Special Projects/Events			0	0%
Public Safety & Social Issues	1,000	N/A	1,000	0%
Capital Assets			0	0%
Other - BIA Specific			0	0%
Total Expenditures	43,500	N/A	43,500	0%
Surplus/(Deficit)	56,500	N/A		

OTHER INFORMATION (Below this line) (Optional):

Details of "Other Income"

1.	0	0	0	0%
2.	0	0	0	0%
3.	0	0	0	0%
	0	0	0	0%

Calgary Downtown Association BIA

2020 BUDGET

BUDGET OVERVIEW

Zero increase – Fifth consecutive year without a levy increase for ratepayers.

2020 BIA Levy Summary and Budgets

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Calgary Downtown Association BIA

2020 BUDGET

	2020	2019	Change(INC./(DEC.))		<u>Rationale:</u>
	\$	\$	\$	%	
<u>REVENUES</u>					
BIA Levy	1,586,825	1,586,825	0	0%	
Grants	0	45,000	(45,000)	(100%)	Program specific; program will not continue in 2020
Events Income	75,000	60,000	15,000	25%	Provision for increasing event sponsorship of Glow 2020
Interest/Other Income	18,375	18,400	(25)	(0%)	
Total Revenues	1,680,200	1,710,225	(30,025)	(2%)	
<u>EXPENDITURES</u>					
Administration	266,200	242,125	24,075	10%	Provision for additional Insurance, Accounting, Governance
Marketing/Communications	700,000	639,207	60,793	10%	One-time expenditure for development of CRM System
Urban Devt. & Planning	50,000	60,962	(10,962)	(18%)	
Streetscape Improvements	0	0	0	0%	
Special Projects/Events	439,000	534,077	(95,077)	(18%)	Planned decrease of annual, core investment into Glow2020
Public Safety & Social Issues	225,000	233,854	(8,854)	(4%)	
Capital Assets	0	0	0	0%	
Other - BIA Specific	0	0	0	0%	
Total Expenditures	1,680,200	1,710,225	(30,025)	(2%)	
Surplus/(Deficit)	0	0			

OTHER INFORMATION (Below this line) (Optional):

Details of "Other Income"

1. Investment income	18,375	18,400	(25)	(0%)
2.	0	0	0	0%
3.	0	0	0	0%
	18,375	18,400	(25)	(0%)

Details of "Other-BIA Specific" expenditure

1.	0	0	0	0%
2.	0	0	0	0%
3.	0	0	0	0%
	0	0	0	0%

Chinatown BIA

2020 BUDGET

BUDGET OVERVIEW

1. The overall 2020 Chinatown BIA budget amount and the BIA Levy requisition from BIA ratepayers remains the same as 2019 in response to already difficult financial operating conditions faced by Chinatown business ratepayers.
2. Like other parts of Calgary's downtown, Chinatown continues to experience significant office vacancy rates, under-utilized parking lots and spaces, continual turnover in retail and restaurant lease space, and significantly below average retail sales and revenues. Despite this, retail and restaurant lease space vacancy is favorable as new start-up businesses are taking up turnover space. Chinatown is experiencing a trend to new food and restaurant varieties with new bubble tea, bubble waffle, other Southeast Asian cuisines, and even Mexican restaurants taking up the space.
3. Chinatown's operating expenses will realize second year draw down in our cash reserves as the cost of festivals and events are no longer majority funded by sponsorship. In 2019, Chinatown introduced the Chinatown Ice Sculpture Showcase which saw three large ice carvings and a dozen ice sculptures showcased in James Short Park. Chinatown BIA also hosted their second Chinatown Street Festival with double the previous year's attendance, double the offering of activities, and the move to a more Asian, multi-cultural focus.
4. 2020 budget places greater emphasis on Making Chinatown a Must Visit Destination, a Great Visitor Experience, Promoting Calgary Chinatown through digital marketing and branding, and beautifying Chinatown with more sidewalk flower planters and refreshed look of Chinese lanterns hanging from our cultural street lamp posts.
5. The Chinatown BIA will begin a drawdown of the Parking Revenue Reserve to provide eight (8) additional planters all through Chinatown and through the acquisition of a digital signboard similar to the Calgary Transit MAX BRT signs with a focus on both digital wayfinding and promotion. A large portion of these reserves will remain a future 'legacy monument' investment based upon Tomorrow's Chinatown findings due in 2021.

2020 BIA Levy Summary and Budgets

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Chinatown BIA

2020 BUDGET

	2020 \$	2019 \$	Change (INC./DEC.) \$	Rationale: %	
<u>REVENUES</u>					
BIA Levy	215,000	215,000	0	0%	No increase to avoid more tax burden on ratepayers.
Grants	10,000	10,000	0	0%	Community Standards Funds flow ed through community service association and BIA coordinates the street and graffiti clean up.
Events Income	0	0	0	0%	Event income (sponsorships, ticket sales) offset by expenses of events.
Interest/Other Income	45,000	35,000	10,000	29%	Carry over of funds from prior years.
Total Revenues	270,000	260,000	10,000	4%	
<u>EXPENDITURES</u>					
Administration	143,236	141,736	1,500	1%	Slight increase due to new lease.
Marketing/Communications	63,400	53,462	9,938	19%	Increase due to focus on improved marketing / branding and providing greater online presence for BIA ratepayers.
Urban Devt.& Planning	8,000	13,000	(5,000)	(38%)	Funds shifted to directly helping BIA ratepayers through online presence and business networking events.
Streetscape Improvements	28,610	35,000	(6,390)	(18%)	Cost of sidewalk flower maintenance shifted to Parking Revenue Allocation reserve.
Special Projects/Events	0	0	0	0%	Events are funded by sponsorships and ticket sales with goal of becoming net \$0.00 cost.
Public Safety & Social	0	0	0	0%	
Capital Assets	0	0	0	0%	
Other - BIA Specific	0	0	0	0%	
Total Expenditures	243,246	243,198	48	0%	
Surplus/(Deficit)	26,754	16,802			

OTHER INFORMATION (Below this line):

Details of "Other Income"

1.	45,000	35,000	10,000	29%	Carryover funds from previous years as BIA levies are not received until March.
2.			0	0%	
	45,000	35,000	10,000	29%	

Crescent Heights Village BIA

2020 BUDGET

BUDGET OVERVIEW

1. Businesses were invited to engage on the 2020 budget during the 2019 AGM and overwhelmingly expressed support for a 2.35% or \$120K budget
2. Priority areas for the BIA to address were, from highest to lowest: advocacy, streetscape improvements, marketing, and events
3. Staff time has been allocated into the priority areas above.

2020 BIA Levy Summary and Budgets

Crescent Heights Village BIA

2020 BUDGET

	2020	2019	Change (INC./(DEC.))	Rationale:
	\$	\$	\$	%
<u>REVENUES</u>				
BIA Levy	120,000	N/A	120,000	0%
Grants	0		0	0%
Events Income	0		0	0%
Interest/Other Income	0		0	0%
Total Revenues	120,000	N/A	120,000	0%
<u>EXPENDITURES</u>				
Administration	20,000	N/A	20,000	0% Hire an executive director and provide working space
Marketing/Communications	20,000	N/A	20,000	0% Develop marketing strategy, paid advertising
Urban Devt.& Planning	5,000	N/A	5,000	0% Advocacy on urban development, planning, and transportation issues
Streetscape Improvements	50,000	N/A	50,000	0% Graffiti/litter removal, snow clearing, banners, lights, flowers
Special Projects/Events	15,000	N/A	15,000	0% 2 events
Public Safety & Social	10,000	N/A	10,000	0%
Capital Assets	0	N/A	0	0%
Other - BIA Specific	0	N/A	0	0%
Total Expenditures	120,000	N/A	120,000	0%
Surplus/(Deficit)	0	N/A		

OTHER INFORMATION (Below this line):

Details of "Other Income"

1.			0	0%
2.			0	0%
	0	0	0	N/A

4th Street South West BIA

2020 BUDGET

BUDGET OVERVIEW

We have encountered significant issues arising from problems at the Safe Consumption Site. While I cannot put a specific dollar amount on it, as it covers a variety of areas, it is significant. From having to remove needle detritus from planters/flowers, added security measures for night time watering of plants, increased social media posts, and substantially increased events in Memorial park.

2020 BIA Levy Summary and Budgets

4th Street South West BIA

2020 BUDGET

	2020	2019	Change (INC./DEC.)		<u>Rationale:</u>
	\$	\$	\$	%	
<u>REVENUES</u>					
BIA Levy	205,800	205,800	0	0%	
Grants	0	0	0	0%	
Events Income	0	0	0	0%	
Interest/Other Income	0	0	0	0%	
Total Revenues	205,800	205,800	0	0%	

EXPENDITURES

Administration	100,000	91,300	8,700	10%	
Marketing/Communications	50,400	57,500	(7,100)	(12%)	
Urban Devt.& Planning	5,000	5,000	0	0%	
Streetscape Improvements	32,400	34,000	(1,600)	(5%)	
Special Projects/Events	18,000	18,000	0	0%	
Public Safety & Social Issues	0	0	0	0%	
Capital Assets	0	0	0	0%	
Other - BIA Specific	0	0	0	0%	
Total Expenditures	205,800	205,800	0	0%	

Surplus/(Deficit)	0	0			
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OTHER INFORMATION (Below this line) (Optional):

Details of "Other Income"

1.	0	0	0	0%	
2.	0	0	0	0%	
3.	0	0	0	0%	
	0	0	0	0%	

Details of "Other-BIA Specific" expenditure

1.	0	0	0	0%	
2.	0	0	0	0%	
3.	0	0	0	0%	
	0	0	0	0%	

2020 BIA Levy Summary and Budgets

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Greenview Industrial BIA

2020 BUDGET

BUDGET OVERVIEW

Not provided by Greenview Industrial BIA.

2020 BIA Levy Summary and Budgets

Greenview Industrial BIA
2020 BUDGET

	2020	2019	Change (INC./(DEC.))		<u>Explanation</u>
	\$	\$	\$	%	
<u>REVENUES</u>					
BIA Levy	50,000	50,000	0	0%	
Grants			0	0%	
Events Income			0	0%	
Interest/Other Income			0	0%	
Total Revenues	50,000	50,000	0	0%	
<u>EXPENDITURES</u>					
Admin and Project Assistant	47,000	35,000	12,000	34%	After a couple of years of identifying the priorities of the BIA Members, the Board feels that the additional funds should be allocated to an Administrator or project coordinator who's role it will be to help in executing the initiatives identified by the Board.
Audit	4,000	4,000	0	0%	
Office and Administrative costs	2,000	2,000	0	0%	Expenses for AGM and other printing and office for the year.
Marketing/Communications	5,000	5,000	0	0%	Advertising expenses, postage & flyer delivery, publication of BIA directory, community relations and meetings. Signage, events.
Urban Devt. & Planning	5,000	5,000	0	0%	Funds for various area initiatives and improvements.
Streetscape Improvements	1,000	1,000	0	0%	
Insurance	500	500	0	0%	Director's Liability insurance
Special Projects/Events	10,000	10,000	0	0%	One annual community event. BBQ of some kind? Or a quarterly check-in at various local venues?
Public Safety & Social Issues	0	0	0	0%	
Security and crime prevention	30,000	42,000	(12,000)	(29%)	Security and Crime Prevention has been identified as a priority for the BIA members. The Board is expecting to reduce the expenditures for 2019 as we believe that we can achieve similar results through community outreach initiatives where each member executes their own security protocols based on feedback from the Security Committee and recommendations from the local constable.
Garbage and area cleanup	10,000	10,000	0	0%	Supplement the regular City garbage collections and cleanup after public garbage dumping in the neighborhood.
Bank charges	30	30	0	0%	
Capital Assets	2,470	2,470	0	0%	Laptop computer, Printer/Scanner/Fax, etc.
Other - BIA Specific	0	0	0	0%	
Total Expenditures	117,000	117,000	0	0%	
Use of existing Cash	(67,000)	(67,000)			
Surplus/(Deficit)	0	0			

2020 BIA Levy Summary and Budgets

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Attachment 1

Inglewood BIA

2020 BUDGET

BUDGET OVERVIEW

Not provided by Inglewood BIA.

2020 BIA Levy Summary and Budgets

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Inglewood BIA

2020 BUDGET

	2020	2019	Change (INC./DEC.)		<u>Rationale:</u>
	\$	\$	\$	%	
<u>REVENUES</u>					
BIA Levy	285,000	265,000	20,000	8%	Increase of \$20,000
Grants	0	0	0	0%	
Events Income	0	0	0	0%	
Interest/Other Income	0	0	0	0%	
Total Revenues	285,000	265,000	20,000	8%	
<u>EXPENDITURES</u>					
Administration	110,000	110,000	0	0%	
Marketing/Communications	35,000	35,000	0	0%	
Urban Devt.& Planning			0	0%	
Streetscape Improvements	90,000	70,000	20,000	29%	Custom made hardware required for new light poles
Special Projects/Events	50,000	50,000	0	0%	After emergency removal of poles and lights
Public Safety & Social Issues	0	0	0	0%	
Capital Assets	0	0	0	0%	
Other - BIA Specific	0	0	0	0%	
Total Expenditures	285,000	265,000	20,000	8%	
Surplus/(Deficit)	0	0			

OTHER INFORMATION (Below this line) (Optional):

Details of "Other Income"

1.	0	0	0	0%
2.	0	0	0	0%
3.	0	0	0	0%
	0	0	0	0%

Details of "Other-BIA Specific" expenditure

1.	0	0	0	0%
2.	0	0	0	0%
3.	0	0	0	0%
	0	0	0	0%

International Avenue BRZ

2020 BUDGET

BUDGET OVERVIEW

1. The International Avenue BRZ will continue to capitalize on the new branding as the Culinary and Cultural District.
2. The community economic development projects under our brand EMERGE will continue.
3. We will continue with all other programs as is the case in previous years.

2020 BIA Levy Summary and Budgets

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International Avenue BRZ

2020 BUDGET

	2020	2019	Change (INC./((DEC.))		<u>Rationale:</u>
	\$	\$	\$	%	
<u>REVENUES</u>					
BIA Levy	288,500	275,000	13,500	5%	
Grants	123,000	179,000	(56,000)	(31%)	This includes a variety of grants we have applied for.
Events Income	51,500	50,000	1,500	3%	We will be expanding our independent music festival and therefore anticipate more revenue
Associate Fees/Sponsorships	9,500	14,800	(5,300)	(36%)	
Interest/Other Income	18,500	31,600	(13,100)	(41%)	Our CED funding is largely completed.
Total Revenues	491,000	550,400	(59,400)	(11%)	
<u>EXPENDITURES</u>					
Administration	88,400	84,400	4,000	5%	
Marketing/Communications	71,000	78,700	(7,700)	(10%)	
Urban Devt.& Planning	55,000	63,000	(8,000)	(13%)	
Streetscape Improvements	101,500	85,000	16,500	19%	additional expenses on upkeep of various site amenities
Special Projects/Events	79,000	94,500	(15,500)	(16%)	
Public Safety & Social Issues	52,500	56,000	(3,500)	(6%)	
Capital Assets	5,000	6,000	(1,000)	(17%)	
Contingency	11,600	11,600	0	0%	
Other - BIA Specific	27,000	68,000	(41,000)	(60%)	EMERGE-economic development projects
Total Expenditures	491,000	535,600	(44,600)	(8%)	
Surplus/(Deficit)	0	14,800			

OTHER INFORMATION (Below this line) (Optional):

Details of "Other Income"

1.	0	0	0	0%
2.	0	0	0	0%
3.	0	0	0	0%
	0	0	0	0%

Details of "Other-BIA Specific" expenditure

1. Emerge	27,000	68,000	(41,000)	(60%)	reduced to part-time staff
2.	0	0	0	0%	
3.	0	0	0	0%	
	27,000	68,000	(41,000)	(60%)	

2020 BIA Levy Summary and Budgets

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Kensington BRZ

2020 BUDGET

BUDGET OVERVIEW

Not provided by Kensington BRZ.

2020 BIA Levy Summary and Budgets

Kensington BRZ

2020 BUDGET

	2020	2019	Change (INC./((DEC.))		<u>Rationale:</u>
	\$	\$	\$	%	
<u>REVENUES</u>					
BIA Levy	220,000	220,000	0	0%	
Grants	0	0	0	0%	
Events Income	0	0	0	0%	
Interest/Other Income	0	0	0	0%	
Total Revenues	220,000	220,000	0	0%	

<u>EXPENDITURES</u>					
Administration	107,300	106,700	600	1%	
Marketing/Communications	32,575	33,175	(600)	(2%)	
Urban Devt.& Planning	0	0	0	0%	
Streetscape Improvements	28,625	28,625	0	0%	
Special Projects/Events	39,000	39,000	0	0%	
Public Safety & Social Issues	0	0	0	0%	
Capital Assets	0	0	0	0%	
Other - BIA Specific	12,500	12,500	0	0%	
Total Expenditures	220,000	220,000	0	0%	

Surplus/(Deficit)	0	0			
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OTHER INFORMATION (Below this line) (Optional):

Details of "Other Income"

1.	0	0	0	0%	
2.	0	0	0	0%	
3.	0	0	0	0%	
	0	0	0	0%	

Details of "Other-BIA Specific" expenditure

1.	0	0	0	0%	
2.	0	0	0	0%	
3.	0	0	0	0%	
4.	0	0	0	0%	
	0	0	0	0%	

Marda Loop BIA

2020 BUDGET

BUDGET OVERVIEW

1. The main change is that we have re-integrated the Marda Gras Street Festival into the BIA. In 2018 responsibility for Marda Gras Street Festival was moved to a partner, the Festival Society of Marda Loop, in the hope of possibly accessing other kinds of funding. This was noted in previous budget reports. A fresh look indicated that prospects of this course were poor, and it would be more efficient to return Marda Gras to the BIA (the status quo ante).
2. No change in the BIA levy, and we plan to spend about the same in 2020 as we did in 2019.
3. Marda Loop continues to experience development and population growth, and the opening of new commercial spaces. We will have improved transit service in 2020, including a Marda Loop BRT stop and a new route connecting us to the west along Richmond Road. We look forward to detailed design phase of our Main Street/Streetscapes project in 2020, and partial implementation thereafter.

2020 BIA Levy Summary and Budgets

Marda Loop BIA

2020 BUDGET

	2020	2019	Change (INC./(DEC.))		<u>Rationale:</u>
	\$	\$	\$	%	
<u>REVENUES</u>					
BIA Levy	220,000	220,000	0	0%	
Grants	10,000	10,000	0	0%	
Events Income	70,000	0	70,000	0%	Marda Gras revenue re-integrated
Interest/Other Income	1,000	13,000	(12,000)	(92%)	No planned draw from reserves
Total Revenues	301,000	243,000	58,000	24%	

EXPENDITURES

Administration	123,300	95,340	27,960	29%	Marda Gras expenses integrated
Marketing/Communications	46,500	50,000	(3,500)	(7%)	
Urban Devt. & Planning	0	0	0	0%	
Streetscape Improvements	44,600	38,500	6,100	16%	Increase in planter expenses
Special Projects/Events	85,000	58,890	26,110	44%	Marda Gras expenses integrated
Public Safety & Social Issues	0	0	0	0%	
Capital Assets	0	0	0	0%	
Other - BIA Specific	0	0	0	0%	
Total Expenditures	299,400	242,730	56,670	23%	

Surplus/(Deficit)	1,600	270
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OTHER INFORMATION (Below this line) (Optional):

Details of "Other Income"

1. Draw from reserve	1,000	13,000	(12,000)	(92%)
2.			0	0%
3.	0	0	0	0%
	1,000	13,000	(12,000)	(92%)

Montgomery on the Bow BIA

2020 BUDGET

BUDGET OVERVIEW

1. One of the exciting challenges facing the Montgomery BIA this year will be to help promote those businesses affected during the construction of the Main Street Program. While the construction is highly anticipated - the BIA will work to promote and market those businesses that may be limited by parking/walking traffic coming to their businesses. Banners/Signage will be provided by the BIA to help traffic see that we are open for business during the construction period.
2. Montgomery BIA covers three different areas in our business territory - spreading financial resources among these areas can be difficult to make sure that all businesses feel that they receive value from the BIA. During this past year we have been working on beautification of the Montgomery Town Square Park and along Bowness Road. Our goal is to continue this improvement along the other two corridors and bring continuity to all three areas.
3. During our AGM this year the businesses were all supportive of a plan that focuses on bringing people to our community. Increased traffic into the community translates into business awareness and hopefully leads to increase in business sales. Our Bike Rack Project is one of those projects to improve streetscape - with additional bike paths coming to Montgomery, we are working to provide opportunities to stop and shop Montgomery. Our budget last year of \$15000 towards this project will provide 4 bike racks but to really have impact we have allocated additional dollars from this budget to expand and continue with additional units and greater impact.

2020 BIA Levy Summary and Budgets

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Montgomery on the Bow BIA

2020 BUDGET

	2020 \$	2019 \$	Change (INC./(DEC.)) \$ %		<u>Rationale:</u>
<u>REVENUES</u>					
BIA Levy	70,000	70,000	0	0%	Lewy
Grants	12,000	2,400	9,600	400%	We are applying for grants from Calgary Parking Authority \$4,000, Community Standards \$8,000 may also try for TD Parks as well
Events Income			0	0%	
Interest/Other Income	2,600		2,600	0%	Interest
Total Revenues	84,600	72,400	12,200	17%	
<u>EXPENDITURES</u>					
Administration	30,000	29,187	813	3%	to cover Executive Director Salary - part time position of 20 hours per week
Marketing/Communications	1,500	658	842	128%	2 annual information letters to businesses, Montgomery Messenger to thank business support, adv for Light Up Montgomery/ Pancake Breakfast
Urban Devt.& Planning		127	(127)	(100%)	
Streetscape Improvements	20,000	20,287	(287)	(1%)	Covering the cost of Street Baskets, Decorations for Holiday Season, Banners on additional street posts and entrance signs
Special Projects/Events	20,500	10,359	10,141	98%	continuation of bike racks in community and our first ever pancake breakfast by the BIA
Public Safety & Social Issues	5,700	5,700	0	0%	continued work on graffiti and looking to start security program to help with increase in petty crime to business community
Capital Assets			0	0%	
Other - BIA Specific	6,900	6,817	83	1%	
Total Expenditures	84,600	73,135	11,465	16%	
Surplus/(Deficit)	0	(735)			

OTHER INFORMATION (Below this line) (Optional):

Details of "Other Income"

1. Bank interest	2,600	0	2,600	0%
2.	0	0	0	0%
3.	0	0	0	0%
	2,600	0	2,600	0%

Details of "Other-BIA Specific" expenditure

1. insurance/accounting	3,917	3,917	0	0%
2. Park maintenance	2,983	2,900	83	3%
3.	0	0	0	0%
	6,900	6,817	83	1%

17th Ave Retail & Entertainment District BIA

2020 BUDGET

BUDGET OVERVIEW

1. Our BIA is currently in the midst of reconstruction project of 17th Ave SW and taking a 1 year reprieve from construction as required to complete the project. Businesses have seen a drastic impact to revenue since the project began and require additional support re: communications, messaging and marketing. Our focus will be to increase foot traffic to the avenue during this reprieve, support positive messages to target audiences to patron our BIA. To build large scale events, planning services are necessary to support said events, along with integrated marketing, promotions and events strategies. The budget is reflective of this necessity.
2. Our BIA continues to face challenges such as patron/visitor parking concerns, safety and security issues. All of which require additional support for marketing & communication (signage, wayfinding) and public realm improvements; The BIA will need additional campaigns and support around our image; specifically regarding safety and the overall experience that one can enjoy while visiting our BIA.
3. Development of new programs and events to drive engagement and pedestrian traffic to our BIA are required. These events and programs will include partnerships with different members of the community, both internal and external to our BIA. Previously designed events, new events and new programs will require additional administrative and event coordination support prior to launching key initiatives as they will be done on a larger scale and set the foundation for anchor events for our BIA. These projects are necessary to encourage/remind the public and visitors why they love our area.
4. Budget is reflective of ongoing streetscape, maintenance and public realm programs that support a safe and appealing pedestrian environment.

2020 BIA Levy Summary and Budgets

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17th Avenue Retail & Entertainment District BIA

2020 BUDGET

	2020	2019	Change (INC./(DEC.))		<u>Rationale:</u>
	\$	\$	\$	%	
<u>REVENUES</u>					
BIA Levy	559,000	410,800	148,200	36%	BIA's application to expand boundaries was successful and additional levies will now be collected. This number is based on the recommended mill rate determined by the City of Calgary, and is based on the one used in 2019.
Grants	0	0	0	0%	
Events Income	0	0	0	0%	
Interest/Other Income	75,000	75,000	0	0%	
Total Revenues	634,000	485,800	148,200	31%	
<u>EXPENDITURES</u>					
Administration	103,000	80,750	22,250	28%	Additional Staff has been hired to help support the new and existing membership, requiring a larger office is required to accommodate the staff and event supplies.
Marketing/Communications	205,800	191,327	14,473	8%	
Urban Devt. & Planning	10,707	9,007	1,700	19%	
Streetscape Improvements	81,400	76,500	4,900	6%	
Special Projects/Events	216,725	114,407	102,318	89%	Increased number of large scale events to welcome back visitors to the Ave and create a vibrant, energetic feel to BIA again.
Public Safety & Social Issues	16,368	13,809	2,559	19%	
Capital Assets	0	0	0	0%	
Other - BIA Specific	0	0	0	0%	
Total Expenditures	634,000	485,800	148,200	31%	
<u>Surplus/(Deficit)</u>					
	0	0			

OTHER INFORMATION (Below this line) (Optional):

Details of "Other Income"

1. Contingency for operations and special projects related to marketing the area	75,000	75,000	0	0%
2.	0	0	0	0%
3.	0	0	0	0%
	75,000	75,000	0	0%

2020 BIA Levy Summary and Budgets

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Victoria Park BIA

2020 BUDGET

BUDGET OVERVIEW

The table below is candid summary of our situation. A very concerning trend is a 40% drop in overall assessment value since 2016.

Change since 2016	2019	2018	2017	2016
Total accounts (# of businesses)	313	365	386	368
Total assessment	\$ 36,642,437	\$ 48,487,485	\$ 52,232,861	\$ 61,714,819

2020 BIA Levy Summary and Budgets

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Victoria Park BIA

2020 BUDGET

	2020	2019	Change (INC./(DEC.))		<u>Rationale:</u>
	\$	\$	\$	%	
<u>REVENUES</u>					
BIA Levy	369,369	389,369	(20,000)	(5%)	
Grants	12,000	12,000	0	0%	
Events Income	0	0	0	0%	
Interest/Other Income	55,000	35,000	20,000	57%	Interest and other income=carry over as a result of changes in staff
Total Revenues	436,369	436,369	0	0%	
<u>EXPENDITURES</u>					
Administration	164,412	164,412	0	0%	
Marketing/Communications	105,480	105,480	0	0%	
Urban Devt.& Planning	66,716	66,716	0	0%	
Streetscape Improvements	9,000	9,000	0	0%	
Special Projects/Events	42,000	42,000	0	0%	
Public Safety & Social Issues	43,761	43,761	0	0%	
Capital Assets	1,000	1,000	0	0%	
Other - BIA Specific	4,000	4,000	0	0%	
Total Expenditures	436,369	436,369	0	0%	
Surplus/(Deficit)	0	0			

OTHER INFORMATION (Below this line) (Optional):

Details of "Other Income"

1. Carry-over staff position	55,000	35,000	20,000	57%
2.	0	0	0	0%
3.	0	0	0	0%
	55,000	35,000	20,000	57%

Details of "Other-BIA Specific" expenditure

1. Lighting inspection/maint.	4,000	4,000	0	0%
2.	0	0	0	0%
3.	0	0	0	0%
	4,000	4,000	0	0%

**PROPOSED WORDING FOR A BYLAW PROVIDING FOR 2020 TAX RATES OF
BUSINESS IMPROVEMENT AREAS IN THE CITY OF CALGARY**

WHEREAS the Council of The City of Calgary (“Council”) is authorized to provide for the taxation of business improvement areas in accordance with Section 381 of the *Municipal Government Act*, R.S.A. 2000, c.M-26, (the "Act") and the regulations passed thereunder;

AND WHEREAS Council has provided for the taxation of business improvement areas for 2020 in Bylaw Number XX2020, being the 2020 Business Improvement Area Tax Bylaw;

AND WHEREAS Council has established various business improvement areas in the city of Calgary, which are set out in Schedule “A” to this Bylaw;

AND WHEREAS Council has approved funds for each business improvement area based upon the proposal submitted by the board of each business improvement area;

AND WHEREAS Council deems it necessary to provide a business improvement area tax for each business improvement area at a rate or rates Council considers sufficient to raise the approved amounts payable to each business improvement area;

**NOW THEREFORE, THE COUNCIL OF THE CITY OF CALGARY ENACTS AS
FOLLOWS:**

1. This Bylaw may be cited as the “2020 Business Improvement Area Tax Rates Bylaw”.
2. In this Bylaw, the term “Business Improvement Area” may be referred to as “BIA”.
3. For the year 2020, there is hereby imposed a tax rate or rates for each BIA indicated in Schedule "A" to this Bylaw, which is attached to and forms part of this Bylaw.
4. The tax rate or rates specified in Schedule "A" for a BIA are imposed upon all businesses operating within the BIA, except businesses that are exempt from BIA taxation pursuant to the 2020 Business Improvement Area Tax Bylaw.
5. As set out in the 2020 Business Improvement Area Tax Bylaw, a tax bill will be mailed or delivered to each entity liable for BIA tax, each such tax bill showing, among other things, the amount of BIA tax payable.

6. The BIA taxes contemplated by this Bylaw are due and payable as set out in the 2020 Business Improvement Area Tax Bylaw, and are subject to, in terms of unpaid taxes, penalties as per the 2020 Business Improvement Area Tax Bylaw.
7. This Bylaw comes into force on the date it is passed.

TEXT FOR DISCUSSION ONLY

SCHEDULE "A"

TO THE 2020 BUSINESS IMPROVEMENT AREA TAX RATES BYLAW

BUSINESS IMPROVEMENT AREA	BYLAW NUMBER	TAX RATE 2020
Beltline Business Improvement Area	34M2019	0.01261
Mainstreet Bowness Business Improvement Area	55M2016	0.02074
Bridgeland Business Improvement Area	33M2019	0.01341
Calgary Downtown Association	38M2017	0.00389
Chinatown Business Improvement Area	43M2015	0.01308
Crescent Heights Village Business Improvement Area	32M2019	0.02714
4 th Street South West Business Improvement Area	59M2016	0.02408
Greenview Industrial Business Improvement Area	40M2017	0.00519
Inglewood Business Improvement Area	36M2017	0.02432
International Avenue Business Revitalization Zone	58M2016	0.01623
Kensington Business Revitalization Zone	56M2016	0.02028
Marda Loop Business Improvement Area	37M2017	0.02658
Montgomery on the Bow Business Improvement Area	54M2016	0.01407
17 th Avenue Retail & Entertainment District Business Improvement Area	39M2017	0.02004
Victoria Park Business Improvement Area (excluding the First Street Improvement Area)	57M2016	0.01502
First Street Improvement Area		0.01547

Proposed Wording for the 2020 Business Improvement Area Tax Bylaw

Short Title

1. This Bylaw may be cited as the “2020 Business Improvement Area Tax Bylaw”.

Definitions and Interpretation

2. (1) In this Bylaw:
 - (a) “Act” means the *Municipal Government Act*, R.S.A. 2000, c. M-26;
 - (b) “Business” means a business located in a business improvement area listed in Schedule “A”;
 - (c) “Business Improvement Area” or “BIA” means a business improvement area established pursuant to section 50 of the Act and the regulations and bylaws enacted pursuant to that section;
 - (d) “City” means The City of Calgary, a municipal corporation of the Province of Alberta and, where the context so requires, means the area contained within the municipal boundaries of the city of Calgary;
 - (e) “Commercial Purposes” means the use of the Premises for commerce or trade purposes or for the sale of assets or goods to the public for gain;
 - (f) “Municipal Assessor” means the person appointed to the designated officer position of Municipal Assessor pursuant to section 284.2 of the Act and Bylaw 49M2007;
 - (g) “Net Annual Rental Value” means the typical market annual rental value of the Premises exclusive of operating costs;
 - (h) “Non-Profit” refers to an organization, association or union as defined in section 6 of the Regulation;
 - (i) “Person” includes a corporation and the heirs, executors, administrators or other legal representatives of a Person;
 - (j) “Premises” means any space used in connection with a Business, and without limiting the generality of the foregoing includes:
 - (i) land and buildings or parts of buildings on such land, and
 - (ii) any store, office, warehouse, factory, facility, hotel, motel, enclosure, yard or other space;
 - (k) “Regulation” means the *Community Organization Property Tax Exemption Regulation* (Alberta Regulation 281/1998); and

- (l) "Trade Union" refers to a Non-Profit trade union established and recognized under the *Alberta Labour Relations Code* (R.S.A. 2000 c. L-1) or the *Canada Labour Code* (R.S.C. 1985, c. L-2).
- (2) Each provision of this Bylaw is independent of all other provisions and if any provision is declared invalid for any reason by a Court of competent jurisdiction, all other provisions of this Bylaw remain valid and enforceable.

Assessment of Businesses

- 3.
 - (1) Every Person who operates a Business in 2020 shall be assessed a business assessment by the Municipal Assessor for the purposes of imposing a BIA tax.
 - (2) Despite subsection (1), a Person who operates a Business that is exempt from BIA taxation pursuant to section 17 shall not be assessed.
 - (3) Business assessments shall be prepared based on one hundred percent of the Net Annual Rental Value of the Premises.
 - (4) Any business assessment prepared in accordance with this bylaw must be an estimate of the Net Annual Rental Value of the Premises on July 1, 2019.
 - (5) The Municipal Assessor shall:
 - (a) prepare a business assessment roll for the purposes of generating a BIA tax roll for 2020; and
 - (b) enter on the business assessment roll the name of every Person operating a Business that has been assessed in accordance with subsection (1).
- 4. If it is discovered that there is an error, omission or misdescription in any of the information shown on the business assessment roll for 2020, the Municipal Assessor may correct the business assessment roll for 2020.
- 5. If it is discovered that no business assessment has been prepared for a Business for 2020, an assessment for 2020 must be prepared.
- 6. After giving reasonable notice to a Person operating a Business, the Municipal Assessor may at any reasonable time, for the purpose of preparing an assessment of the Business or determining if the Business is to be assessed:
 - (a) enter and inspect the Premises;
 - (b) request anything to be produced to assist the Municipal Assessor in preparing the assessment or determining if the Business is to be assessed; and
 - (c) make copies of anything necessary to the inspection.
- 7.
 - (1) The provisions of section 295 of the Act apply such that:

- (a) a Person must provide, on request by the Municipal Assessor, any information necessary for the Municipal Assessor to carry out the duties and responsibilities of an assessor pursuant to Parts 9 to 12 of the Act and the associated regulations; and
 - (b) no Person may make a complaint in the year following the assessment year under section 460 of the Act if the Person has failed to provide the information requested within 60 days from the date of the request.
- (2) The provisions of section 296 of the Act apply to the Municipal Assessor's application for and acquisition of court authorized inspections and enforcement with all necessary modifications as if they had been set out in this Bylaw.

Supplementary Business Assessment

8. A supplementary business assessment for 2020 will be imposed:
- (a) on each Person who operates a Business for a temporary period and whose name is not entered on the business assessment roll;
 - (b) on each Person who moves into new Premises or opens new Premises or branches of an existing Business, even though the Person's name is already entered on the business assessment roll for another Premises;
 - (c) on each Person who begins operating a Business and whose name is not entered on the business assessment roll for the associated Premises; and
 - (d) on each Person who increases the space of the Premises after the business assessment roll has been prepared.
9. Supplementary assessments will be determined by pro-rating the Net Annual Rental Value of the Premises to reflect the number of months the Business is operated during 2020, with any portion of a month greater than fifteen (15) days being considered to be a full month.
10. Sections 3 through 7 of this Bylaw apply to the imposition of a supplementary assessment.

Taxation

11. All Businesses shall be taxed at the rate or rates set out in the 2020 Business Improvement Area Tax Rates Bylaw, except Businesses that are exempt from BIA taxation pursuant to section 17.
12. (1) The amount of BIA tax to be imposed under this Bylaw in respect of a Business is calculated by multiplying one hundred percent of the assessment or supplementary assessment for the Business by the BIA tax rate specified in the 2020 Business Improvement Area Tax Rates Bylaw.
- (2) A tax imposed under this Bylaw must be paid by the Person who operates the Business.
13. The City shall:

- (a) produce a BIA tax roll containing the name of each Person liable for BIA tax set opposite to the amount of BIA tax payable by that Person; and
 - (b) mail or deliver a tax bill to each Person liable for BIA tax, which shows both the assessed value of the Premises and the amount of the BIA tax payable.
14. When a lessee, who is liable to pay the tax imposed under this Bylaw in respect of any leased Premises, sublets the whole or part of the Premises, The City may require the lessee or the sub-lessee, but not both, to pay the tax in respect of the whole or part of the Premises.
15. BIA taxes shall be due and payable on or before March 31, 2020.

Liability for BIA Taxes

16. (1) Subject to sections 17 and 22 of this Bylaw, when a Person operates a Business in the City, the Person is liable for payment of the BIA tax imposed in respect of that Business, whether based on an annual or supplementary assessment.
- (2) Despite subsection (1), if the amount of BIA tax imposed on a Business, as calculated pursuant to subsection 12(1), is less than \$25.00, the Person who operates that Business is not liable for payment of the BIA tax imposed in respect of that Business.

Exemption from BIA Taxation

17. (1) Notwithstanding section 16 of this Bylaw, but subject to the subsections below, the following classes of Businesses are exempt from the payment of BIA taxes imposed under this Bylaw:
- (a) any Business exempt from tax pursuant to sections 351, 375 or 376 of the Act;
 - (b) any Business operated on property which appears on The City's 2020 property assessment roll as one hundred percent belonging to the residential assessment class or any residential assessment subclass;
 - (c) on-street parking located on roads owned by The City;
 - (d) any Business whose use of the property would qualify that property to be eligible for a property tax exemption pursuant to the Act;
 - (e) any Business that is a bingo operated under a bingo facility licence by a Non-Profit organization pursuant to the *Gaming, Liquor and Cannabis Act* (R.S.A. 2000, c. G-1);
 - (f) any Business established as a Non-Profit organization where the Premises is used to promote the interests of an industry, profession or trade including education or research;

- (g) Premises used by a Trade Union where the activities of a Trade Union are conducted;
 - (h) any Business whose use of the property would qualify that property to be eligible for a property tax exemption under the Regulation but for sections 16(2) or (3) of the Regulation.
- (2) Premises licensed under the *Gaming, Liquor and Cannabis Act* are not exempt from BIA taxation with the exception of Premises in respect of which a bingo licence, casino licence, pull ticket licence, Class C liquor licence or a special event licence has been issued under the *Gaming, Liquor and Cannabis Regulation* (AR 143/96).
- (3) Notwithstanding subsection (1), any Business, including one operated by a Non-Profit organization or association, whose use of the Premises:
- (a) is primarily for Commercial Purposes; and
 - (b) operates in competition with other Businesses in the city of Calgary;
- is not exempt from BIA taxation.
- (4) Subject to the restrictions set out in this section, a Business may become exempt from the payment of BIA taxes imposed under this Bylaw for a portion of a Premises which becomes Vacant and Unused for a period of at least 30 days, regardless of whether there is a lease or license of occupation in place with respect to that Premises.
- (a) For greater certainty, the term “Vacant and Unused” in this section means space which forms part of a Premises but:
 - (i) is physically separated from other space by walls and locked doors or is separated by other means which makes it inaccessible and unable to be used for Business purposes; and
 - (ii) is entirely empty from wall to wall and floor to ceiling, and does not contain equipment, furnishings, cubicle walls or partitions; but
 - (iii) does not include portions of the Premises which are temporarily unused such as hotel and motel rooms, individual offices, parking spaces, or space being renovated.
 - (b) In order to be eligible to benefit from an exemption for Vacant and Unused space pursuant to this subsection:
 - (i) a Person must notify the Municipal Assessor in writing of the Vacant and Unused space; and
 - (ii) the Municipal Assessor must have confirmed that the space is Vacant and Unused.

- (c) Any exemption granted for Vacant and Unused space pursuant to this subsection shall not take effect or have application prior to the date of notification, and shall have effect only as long as the space is Vacant and Unused.

Penalties For Unpaid BIA Taxes

- 18. (1) (a) On April 1, 2020, a penalty of seven (7%) percent of the unpaid amount of the current year's BIA tax levy shall be imposed; and
 - (b) On July 1, 2020, an additional penalty of seven (7%) percent of the unpaid amount of the current year's BIA tax levy shall be imposed.
- (2) All BIA taxes levied by The City remaining unpaid after the year in which they are levied shall have added thereto, on the first day of every month of every year, a penalty equivalent to one (1%) percent of the then unpaid taxes, so long as the taxes or any portion of them remain unpaid.
- (3) A penalty imposed under subsections (1) and (2) forms part of the tax in respect of which it is imposed.

Supplementary BIA Tax

- 19. A supplementary BIA tax shall be levied upon any Person who is subject to a supplementary business assessment in accordance with sections 8 and 9 of this Bylaw.
- 20. A supplementary BIA tax is due thirty (30) days after the date on which the supplementary tax notice is mailed to the Person being taxed.
- 21. Sections 12, 13, 14 and 18 of this Bylaw apply to the imposition of a supplementary BIA tax.

Pro-rating and Rebating BIA Taxes

- 22. When The City is notified that a Business has ceased to use space in connection with the Business, the associated tax account shall be adjusted in proportion to the number of months of operation in the calendar year, with any portion of the month greater than fifteen (15) days being considered to be a full month. If there is a credit balance after the account has been adjusted, that amount will be refunded to the owner of the Business or applied to any other outstanding BIA tax accounts of that owner.
- 23. If the Business receives a reduction in its business assessment, resulting in a credit balance on its BIA tax account, that amount will be refunded to the owner of the Business or applied to any other outstanding BIA tax accounts of that owner.

Business Tax Instalment Payment Plan

- 24. (1) In this section:
 - (a) "Business Tax Instalment Payment Plan" also referred to as "BTIPP" means the plan authorized by this Bylaw permitting taxpayers to pay business taxes or BIA taxes by way of monthly instalments;

- (b) "Tax" includes all taxes lawfully imposed against a Business by The City pursuant to the Act, any bylaw enacted pursuant to such authority, or any other statute of the Province of Alberta, but does not include supplementary taxes;
 - (c) "Taxpayer" means the operator of a Business liable for the payment of Taxes; and
 - (d) "Tax Collector" means the City Treasurer or his or her designate.
- (2) Any Taxpayer in the City may apply to be included in BTIPP as described in this section to provide for the payment of Taxes by instalments.
- (3) (a) Taxpayers who wish to apply for inclusion in BTIPP must apply to the Tax Collector on or before December 31st of each year and shall not be included within BTIPP until approved by the Tax Collector;
- (b) A Taxpayer who applies for inclusion in BTIPP after December 31st and who is approved by the Tax Collector for inclusion in BTIPP shall pay all the monthly instalments which should have been paid as at the time of application had the Taxpayer been included in BTIPP as at January 1st plus a late enrolment fee of two percent (2%) thereof;
- (c) The Tax Collector may refuse a Taxpayer's request to be included in BTIPP for reasons as set out in this Bylaw;
- (d) A Taxpayer is not eligible to be included in BTIPP unless as of December 31 of the previous year, the Taxpayer has no balance outstanding in his or her tax roll account.
- (e) A Taxpayer may not apply for inclusion in BTIPP more than once in the same calendar year with respect to the same Business.
- (4) A Taxpayer who is included and has not been removed from BTIPP, shall not be subject to the provisions of section 15 as to the due date for the payment of Taxes, nor to the provisions of section 18 as to penalties on unpaid Taxes.
- (5) A Taxpayer who is included in BTIPP shall pay Taxes on a monthly basis for the current year subject to the following conditions:
- (a) a Taxpayer, having been included in BTIPP, shall make twelve monthly payments, to be paid by automatic bank withdrawal on the first day of each month of the calendar year in an amount equal to one-twelfth of the previous year's Tax levy or, in the event a previous year's Tax levy is not available, in an amount to be determined by the Tax Collector; and
 - (b) upon determination of the current year's Tax levy, the Taxpayer's payments shall be adjusted to provide for the full payment of the current year's Tax levy over the remaining months of the year.

- (c) if there is an balance outstanding on a business tax roll account or a BIA tax roll account, the Taxpayer shall continue to make monthly payments in accordance with subsection (5)(a) until the outstanding balance has been paid.
 - (6) In the event a Business, the previous Taxpayer of which was included in BTIPP, is sold, the BTIPP agreement is immediately cancelled as at the sale date.
 - (7) The Tax Collector may remove a Taxpayer from BTIPP in the event the Taxpayer defaults in making payment of any Tax instalment on the due date as required for each instalment under subsection (5)(c).
 - (8) Notice of a removal pursuant to subsection (7) shall be sent to the Taxpayer by ordinary mail to the Taxpayer's last known address as listed on the tax roll.
 - (9) When a Taxpayer is removed from BTIPP subsequent to the due date for the payment of Taxes as specified in the appropriate municipal bylaws, other than this Bylaw, all unpaid Taxes become immediately due and payable and the penalty provisions of all appropriate municipal bylaws apply to the unpaid Taxes.
 - (10) When a Taxpayer is removed from BTIPP prior to the due date for the payment of Taxes as specified in the appropriate municipal bylaw, or when a Taxpayer requests removal from BTIPP prior to the due date for the payment of Taxes, all payments shall be retained by the Tax Collector for credit to the Taxpayer's account and such payments will receive the benefit of any available Tax discounts as provided by bylaw and will be credited to the Taxpayer's Tax account.
 - (11) In the event a Taxpayer requests removal from BTIPP pursuant to subsection 10, all Taxes due and owing shall then become due and owing on the due date for the payment of Taxes as specified in the this Bylaw and the provisions of all appropriate municipal bylaws relating to penalties for unpaid Taxes shall apply to all unpaid Taxes due and owing to The City after the due date.
25. This Bylaw comes into force on the day it is passed.

SCHEDULE "A"

TO THE 2020 BUSINESS IMPROVEMENT AREA TAX BYLAW

BUSINESS IMPROVEMENT AREA	BYLAW NUMBER
Beltline Business Improvement Area	34M2019
Mainstreet Bowness Business Improvement Area	55M2016
Bridgeland Business Improvement Area	33M2019
Calgary Downtown Association	38M2017
Chinatown District Business Improvement Area	43M2015
Crescent Heights Village Business Improvement Area	32M2019
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Inglewood Business Improvement Area	36M2017
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Montgomery on the Bow Business Improvement Area	54M2016
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Victoria Park Business Improvement Area	57M2016

Chief Financial Officer's Report to
Priorities and Finance Committee
2020 January 21

ISC: UNRESTRICTED
PFC2020-0009

2020 Business Improvement Area Tax Bylaw

EXECUTIVE SUMMARY

Council approval is required to establish the 2020 Business Improvement Area Tax Bylaw. The 2020 Business Improvement Area Tax Bylaw is required as a measure for Business Improvement Areas (BIAs) to raise the BIA tax identified in each BIA budget through the 2020 Business Improvement Area Tax Rates Bylaw. The 2020 BIA budgets and 2020 Business Improvement Area Tax Rates Bylaw are being brought to Committee and Council concurrent with this report.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council give three readings to the proposed 2020 Business Improvement Area Tax Bylaw (Attachment 1).

PREVIOUS COUNCIL DIRECTION / POLICY

Annually, since the inception of BIAs within Calgary in 1984, Council has approved the BIA annual budgets and bylaws as required by the *Municipal Government Act* (MGA) and *Business Improvement Area Regulation*, AR93/2016 (the BIA Regulation).

Through PFC2018-1068, Council approved the 2019 Business Improvement Area Tax Bylaw.

BACKGROUND

Section 381 of the MGA and section 20 of the BIA Regulation provide Council with the authority to provide for the taxation of businesses within each BIA as a source of funding for that BIA.

The proposed 2020 Business Improvement Area Tax Bylaw authorizes the imposition of a tax on businesses within the BIAs for the 2020 tax year in accordance with section 20 of the current BIA Regulation. This bylaw will apply only to businesses operating within a current BIA or any new BIA established during the 2020 tax year.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The 2020 Business Improvement Area Tax Bylaw provides the authority for the BIA tax to be collected from businesses operating within BIAs. It specifies the business assessment method as the basis for the BIA tax to be imposed. The criteria for exemptions from the BIA tax are based on the provisions within past Business Improvement Area Tax Bylaws and Business Tax Bylaws.

To enhance administrative efficiency, the draft bylaw also provides for a minimum BIA tax of \$25.00. Businesses with a calculated BIA tax of \$24.99 or less will not receive a 2020 Business Improvement Area Tax Notice. Administration estimates this will result in approximately 180 accounts not being charged a BIA tax for 2020, totaling approximately \$2,700 in BIA tax revenue. The difference in revenue as a result of this change will be recovered through adjustments to BIA tax rates in the following year.

The 2020 Business Improvement Area Tax Rates Bylaw is being presented to the Priorities and Finance Committee, and subsequently to Council, concurrent with this report. At the same time Administration is seeking approval of the proposed 2020 BIA budgets. A 2020 Business

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2020 Business Improvement Area Tax Bylaw

Improvement Area Levy Notice will be targeted for a mailing to businesses on 2020 February 7. The BIA Tax will be due 2020 March 31.

Stakeholder Engagement, Research and Communication

The preparation of the 2020 Business Improvement Area Tax Bylaw Report involved representatives from Finance, Law, Assessment and Calgary Neighbourhoods.

Representatives of the BIAs within Calgary have been engaged and advised that the BIA tax will continue to be imposed through a form of business tax until changes to the MGA and associated BIA Regulation has been affected and provides for the levying of the BIA tax from the property owner instead of the business owner.

Strategic Alignment

The approval of the BIA budgets and enabling bylaws allows BIAs to receive funding to serve their business communities which supports One Calgary and the "A Prosperous City" Council Priority which notes that "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."

Social, Environmental, Economic (External)

Passing the 2020 Business Improvement Area Tax Bylaw will authorize The City to impose and collect the BIA tax. BIAs provide economic benefit to Calgary by creating a healthy environment for businesses within the BIA to grow and attract customers.

The proposed 2020 Business Improvement Area Tax Bylaw includes exemptions for businesses that meet the eligibility provisions established in the bylaw.

Financial Capacity

Current and Future Operating Budget:

In accordance with the 2020 BIA budgets as approved by Council, the revenue that will be raised as a result of the BIA tax is transferred directly to each respective BIA.

Current and Future Capital Budget:

There are no current impacts on the capital budget.

Risk Assessment

Where the MGA currently enables the imposition of a BIA tax on taxable businesses within a BIA, *An Act to Strengthen Municipal Government* proposes amendments to the MGA which would permit, as an alternative, that the BIA tax be imposed on property within a BIA. To date these amendments are not in force, meaning that the BIA tax must be imposed on taxable businesses and collected through business operators. Revisions to the BIA Regulation to allow the BIA tax to be collected through BIA property owners are also anticipated but have not been released by the Province to date.

Once the revisions to the BIA Regulation are released and the amendments to the MGA are in force, it is anticipated that Administration will prepare a report for Council to consider the option to impose the BIA tax on property within a BIA instead of businesses. If these revisions are not

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2020 Business Improvement Area Tax Bylaw

approved, The City could potentially face capital costs to maintain or develop information technology systems to allow for the continued taxation of businesses, and the collection of BIA taxes from business operators.

If Council does not pass the 2020 Business Improvement Area Tax Bylaw, The City will not be able to impose and collect the BIA tax and distribute the funds to the respective BIAs.

During preparation of the draft bylaw, it was determined that the legislation contains some limitations on what businesses may be exempted from BIA tax. In previous years, if a business was exempted from business tax through the annual Business Tax Bylaw, Administration's systems also provided an exemption from the BIA tax. However, the legislation only provides for an exemption from BIA taxes for some but not all of these businesses. Similar to the 2019 Business Improvement Area Tax Bylaw, the draft 2020 Business Improvement Area Tax Bylaw will maintain the status quo for 2020. Changes to ensure alignment with the current legislation for BIAs will be reviewed and if required, brought before Council if the BIA tax must continue to be imposed on businesses within BIAs.

REASON(S) FOR RECOMMENDATION(S):

The 2020 Business Improvement Area Tax Bylaw provides The City with the authority to impose the BIA tax on businesses within each Calgary BIA. The BIAs rely on the BIA tax as a revenue source. If the 2020 Business Improvement Area Tax bylaw is passed, then the 2020 Business Improvement Area Tax Rates Bylaw and proposed 2020 BIA Budgets can be considered for approval when presented to Council concurrent with this report.

ATTACHMENT(S)

1. Attachment 1 – Proposed Wording for the 2020 Business Improvement Area Tax Bylaw

Proposed Wording for the 2020 Business Improvement Area Tax Bylaw

Short Title

1. This Bylaw may be cited as the “2020 Business Improvement Area Tax Bylaw”.

Definitions and Interpretation

2. (1) In this Bylaw:
 - (a) “Act” means the *Municipal Government Act*, R.S.A. 2000, c. M-26;
 - (b) “Business” means a business located in a business improvement area listed in Schedule “A”;
 - (c) “Business Improvement Area” or “BIA” means a business improvement area established pursuant to section 50 of the Act and the regulations and bylaws enacted pursuant to that section;
 - (d) “City” means The City of Calgary, a municipal corporation of the Province of Alberta and, where the context so requires, means the area contained within the municipal boundaries of the city of Calgary;
 - (e) “Commercial Purposes” means the use of the Premises for commerce or trade purposes or for the sale of assets or goods to the public for gain;
 - (f) “Municipal Assessor” means the person appointed to the designated officer position of Municipal Assessor pursuant to section 284.2 of the Act and Bylaw 49M2007;
 - (g) “Net Annual Rental Value” means the typical market annual rental value of the Premises exclusive of operating costs;
 - (h) “Non-Profit” refers to an organization, association or union as defined in section 6 of the Regulation;
 - (i) “Person” includes a corporation and the heirs, executors, administrators or other legal representatives of a Person;
 - (j) “Premises” means any space used in connection with a Business, and without limiting the generality of the foregoing includes:
 - (i) land and buildings or parts of buildings on such land, and
 - (ii) any store, office, warehouse, factory, facility, hotel, motel, enclosure, yard or other space;
 - (k) “Regulation” means the *Community Organization Property Tax Exemption Regulation* (Alberta Regulation 281/1998); and

- (l) "Trade Union" refers to a Non-Profit trade union established and recognized under the *Alberta Labour Relations Code* (R.S.A. 2000 c. L-1) or the *Canada Labour Code* (R.S.C. 1985, c. L-2).
- (2) Each provision of this Bylaw is independent of all other provisions and if any provision is declared invalid for any reason by a Court of competent jurisdiction, all other provisions of this Bylaw remain valid and enforceable.

Assessment of Businesses

- 3.
 - (1) Every Person who operates a Business in 2020 shall be assessed a business assessment by the Municipal Assessor for the purposes of imposing a BIA tax.
 - (2) Despite subsection (1), a Person who operates a Business that is exempt from BIA taxation pursuant to section 17 shall not be assessed.
 - (3) Business assessments shall be prepared based on one hundred percent of the Net Annual Rental Value of the Premises.
 - (4) Any business assessment prepared in accordance with this bylaw must be an estimate of the Net Annual Rental Value of the Premises on July 1, 2019.
 - (5) The Municipal Assessor shall:
 - (a) prepare a business assessment roll for the purposes of generating a BIA tax roll for 2020; and
 - (b) enter on the business assessment roll the name of every Person operating a Business that has been assessed in accordance with subsection (1).
- 4. If it is discovered that there is an error, omission or misdescription in any of the information shown on the business assessment roll for 2020, the Municipal Assessor may correct the business assessment roll for 2020.
- 5. If it is discovered that no business assessment has been prepared for a Business for 2020, an assessment for 2020 must be prepared.
- 6. After giving reasonable notice to a Person operating a Business, the Municipal Assessor may at any reasonable time, for the purpose of preparing an assessment of the Business or determining if the Business is to be assessed:
 - (a) enter and inspect the Premises;
 - (b) request anything to be produced to assist the Municipal Assessor in preparing the assessment or determining if the Business is to be assessed; and
 - (c) make copies of anything necessary to the inspection.
- 7. (1) The provisions of section 295 of the Act apply such that:

- (a) a Person must provide, on request by the Municipal Assessor, any information necessary for the Municipal Assessor to carry out the duties and responsibilities of an assessor pursuant to Parts 9 to 12 of the Act and the associated regulations; and
 - (b) no Person may make a complaint in the year following the assessment year under section 460 of the Act if the Person has failed to provide the information requested within 60 days from the date of the request.
- (2) The provisions of section 296 of the Act apply to the Municipal Assessor's application for and acquisition of court authorized inspections and enforcement with all necessary modifications as if they had been set out in this Bylaw.

Supplementary Business Assessment

8. A supplementary business assessment for 2020 will be imposed:
- (a) on each Person who operates a Business for a temporary period and whose name is not entered on the business assessment roll;
 - (b) on each Person who moves into new Premises or opens new Premises or branches of an existing Business, even though the Person's name is already entered on the business assessment roll for another Premises;
 - (c) on each Person who begins operating a Business and whose name is not entered on the business assessment roll for the associated Premises; and
 - (d) on each Person who increases the space of the Premises after the business assessment roll has been prepared.
9. Supplementary assessments will be determined by pro-rating the Net Annual Rental Value of the Premises to reflect the number of months the Business is operated during 2020, with any portion of a month greater than fifteen (15) days being considered to be a full month.
10. Sections 3 through 7 of this Bylaw apply to the imposition of a supplementary assessment.

Taxation

11. All Businesses shall be taxed at the rate or rates set out in the 2020 Business Improvement Area Tax Rates Bylaw, except Businesses that are exempt from BIA taxation pursuant to section 17.
12. (1) The amount of BIA tax to be imposed under this Bylaw in respect of a Business is calculated by multiplying one hundred percent of the assessment or supplementary assessment for the Business by the BIA tax rate specified in the 2020 Business Improvement Area Tax Rates Bylaw.
- (2) A tax imposed under this Bylaw must be paid by the Person who operates the Business.

13. The City shall:
 - (a) produce a BIA tax roll containing the name of each Person liable for BIA tax set opposite to the amount of BIA tax payable by that Person; and
 - (b) mail or deliver a tax bill to each Person liable for BIA tax, which shows both the assessed value of the Premises and the amount of the BIA tax payable.
14. When a lessee, who is liable to pay the tax imposed under this Bylaw in respect of any leased Premises, sublets the whole or part of the Premises, The City may require the lessee or the sub-lessee, but not both, to pay the tax in respect of the whole or part of the Premises.
15. BIA taxes shall be due and payable on or before March 31, 2020.

Liability for BIA Taxes

16. (1) Subject to sections 17 and 22 of this Bylaw, when a Person operates a Business in the City, the Person is liable for payment of the BIA tax imposed in respect of that Business, whether based on an annual or supplementary assessment.
- (2) Despite subsection (1), if the amount of BIA tax imposed on a Business, as calculated pursuant to subsection 12(1), is less than \$25.00, the Person who operates that Business is not liable for payment of the BIA tax imposed in respect of that Business.

Exemption from BIA Taxation

17. (1) Notwithstanding section 16 of this Bylaw, but subject to the subsections below, the following classes of Businesses are exempt from the payment of BIA taxes imposed under this Bylaw:
 - (a) any Business exempt from tax pursuant to sections 351, 375 or 376 of the Act;
 - (b) any Business operated on property which appears on The City's 2020 property assessment roll as one hundred percent belonging to the residential assessment class or any residential assessment subclass;
 - (c) on-street parking located on roads owned by The City;
 - (d) any Business whose use of the property would qualify that property to be eligible for a property tax exemption pursuant to the Act;
 - (e) any Business that is a bingo operated under a bingo facility licence by a Non-Profit organization pursuant to the *Gaming, Liquor and Cannabis Act* (R.S.A. 2000, c. G-1);
 - (f) any Business established as a Non-Profit organization where the Premises is used to promote the interests of an industry, profession or trade including education or research;

- (g) Premises used by a Trade Union where the activities of a Trade Union are conducted;
 - (h) any Business whose use of the property would qualify that property to be eligible for a property tax exemption under the Regulation but for sections 16(2) or (3) of the Regulation.
- (2) Premises licensed under the *Gaming, Liquor and Cannabis Act* are not exempt from BIA taxation with the exception of Premises in respect of which a bingo licence, casino licence, pull ticket licence, Class C liquor licence or a special event licence has been issued under the *Gaming, Liquor and Cannabis Regulation* (AR 143/96).
- (3) Notwithstanding subsection (1), any Business, including one operated by a Non-Profit organization or association, whose use of the Premises:
- (a) is primarily for Commercial Purposes; and
 - (b) operates in competition with other Businesses in the city of Calgary;
- is not exempt from BIA taxation.
- (4) Subject to the restrictions set out in this section, a Business may become exempt from the payment of BIA taxes imposed under this Bylaw for a portion of a Premises which becomes Vacant and Unused for a period of at least 30 days, regardless of whether there is a lease or license of occupation in place with respect to that Premises.
- (a) For greater certainty, the term “Vacant and Unused” in this section means space which forms part of a Premises but:
 - (i) is physically separated from other space by walls and locked doors or is separated by other means which makes it inaccessible and unable to be used for Business purposes; and
 - (ii) is entirely empty from wall to wall and floor to ceiling, and does not contain equipment, furnishings, cubicle walls or partitions; but
 - (iii) does not include portions of the Premises which are temporarily unused such as hotel and motel rooms, individual offices, parking spaces, or space being renovated.
 - (b) In order to be eligible to benefit from an exemption for Vacant and Unused space pursuant to this subsection:
 - (i) a Person must notify the Municipal Assessor in writing of the Vacant and Unused space; and
 - (ii) the Municipal Assessor must have confirmed that the space is Vacant and Unused.

- (c) Any exemption granted for Vacant and Unused space pursuant to this subsection shall not take effect or have application prior to the date of notification, and shall have effect only as long as the space is Vacant and Unused.

Penalties For Unpaid BIA Taxes

- 18. (1) (a) On April 1, 2020, a penalty of seven (7%) percent of the unpaid amount of the current year's BIA tax levy shall be imposed; and
 - (b) On July 1, 2020, an additional penalty of seven (7%) percent of the unpaid amount of the current year's BIA tax levy shall be imposed.
- (2) All BIA taxes levied by The City remaining unpaid after the year in which they are levied shall have added thereto, on the first day of every month of every year, a penalty equivalent to one (1%) percent of the then unpaid taxes, so long as the taxes or any portion of them remain unpaid.
- (3) A penalty imposed under subsections (1) and (2) forms part of the tax in respect of which it is imposed.

Supplementary BIA Tax

- 19. A supplementary BIA tax shall be levied upon any Person who is subject to a supplementary business assessment in accordance with sections 8 and 9 of this Bylaw.
- 20. A supplementary BIA tax is due thirty (30) days after the date on which the supplementary tax notice is mailed to the Person being taxed.
- 21. Sections 12, 13, 14 and 18 of this Bylaw apply to the imposition of a supplementary BIA tax.

Pro-rating and Rebating BIA Taxes

- 22. When The City is notified that a Business has ceased to use space in connection with the Business, the associated tax account shall be adjusted in proportion to the number of months of operation in the calendar year, with any portion of the month greater than fifteen (15) days being considered to be a full month. If there is a credit balance after the account has been adjusted, that amount will be refunded to the owner of the Business or applied to any other outstanding BIA tax accounts of that owner.
- 23. If the Business receives a reduction in its business assessment, resulting in a credit balance on its BIA tax account, that amount will be refunded to the owner of the Business or applied to any other outstanding BIA tax accounts of that owner.

Business Tax Instalment Payment Plan

- 24. (1) In this section:
 - (a) "Business Tax Instalment Payment Plan" also referred to as "BTIPP" means the plan authorized by this Bylaw permitting taxpayers to pay business taxes or BIA taxes by way of monthly instalments;

- (b) "Tax" includes all taxes lawfully imposed against a Business by The City pursuant to the Act, any bylaw enacted pursuant to such authority, or any other statute of the Province of Alberta, but does not include supplementary taxes;
 - (c) "Taxpayer" means the operator of a Business liable for the payment of Taxes; and
 - (d) "Tax Collector" means the City Treasurer or his or her designate.
- (2) Any Taxpayer in the City may apply to be included in BTIPP as described in this section to provide for the payment of Taxes by instalments.
- (3) (a) Taxpayers who wish to apply for inclusion in BTIPP must apply to the Tax Collector on or before December 31st of each year and shall not be included within BTIPP until approved by the Tax Collector;
- (b) A Taxpayer who applies for inclusion in BTIPP after December 31st and who is approved by the Tax Collector for inclusion in BTIPP shall pay all the monthly instalments which should have been paid as at the time of application had the Taxpayer been included in BTIPP as at January 1st plus a late enrolment fee of two percent (2%) thereof;
- (c) The Tax Collector may refuse a Taxpayer's request to be included in BTIPP for reasons as set out in this Bylaw;
- (d) A Taxpayer is not eligible to be included in BTIPP unless as of December 31 of the previous year, the Taxpayer has no balance outstanding in his or her tax roll account.
- (e) A Taxpayer may not apply for inclusion in BTIPP more than once in the same calendar year with respect to the same Business.
- (4) A Taxpayer who is included and has not been removed from BTIPP, shall not be subject to the provisions of section 15 as to the due date for the payment of Taxes, nor to the provisions of section 18 as to penalties on unpaid Taxes.
- (5) A Taxpayer who is included in BTIPP shall pay Taxes on a monthly basis for the current year subject to the following conditions:
- (a) a Taxpayer, having been included in BTIPP, shall make twelve monthly payments, to be paid by automatic bank withdrawal on the first day of each month of the calendar year in an amount equal to one-twelfth of the previous year's Tax levy or, in the event a previous year's Tax levy is not available, in an amount to be determined by the Tax Collector; and
 - (b) upon determination of the current year's Tax levy, the Taxpayer's payments shall be adjusted to provide for the full payment of the current year's Tax levy over the remaining months of the year.

- (c) if there is an balance outstanding on a business tax roll account or a BIA tax roll account, the Taxpayer shall continue to make monthly payments in accordance with subsection (5)(a) until the outstanding balance has been paid.
 - (6) In the event a Business, the previous Taxpayer of which was included in BTIPP, is sold, the BTIPP agreement is immediately cancelled as at the sale date.
 - (7) The Tax Collector may remove a Taxpayer from BTIPP in the event the Taxpayer defaults in making payment of any Tax instalment on the due date as required for each instalment under subsection (5)(c).
 - (8) Notice of a removal pursuant to subsection (7) shall be sent to the Taxpayer by ordinary mail to the Taxpayer's last known address as listed on the tax roll.
 - (9) When a Taxpayer is removed from BTIPP subsequent to the due date for the payment of Taxes as specified in the appropriate municipal bylaws, other than this Bylaw, all unpaid Taxes become immediately due and payable and the penalty provisions of all appropriate municipal bylaws apply to the unpaid Taxes.
 - (10) When a Taxpayer is removed from BTIPP prior to the due date for the payment of Taxes as specified in the appropriate municipal bylaw, or when a Taxpayer requests removal from BTIPP prior to the due date for the payment of Taxes, all payments shall be retained by the Tax Collector for credit to the Taxpayer's account and such payments will receive the benefit of any available Tax discounts as provided by bylaw and will be credited to the Taxpayer's Tax account.
 - (11) In the event a Taxpayer requests removal from BTIPP pursuant to subsection 10, all Taxes due and owing shall then become due and owing on the due date for the payment of Taxes as specified in the this Bylaw and the provisions of all appropriate municipal bylaws relating to penalties for unpaid Taxes shall apply to all unpaid Taxes due and owing to The City after the due date.
25. This Bylaw comes into force on the day it is passed.

SCHEDULE "A"

TO THE 2020 BUSINESS IMPROVEMENT AREA TAX BYLAW

BUSINESS IMPROVEMENT AREA	BYLAW NUMBER
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ISC: UNRESTRICTED
PFC2020-0015

2020 Non-Residential Property Tax Relief Options

EXECUTIVE SUMMARY

At the onset of the economic downturn in Alberta there was a very sharp and rapid decline in the market value of downtown office properties while the values for other non-residential property types remained relatively stable. As a result, a large share of the tax burden previously carried by the downtown office inventory was transferred to other sectors of the non-residential inventory located outside the downtown.

Previous year's Phased Tax Programs (PTP) were intended to address the tax shifts resulting from the disproportional market value changes experienced by the different sectors of the non-residential inventory by limiting increases to the municipal portion of the non-residential property tax. Of the \$216 million in PTP funding approved by Council since 2017, approximately \$174 million in credits have been issued to date to provide tax relief to business and non-residential property owners over the last 3 years.

Council's decision on 2019 November 29 to shift a portion of the tax share from residential to non-residential will also serve to ease the property tax burden for non-residential property owners and businesses. Another benefit of the shift of tax responsibility from non-residential to residential properties is the reduction in the impact of the "bow wave" effect which was a result of the substantial credits issued in the \$130.9 million 2019 PTP.

Given the stabilization of the downtown office market values, with some properties showing substantial market value increases for 2020 coupled with decreased non-residential tax share, if PTP were to be implemented in 2020 based on the same criteria of previous years' PTP the primary recipients of such a program would generally be the properties that experienced the most significant tax decreases over the last four years.

Based on direction given by Council on 2019 November 29 to come back with options for a transitional non-residential PTP, Administration reviewed the 2019 program and explored possible alternative options which would not only provide tax relief to properties facing the largest municipal tax increases but would also help transition non-residential properties in order to reduce the "bow wave" effect even further.

After reviewing the benefits, risks and operational concerns of many mechanisms, Administration is recommending a modified PTP for 2020. This option proposes to phase in 2020 municipal non-residential property tax increases by capping them for eligible properties at 10 per cent of the prior year's municipal portion of the tax amount. The program is modified by using the 2019 actual municipal property tax amount (after PTP credits were applied) to ascertain the year-over-year change in taxes.

While there are some risks and operational concerns, Administration believes that the modified 2020 PTP option with a 10 per cent municipal property tax increase would be the best for providing tax relief to those non-residential property owners who have experienced the most significant municipal property tax increases over the past four years. Furthermore, this option will serve to offset the "bow wave" effect of past year's PTPs and provide the intended transitional phasing effect to lessen the impact of year-over-year municipal tax increases.

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2020 Non-Residential Property Tax Relief Options

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council:

1. Direct Administration to implement Option 2; "*Modified PTP Calculation Using Actual After PTP Taxes (PTP Applied)*", with a 10 per cent non-residential municipal property tax cap for 2020;
2. Approve \$10,624,755 from unused funds previously allocated for PTP and \$19,402,901 from the Fiscal Stability Reserve generated from anticipated year end 2019 Corporate Program savings for the 2020 PTP;
3. Direct Administration to come back with options for a transitional non-residential Phased tax program for 2021 if required to the Priorities and Finance Committee in Q1 2021 due to uncertainties relating to future market conditions and the 2021 assessment values;
4. That Report PFC2020-0015 be forwarded to the 2020 February 3 Combined meeting of Council; and
5. Direct that Attachment 8 remain confidential pursuant to section 27(Privileged information) of the *Freedom of Information and Protection of Privacy Act* to be reviewed by 2035 January 21.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2019 November 29 Strategic Meeting of Council, moved by Councillor Chahal and seconded by Councillor Woolley, through a Motion Arising in respect to Report C2019-1052 2020 Adjustments to the One Calgary Service Plans and Budgets (Verbal), the following was adopted:

"That Council direct administration to come back with options for a transitional non-residential Phased Tax program for 2020 and 2021 to the Priorities and Finance Committee in Q1 2020."

A comprehensive summary of previous Council direction prior to 2019 November 29, in relation to Non-Residential Phased Tax programs and alternatives methods of providing financial relief to businesses, can be found in Attachment 1.

BACKGROUND

Changing Market Conditions:

Since 2014, the non-residential market has been volatile in Calgary. In 2015, drastically falling oil prices caused an economic downturn in Alberta. The various sectors of the non-residential market, namely retail, office, and industrial, have performed very differently over that period.

At the onset of the downturn there was a very sharp and rapid decline in the market value of downtown office properties while the values for other non-residential property types, namely retail and industrial, remained relatively stable. As a result, a large share of the tax burden previously carried by the downtown office inventory was transferred to other sectors of the non-residential inventory located outside the downtown.

Program Intent:

The Municipal Non-Residential Phased Tax Program (PTP) was initially developed to address the redistributive effect of the decreasing assessed values in the downtown office inventory.

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**ISC: UNRESTRICTED
PFC2020-0015**

2020 Non-Residential Property Tax Relief Options

Council recognized that the resulting tax shift negatively impacted many non-residential property owners and the associated tenant base outside of the downtown core. Even though the market value assessments for these properties remained relatively stable, due to the tax shift, they experienced significant property tax increases.

PTP assisted in addressing the tax shifts resulting from the disproportional market value changes experienced by the different sectors of the non-residential inventory by limiting increases to the municipal portion of the non-residential property tax. However, a significant consequence of the program was that it facilitated the onset of the “bow wave” effect and the ongoing need to implement transitional non-residential municipal tax relief measures in subsequent years.

Council’s intent was to use one-time funding to buffer and mitigate the most extreme municipal property tax increases resulting from the tax shift. The program was first implemented in 2017 and was adopted again in both 2018 and 2019. The 2019 PTP eligibility requirements have been included in Attachment 2. While PTP imposed limits on municipal non-residential property tax increases, the authorized limits varied between 2017, 2018 and 2019. However, the intention to provide financial aid in the form of tax relief for business owners negatively impacted by the tax shift has always been the main goal of the program.

Previous Year’s PTP Updates

PTP Funding Update

Year	Council Approved Amount	Number of Accounts Credited with PTP	PTP Credit Processed	Number of Accounts with Potential PTP Outstanding	Amount of Potential PTP Outstanding	Funds Redirected to 2019 PTP	Unused PTP Amount
2017	\$ 45,000,000	5,060	\$ 27,153,202	40	\$ 1,615,568	\$ 15,500,000	\$ 731,230
2018	\$ 41,000,000	7,033	\$ 30,556,039	45	\$ 2,442,341	\$ 7,400,000	\$ 601,620
2019	\$ 130,900,000	11,655	\$ 116,648,306	121	\$ 4,959,789	N/A	\$ 9,291,905
						Total	\$ 10,624,755

* As of 2020 January 7

The remaining eligible accounts for 2017, 2018 and 2019 had no final previous years’ assessment value to calculate the PTP credit due to an outstanding Assessment Review Board complaint or appeal to the Court of Queen’s Bench. For this reason, there is a need to hold a portion of the original funding until the matters are resolved and the previous years values for the remaining eligible accounts are finalized.

Existing 2020 Non-Residential Property Tax Relief Measures

Reallocation of the Tax Responsibility

Year	Council Approval Date	Residential Property Tax Share	Non-Residential Property Tax Share
2018*	2018 April 5	46%	54%
2019	2019 April 8	47%	53%
2020	2019 July 10	49%	51%
2020	2019 November 29	52%	48%

*2018 included the last year of Business Tax Consolidation

Council’s decision 2019 November 29 served to ease the property tax burden for non-residential property owners and businesses. The shift of tax responsibility from non-residential to

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2020 Non-Residential Property Tax Relief Options

residential properties will also help buffer the impact of the substantial credits issued in 2019 and resulting “bow wave” effect from the \$130.9 million 2019 PTP.

2020 Assessment Roll Summary

The 2020 assessments reflect the real estate market as of 2019 July 1. In summary, the general effects are:

Residential:

- 517,578 taxable residential accounts with a total assessed value of \$212.5 billion.
- The overall typical change in the market value assessment is -4 per cent.
- Market value changes between single residential properties and condominiums were generally the same.
- Note – This does not include any property tax change due to the provincial property tax requisition.
- Minimal tax shifts are expected due to the reassessment process (excluding the approved 7.5 per cent residential municipal property tax rate increase).

Overall, the year-over-year market value changes for the single residential and condominium inventory was relatively consistent and no extreme tax shifts expected due to the annual reassessment. However, due to the decision of Council to increase the tax responsibility for the residential base to 52 per cent, a residential property that’s assessment reflects the typical market value decline for 2020 would still be subject to a municipal property tax increase of approximately 7.5 per cent.

Non-Residential:

- 14,216 taxable non-residential accounts with a total assessed value of \$61.2 billion.
- The overall typical change in the market value assessment is +2 per cent.
- There is a slight variation in the market value changes between the major segments:
 - Retail +3 per cent
 - Industrial +2 per cent
 - Office +1 per cent
- Note – This does not include any property tax change due to the provincial property tax requisition.
- Minimal tax shifts are expected due to reassessment with the exception of the downtown A class office inventory.

After several years of rapid decline, the office market appears to be stabilizing based on marginal year-over-year changes in the assessed values. For 2020 the overall typical market value change attributed to the office inventory is a slight increase of 1 per cent which is a substantial improvement from the -32 per cent decrease from previous years. The most significant contributor to this change is the downtown A class office inventory with a typical market value increase of 22 per cent. Attachment 3 has been provided to illustrate the stabilizing proportion of the non-residential taxable value attributed to the downtown office inventory.

Illustrative examples in Attachment 4 reconcile the 2020 non-residential inventory roll values with the decisions of Council made in 2019 November regarding the indicative 2020 tax rate and

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2020 Non-Residential Property Tax Relief Options

tax share reallocation of 52 per cent residential and 48 per cent non-residential to demonstrate how 2019 PTP impacted non-residential municipal tax changes for 2020.

It is evident that given the stabilization of the downtown office market values, with some properties showing substantial market value increases for 2020 coupled with decreased non-residential tax share, if PTP were to be implemented in 2020 based on the same criteria of previous years' PTP the primary recipients of such a program would generally be the properties that experienced the most significant tax decreases over the last four years.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Previous reports to Council have considered various forms of financial support programs directed at providing financial relief to non-residential properties affected by the tax shift. Based on previous discussion with a number of stakeholders, Administration has explored several possible options to address the impact of non-residential property tax shifts again for 2020, as well as the impact of current economic conditions on local businesses.

2020 Tax Relief Options

Administration analyzed and reviewed a total of 6 potential options in order to provide municipal tax relief to non-residential properties. The following table is a summary of these options and a more in-depth discussion of each can be found in Attachment 5.

Option 1: Original PTP Criteria (With 0%, 5% or 10% tax increase caps)	
Description: Uses the same criteria and process as the 2017, 2018 and 2019 PTP with a cap on the municipal tax increase by 0%, 5% or 10%	Estimated Cost: a) 0% tax increase cap - \$13M b) 5% tax increase cap - \$8.6M c) 10% tax increase cap - \$5.8M
Option 2: Modified PTP Calculation Using Actual After PTP Taxes (PTP Applied)	
Description: Applies a cap to the municipal property tax increase at 5% or 10% using the prior years <i>actual</i> tax value (PTP applied) in the calculation	Estimated Cost: a) 5% tax increase cap - \$46M b) 10% tax increase cap - \$30M
Option 3: Grant Program – Credit a % of the Amount of PTP Paid in 2019	
Description: A program that recipients of the 2019 PTP would receive a % of their 2019 PTP credit	Estimated Cost: At Council's discretion
Option 4: Business Tax Revival in Order to Provide a Business Tax Credit	
Description: Reinstate business tax in order to apply a "reverse tax" or credit directly to businesses	Estimated Cost: *Capital: Approx. \$1.3M to \$1.7M *Operating: Approx. \$1.1M to \$8.4M Credit value: At Council's discretion
<i>*High level preliminary estimate from PFC2019-0559 Non-Residential Assessment Sub-Classes Report Attachment 8</i>	

2020 Non-Residential Property Tax Relief Options

Option 5: Non-Residential Municipal Property Tax Rebate	
Description: Use one-time funds to provide a rebate to all non-residential properties through a municipal property tax rebate based on their assessment value	Estimated Cost: At Council's discretion
Option 6: Compassionate Business Grant by Way of Application	
Description: Create a program that businesses would apply for in order to receive a grant	Estimated Cost: *Capital: Approx. \$500,000 *Operating: Approx. \$1M Grant value: At Council's discretion
<i>*High level preliminary estimate from PFC2019-0590 Small Business Resiliency Grant Program Attachment 6</i>	

Evaluation Criteria

The following issues were given considerable weight in evaluating each of these options:

- Materiality of financial impact (would funding make a difference for the recipients?)
- Administrative concerns including:
 - Complexity of the program
 - Cost of administering program for both non-residential property and business owners as well as Administration
 - Responsiveness / timeliness of program delivery
- Legal concerns
- Sustainability and transitional effects
- Overall total cost of the program (impact on The City of Calgary's financial capacity)

There are many administrative considerations involved in the establishment and management of the tax relief program. Attachment 6 provides a summary of some of the major administrative considerations.

Recommendation

From the 6 proposed options Administration has made a recommendation of Option 2b: *Modified PTP Calculation Using Actual After PTP Taxes (PTP Applied)*. This option proposes to phase in 2020 municipal non-residential property tax increases by capping them for eligible properties at 10 per cent of the prior year's municipal portion of the tax amount. However, the program is modified by using the 2019 after PTP taxes applied amount to ascertain the year-over-year change in taxes. By modifying PTP in this fashion, the program will not only assist in providing tax relief for properties which have faced the largest tax increases over the last 4 years but will also help offset the "bow wave" effect of past year's PTP. This option will also provide the intended transitional phasing effect to lessen the impact of year-over-year municipal tax increases.

Pros:

- Will benefit a large number and range of properties
- Will assist in offsetting the "bow wave" effect of past years' PTPs and provide the intended transitional phasing effect to lessen the impact of year-over-year municipal tax increases

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2020 Non-Residential Property Tax Relief Options

- Provides tax relief to non-residential property owners facing the greatest municipal tax increases
- Provides the intended transitional phasing effect to lessen the impact of year-over-year municipal tax increases
- Same eligibility criteria as previous PTP
- Customers are familiar with this program
- No application required

Cons:

- Will still perpetuate a “bow wave” effect for future years
- Unlike previous PTP’s, also requires the finalization of previous years PTP credits as opposed to just the finalization of previous years assessments to calculate the 2020 credit, both of which could be delayed due to outstanding court appeals
- The PTP creates the effect of different tax rates for each tax payer who receives the credit. The funds do not reduce the tax rate ratio between non-residential and residential
- No guarantees that tax relief is passed along to tenants
- Continued expectation of future tax mitigation programs
- Potential legal risks are addressed in confidential Attachment 8

The below table summarizes the number of eligible accounts and the total estimated cost of the program.

% Cap on 2020 Non-Residential Municipal Property Tax Increase (Based on 2019 Tax Amount after PTP Credits Applied)	2020 Non-Residential Taxable Population*	Estimated Number of Qualified PTP Properties	Estimated Program Cost
10.00%	14,176	5,071	\$30,027,656

*As of 2019 December 20

Administration has found that the other subset of the modified PTP option which proposed to cap municipal property tax increases at 5 per cent (option 2a) would simply perpetuate the “bow wave” effect and would not assist in transitioning away from the need of a tax mitigation program. Though benefitting more non-residential properties, option 2a would provide less relief for the properties facing the largest municipal tax increases.

Relative to the other options considered, option 2b would reconcile the intended goal of providing tax relief to those properties that will experience the highest municipal non-residential property tax increases for 2020 with a program that is relatively cost-effective and straightforward to administer. Furthermore, option 2b best captures the intended phasing effect of PTP in that the municipal property taxes would be effectively lowered for 2020 while ultimately reducing potential property tax increases in future years.

Illustrative examples in Attachment 7 demonstrate the impact and potential implications of the seven tax relief options.

Conclusion

In conclusion, Administration recommends the implementation of Option 2b: Modified PTP Calculation Using Actual After PTP Taxes (PTP Applied), requiring funding of approximately \$30,027,656.

2020 Non-Residential Property Tax Relief Options

Stakeholder Engagement, Research and Communication

Administration worked with both Calgary Economic Development and the Calgary Chamber of Commerce when reviewing options for 2017 and 2018 tax relief and in preparation of C2017-0057 and PF2018-0045. Also, feedback from non-residential property owners on the 2017 and 2018 PTP, as well as customer feedback have been taken into consideration in the preparation of this report.

Strategic Alignment

The proposed options for tax relief align with two fundamental Council Priorities:

- A Prosperous City
- A Well Run City

This proposal supports strategies within the 10 Year Economic Strategy for Calgary and the Community Economic Resilience Program; in particular “Review the economic situation for financial impacts while mitigating and responding to impacts on Action Plan”, “Focus on value for money in service delivery”, “Continue to provide services to Calgarians”, “Proceed with strategic infrastructure investment”, and “Work with partners to identify and respond to what is required”.

Social, Environmental, Economic (External)

Many parts of the business community in Calgary has been negatively impacted by the current economic downturn. Many of the negative impacts on citizens, business and community organizations have been identified and discussed in the Economic Development Investment Fund report.

Financial Capacity

Current and Future Operating Budget:

The proposed 2020 Municipal Non-Residential PTP would require funding in the amount of \$30,027,656. As per Administration’s recommendation, this amount could be funded using \$10,624,755 from unused funds previously allocated for PTP and \$19,402,901 from the Fiscal Stability Reserve generated from anticipated year end 2019 Corporate Program savings for the 2020 PTP.

Current and Future Capital Budget:

There are no capital budget impacts identified in this report.

Risk Assessment

Administration has reviewed options for 2020 tax relief and option 2b provides the highest level of benefit to those impacted by the largest tax increases due to the reassessment process, while minimizing risks, operational concerns and administrative costs to non-residential property owners.

A further analysis of legal risks to be considered is included in confidential Attachment 8.

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2020 Non-Residential Property Tax Relief Options

REASON(S) FOR RECOMMENDATION(S):

On 2020 November 29, in conjunction with the approval of the 2020 Budget Adjustments, Council directed Administration to come back with options for a transitional non-residential Phased Tax program for 2020 and 2021 to the Priority and Finance Committee in Q1 2020.

Administration has reviewed several tax relief mechanisms and the proposed 2020 "Modified" Municipal Non-Residential Phased Tax Program (PTP) would reconcile the intended goal of providing tax relief to those properties that will experience the highest municipal non-residential property tax increases for 2020 with a program that is relatively cost-effective and straightforward to administer. Furthermore, option 2b best captures the intended phasing effect of PTP in that the municipal property taxes would be effectively lowered for 2020 while ultimately reducing potential property tax increases in future years.

Due to uncertainties relating to future market conditions and the 2021 assessment values, Administration has recommended that the Priorities and Finance Committee direct Administration to come back with options for a transitional non-residential Phased tax program for 2021 if required in Q1 2021.

ATTACHMENT(S)

1. Attachment 1 - Previous Council Direction
2. Attachment 2 - 2019 Municipal Non-Residential Phased Tax Program (PTP) Criteria
3. Attachment 3 - Downtown Office Market Value Trend
4. Attachment 4 - Impact of 2019 PTP on 2020 Municipal Non-Residential Property Tax Changes
5. Attachment 5 - Detailed 2020 Non-Residential Property Tax Relief Options
6. Attachment 6 - Administrative Considerations
7. Attachment 7 - Illustrative Examples of the Effects of the 2020 Non-Residential Property Tax Relief Options
8. Attachment 8 - Legal Risk Analysis for various Tax Relief Options (confidential)

PREVIOUS COUNCIL DIRECTION / POLICY

On 2016 January 25, through Notice of Motion NM2016-04 re: Relief for Calgary Business to Administration, Council adopted the following:

REFER, Moved by Councillor Pincott, Seconded by Councillor Farrell, that Council refer Councillor Woolley's Motion, NM2016-04, "Relief for Calgary Businesses", to Administration for further analysis, and direct Administration to include such analysis as part of the Community Economic Resiliency Fund Report currently being prepared by Administration, and report back to the February 02, 2016 meeting of Priorities and Finance Committee.

On 2016 November 21, through a Motion Arising in respect of Report C2016-0863 Action Plan Mid-Cycle Adjustments, Council adopted the following:

[S]subject to further adopted amendments:

That Council:

1. Set aside \$15 million dollars from the Fiscal Stability Reserve to assist Calgary businesses affected by the economic downturn and direct Administration to return to Council with options for considerations no later than the end of 2017 January; and
2. Keep the In Camera discussions and distribution confidential pursuant to Sections 24(1) (g) and 27(1) of the *Freedom of the Information of the Protection of Privacy Act*.

On 2017 January 23 through C2017-0057, Council adopted the amended recommendations as follows:

1. Approve the Municipal Non-Residential Phased Tax Program (PTP) as outlined in Attachment 1;
2. Approve \$45 million from the estimated 2016 intentional savings in Corporate Programs be transferred to the Community Economic Resiliency Fund for the PTP;
3. Direct that Attachment 2 [Legal Risk Analysis and Outline for Other Program Options Not Recommended by Administration] remain confidential pursuant to Sections 23(1)(b), 24(1)(a), 24 (1)(b) and 27(1)(a) of the *Freedom of Information and Protection of Privacy Act*; and
4. Direct that the In Camera discussion remain confidential pursuant to Sections 23(1)(b) and 27(1)(a) of the *Freedom of Information and Protection of Privacy Act*.

On 2017 November 30, Council adopted the following Motion Arising in consideration of the 2018 Budget Adjustments and in respect to Report C2017-1123 Recommendation 2:

BE IT RESOLVED that Council direct Administration to determine the cost of extending the Municipal Non-Residential Phased Tax Program (PTP) C2017-0057 in order to cap

non-residential property tax increases based on changes to certain non-residential properties' assessed value at 5% for 2018;

BE IT FURTHER RESOLVED that Council direct Administration to fund either the PTP extension or a more efficient way to provide this tax relief to businesses of up to \$45 million from the Fiscal Stability Reserve;

BE IT FURTHER RESOLVED that Council direct Administration to report back to the Priorities and Finance Committee no later than Q1 2018.

On 2018 March 19 in an omnibus motion, Council approved PFC2018-0045 2018 Tax Relief Option Report, directing Administration to implement option 3A; the 2018 Municipal Non-Residential Phased Tax Program.

On 2018 November 14, as part its directions on Report C2018-1158 One Calgary 2019 - 2022 Service Plans and Budgets, Council directed Administration as follows:

3. Come back in Q1 2019 with further options on shift from non-residential assessment base to the residential assessment base as previously directed by Council, including but not limited to:

- a. creation of a small-business assessment class;
- b. continuing shift from non-residential to residential;
- c. one-time money to manage the transition;
- d. advocacy with Federal and Provincial Governments; and
- e. an examination of reserves and other funding sources which may be available.

4. Meet with the Chamber of Commerce, Commercial Real Estate Advisory Committee of Calgary, Economic Development and other interested stakeholders by the end of April 2019 to share ideas and options generated through the tax shift work undertaken in point 3 above. Following this engagement, bring a joint Administration/business community presentation to Priorities & Finance Committee on May 14, 2019.

On 2018 November 19, as part of its directions on PFC2018-1134 2019 Projected Tax Shift Non-Residential, Council adopted recommendations 4, 5 and 6, after amendment:

4. Direct Administration to consult with Calgary Economic Development to undertake a policy, process, and membership gap analysis, regarding Downtown recovery, to ensure alignment and maximize capacity-building, and return to Council with recommendations and budget implications no later than Q1 2019.

5. Direct Administration to convene a Financial Task Force comprised of internal and external experts to develop a strategy on the following:

- a. Short term mitigation
- b. Long term solutions
- c. Revenue options to improve financial resiliency; and

6. Return to Council through Priorities and Finance Committee with the recommended membership, framework, and terms of reference no later than Q1 2019.

On 2019 March 18 with respect to C2019-0352 Downtown Tax Shift Response – Updated, Council adopted the following:

That Council:

- 1) Receive this report for information;
- 2) File the recommendations contained in PFC2019-0148 [Downtown Tax Shift Response];
- 4) Direct Administration to further refine and update the proposed roles and responsibilities of the Financial Task Force and bring an updated Terms of Reference for the Financial Task Force for discussion and consideration of Council after 2019 April 1; and
- 5) Forward this report and direct Administration to return to the 2019 April 1 Strategic Session of Council for the purpose of 2019 tax rate finalization.

On 2019 April 1, with respect to Report C2019-0352 Downtown Tax Shift Response - Updated, Council adopted the following:

1. Direct Administration to prepare a 2019 property tax rate bylaw for Council's consideration on 2019 April 08 – starting with the One Calgary approved budget, and applying tax room of \$27 million to the municipal non-residential property tax in 2019 – effectively producing a residential municipal tax rate increase of 6.67% and a non-residential municipal tax rate decrease of 1.77% in 2019; and
2. Direct Administration to run the same scenario in Point 1 with a 49/51 residential to non-residential split, returning to the 2019 April 08 Combined Council Meeting with two property tax bylaw options.
3. Motion Lost.
4. Direct Administration to develop criteria and process for a Small Business Sustainment Grant to a maximum of \$70.9 million of one-time funding (\$44 million from the Fiscal Stability reserve, and \$26.9 million from the 2017 and 2018 Phased Tax Program funding not required due to appeal resolutions), returning to the Priorities and Finance Committee on 14 May 2019;
5. Direct Administration to continue its work on maximizing value from our assets, returning to Priorities and Finance Committee with an update on 04 June 2019;
6. Direct Administration to explore the creation of a small business assessment class for implementation in 2021 reporting back to the Priorities and Finance Committee in 2019 June;

7. Direct Administration to further refine and update the proposed roles and responsibilities of the Financial Task Force and bring an updated Terms of Reference for the Financial Task Force for discussion and consideration of the Priorities and Finance Committee no later than June, 2019;
8. Direct Administration to report back to Special Council (One Calgary Adjustments) on November 12, 2019 with an update on the status of the Downtown Tax Redistribution in consideration of the 2020 Property Assessment Roll; and
9. Add the Tax Shift Response plan as a standing item to the Priorities and Finance Committee Agendas for the remainder of 2019.
10. Referred - "Establish a working group of the Priorities and Finance Committee to steward the work and report back to Council with update an as needed basis." to the 2019 April 02 Priorities and Finance Committee.

On 2019 May 27 in respect of PFC2019-0590 Small Business Resiliency Grant Program, Council adopted the following:

That Council:

1. Immediately terminate the investigation and/or implementation of this Small Business Resilience Grant program as described in this report, based on the findings in the attached consultant's report, clear feedback from the community of stakeholders and information provided in Attachment 7 [Legal Opinion and Risk Analysis (Confidential)].
2. Direct that Attachment 7 [Legal Opinion and Risk Analysis (Confidential)] remain confidential pursuant to section 27 of the *Freedom of Information and Protection of Privacy Act*, indefinitely. And further direct Administration to provide a public Memo to Council highlighting the key principles contained in Attachment 7.

And, through a Motion Arising, adopted the following:

That Council direct Administration to commit \$70.9 million of one time funding (\$44M from the Fiscal Stability Reserve and \$26.9M within the Budget Savings Account) for strategies related to short term mitigation measures or potential long term solutions for business in Calgary, to be determined through the work of the Financial Task Force (to be formed once the Terms of Reference are approved) and/or the working group, with options to be recommended to Council through Priorities and Finance Committee no later than November 2019.

On 2019 June 4 in respect to PFC2019-0559 Non-Residential Assessment Sub-Classes, PFC directed the following:

That the Priorities and Finance Committee refer Report PFC2019-0559 to Administration to continue to solicit responses from the engagement group, determine the impact of the recently adopted legislation and return to the Priorities and Finance Committee in the next three months.

On 2019 June 10, through the amended Notice of Motion C2019-0782 re: Immediate Tax Relief for Calgary Businesses, Council adopted the following:

1. Council reconsider and rescind its motion on May 27, 2019 “That Council direct Administration to commit \$70.9 million of one time funding (\$44 million from the Fiscal Stability Reserve and \$26.9 million within the Budget Savings Account) for strategies related to short term mitigation measures or potential long term solutions for business in Calgary, to be determined through the work of the Financial Task Force (to be formed once the Terms of Reference are approved) and/or the working group, with options to be recommended to Council through Priorities and Finance Committee no later than November 2019”;
2. Administration identify permanent budget reductions of \$60 million for the 2019 tax year and report back to Council, no later than July 31, 2019, with the details of the proposed reductions for approval, which may include, but are not limited to, reductions and/or the elimination of programs, services and staffing positions and voluntary wage roll-backs;
3. Administration implement a 2019 Phased Tax Program (PTP), in a manner consistent with 2018, using the \$70.9 million as identified in 1 above and the \$60 million as identified in 2 above to provide immediate one-time relief to eligible non-residential property tax accounts. This combined amount of \$130.9 million (one-time) will be used to create a minimum 10% reduction in non-residential municipal property taxes from 2018 to 2019, excluding the effects of the final year of Business Tax Consolidation (approximately 4.2% increase), excluding any 2018 PTP credit, and excluding properties that are subject to non-market changes like property upgrades and expansions;
4. Administration to make available to the eligible non-residential property owner the impact of the 2019 PTP on or before June 28, 2019 on a best effort basis. Administration will ensure eligible PTP participants will see the monthly amount adjusted no later than August 1, 2019, and payment for any remaining qualifying accounts with an outstanding credit balance will be made no later than July 31, 2019;
5. Administration be directed to use the \$60 million in 2019 permanent savings as identified in 2 above to reduce the non-residential tax rate impact for 2020 and beyond to achieve a shift from the non-residential assessment base to the residential base;
6. Council requests the Mayor to send a letter to our partners in the provincial government requesting to engage in discussions regarding taxation and assessment reform.
7. Council leads by example in reducing expenses by adopting a 15% reduction (and subsequent freeze) between \$11,900 and \$14,000 in their respective office expense accounts for the duration of the One Calgary 2019 – 2022 Service Plans and Budget, and the corresponding amount (15%) from the Mayor’s office account.

On 2019 September 17 in respect to the Briefing Report PFC2019-1026 Non-Residential Assessment Sub-Classes Committee:

Approved the report through consent.

On 2019 November 29, Council adopted the following Motion Arising in consideration of Report C2019-1052 2020 Adjustments to the One Calgary Service Plans and Budgets (Verbal),

That Council direct administration to come back with options for a transitional non-residential Phased Tax program for 2020 and 2021 to the Priorities and Finance Committee in Q1 2020.

DETAILS OF THE 2019 MUNICIPAL NON-RESIDENTIAL PHASED TAX PROGRAM (PTP)

Summary

The effect of the PTP was to phase-in 2019 non-residential property tax increases (municipal portion only) by limiting the increase in 2019 to -10 per cent. Eligible non-residential property owners experienced a maximum increase in the municipal non-residential property tax of -10 per cent resulting from the preparation of the 2019 market value assessment. PTP was a one-year program only.

Eligibility

1) Market Value Changes Only

This program was designed to phase-in only the non-residential property tax effects resulting from the preparation of the 2019 annual market value assessment. Thus, the focus was on market value changes only.

2) Non-Market Value Changes

Properties which had physical changes that affected the 2019 assessment relative to the 2018 assessment or had changes due to other external non-market impacts (e.g. a zoning change, servicing, remediation, a change in taxable status, factual corrections, a change in assessment class) were excluded from the PTP.

3) Regulated Rate Properties

Any non-residential property not valued on the market value standard was excluded; such as farmland and linear properties.

4) Other Criteria

To be included in the PTP, non-residential properties:

- Had existed in 2018.
- Had a tax status of "taxable".
- For properties assessed with more than one assessment class, only those properties where the non-residential component was 50% or higher were included.
- Had 2019 municipal non-residential property taxes greater than \$50.
- The amount to be phased-in exceeded \$25.

5) Provincial Non-Residential Property Tax

PTP did not include any non-residential property tax effects from the provincial government. At that point, The City of Calgary had not been informed of the provincial requirements for property tax to be collected from the non-residential property group.

6) Impact of Filing an Assessment Complaint

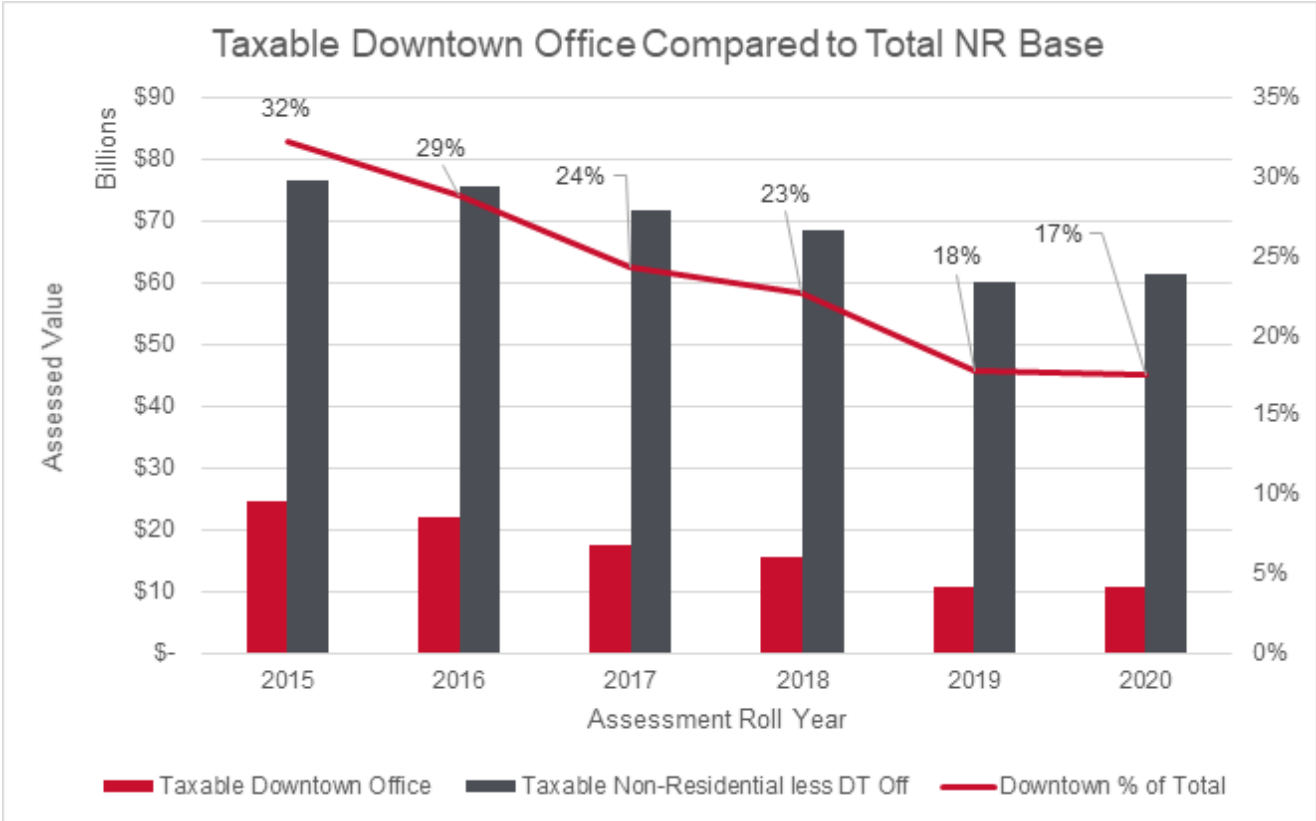
In accordance with the *Municipal Government Act* property owners who disagree with their assessment have the right to file a complaint with the Assessment Review Board (ARB). PTP required known and final assessment values to determine if the tax change was above or below the phase-in threshold (-10 per cent). Any non-residential property that filed a 2019 complaint was not included in the PTP until the decision of the ARB was rendered and any further appeals or reviews had been concluded. Any non-residential property that had an outstanding prior years' appeal or review was not included in the PTP until the appeal or review was concluded. Once a final determination of the assessed value was received, any resulting tax effect was taken into consideration in accordance with the PTP.

7) Processing the Phase-in

There was no application process required, and the tax effect of the phase-in was applied on the annual non-residential property tax bill. Property tax accounts using the Tax Instalment Payment Plan (TIPP) had the TIPP amounts accordingly adjusted.

DOWNTOWN OFFICE YEAR-OVER-YEAR MARKET VALUE CHANGE

The chart below illustrates the stabilization proportion of the non-residential taxable value attributed to the downtown office inventory when compared to the total non-residential (NR) property assessment base.



**IMPACT OF 2019 PTP ON 2020 MUNICIPAL NON-RESIDENTIAL PROPERTY TAX
CHANGES**

Type	52% Residential : 48% Non-Residential		
	2019	2020	Year-over-Year Change

Non-Residential \$5M Property

Assessment	\$5,000,000	\$5,000,000	0.00%
Municipal Taxes	\$88,875	\$78,130	-12.09%
Less 2019 PTP	\$16,214		
Municipal Taxes After 2019 PTP	\$72,661	\$78,130	7.53%

Retail - Strip Mall

Assessment	\$3,250,000	\$3,440,000	5.85%
Municipal Taxes	\$57,769	\$53,753	-6.95%
Less 2019 PTP	\$11,780		
Municipal Taxes After 2019 PTP	\$45,989	\$53,753	16.88%

Retail - 17th Avenue SW

Assessment	\$3,560,000	\$3,560,000	0.00%
Municipal Taxes	\$63,279	\$55,628	-12.09%
Less PTP	\$9,200		
Municipal Taxes After 2019 PTP	\$54,079	\$55,628	2.86%

Retail - Neighbourhood Shopping Centre

Assessment	\$38,810,000	\$41,070,000	5.82%
Municipal Taxes	\$689,848	\$641,756	-6.97%
Less 2019 PTP	\$88,205		
Municipal Taxes After 2019 PTP	\$601,643	\$641,756	6.67%

Office - Downtown AA Class

Assessment	\$334,890,000	\$315,370,000	-5.83%
Municipal Taxes	\$5,952,670	\$4,927,940	-17.21%
Less 2019 PTP	\$0		
Municipal Taxes After 2019 PTP	\$5,952,670	\$4,927,940	-17.21%

Type	52% Residential : 48% Non-Residential		
	2019	2020	Year-over-Year Change

Office - Downtown A Class

Assessment	\$87,910,000	\$103,940,000	18.23%
Municipal Taxes	\$1,562,600	\$1,624,156	3.94%
Less 2019 PTP	\$0		
Municipal Taxes After 2019 PTP	\$1,562,600	\$1,624,156	3.94%

Industrial - Warehouse

Assessment	\$4,970,000	\$5,220,000	5.03%
Municipal Taxes	\$88,342	\$81,567	-7.67%
Less PTP	\$13,083		
Municipal Taxes After 2019 PTP	\$75,259	\$81,567	8.38%

Suburban Office

Assessment	\$24,130,000	\$25,030,000	3.73%
Municipal Taxes	\$428,911	\$391,116	-8.81%
Less PTP	\$0		
Municipal Taxes After 2019 PTP	\$428,911	\$391,116	-8.81%

2020 NON-RESIDENTIAL PROPERTY TAX RELIEF OPTION DETAILS

**OPTION 1: Original PTP Criteria
(With 0 per cent, 5 per cent or 10 per cent tax increase caps)**

Description:

Using the same criteria and process as the 2017, 2018 and 2019 PTP this option proposes to phase in 2020 municipal non-residential property tax increases by capping them for eligible properties at 0 per cent, 5 per cent, or 10 per cent of the prior year's municipal portion of the tax bill (total without PTP credit applied). As stated, this program would be administered in the same manner as past years' PTP programs.

Pros:

- Same process of calculation as previous year's PTP
- Could benefit small properties if they are subject to a large increase due to reassessment
- Customers are familiar with this program
- Same eligibility criteria as previous PTP
- Customers are familiar with this program
- No application required

Cons:

- The reassessment cycle indicates that properties that experienced the most significant tax decreases over the last four years would be substantial beneficiaries of the program (Approx. 50 per cent of the budgeted PTP amount)
- Does not reach Council's intended target of properties experiencing large tax increases due to the tax burden shift
- No guarantees that tax relief will be passed along to tenants
- The PTP creates the effect of different tax rates for each tax payer who receives the credit. The funds do not reduce the tax rate ratio between non-residential and residential
- Complaint process introduces complexity into administration
- Continued expectation of future tax mitigation programs
- Potential legal risks are addressed in confidential Attachment 8

Option 1 Program Estimates:

Option	% Cap on 2019 Non-Residential Municipal Property Tax Increase	2020 Non-Residential Taxable Population*	Number of Qualified PTP Properties	Program Cost
1a	0.00%	14,176	1,255	\$12,999,641
1b	5.00%	14,176	589	\$8,559,995
1c	10.00%	14,176	350	\$5,841,986

*As of 2019 December 20

**OPTION 2: Modified PTP Calculation
Using Actual After-PTP Taxes (PTP Applied)**

Description:

This option also proposes to phase in 2020 municipal non-residential property tax increases by capping them for eligible properties at 5 per cent, or 10 per cent of the prior year's municipal portion of the tax bill. However, the program is modified by using the 2019 actual municipal property tax amount (after PTP credits were applied) to ascertain the year-over-year change in taxes. By modifying PTP in this fashion, the program will also assist in offsetting the "bow wave" effect of past year's PTPs.

Pros:

- Will benefit a large number and range of properties
- Will assist in offsetting the "bow wave" effect of past years' PTPs and provide the intended transitional phasing effect to lessen the impact of year-over-year municipal tax increases
- Provides tax relief to non-residential property owners facing the greatest municipal tax increases
- Provides the intended transitional phasing effect to lessen the impact of year-over-year municipal tax increases
- Same eligibility criteria as previous PTP
- Customers are familiar with this program
- No application required

Cons:

- Will still perpetuate a "bow wave" effect for future years
- Unlike previous PTP's, also requires the finalization of previous years PTP credits as opposed to just the finalization of previous years assessments to calculate the 2020 credit, both of which could be delayed due to outstanding court appeals
- The PTP creates the effect of different tax rates for each tax payer who receives the credit. The funds do not reduce the tax rate ratio between non-residential and residential
- No guarantees that tax relief is passed along to tenants
- Continued expectation of future tax mitigation programs
- Potential legal risks are addressed in confidential Attachment 8

Option 2 Program Estimates:

Option	% Cap on 2019 Non-Residential Municipal Property Tax Increase	2020 NR Taxable Population*	Estimated Number of Qualified PTP Properties	Estimated Program Cost
2a	5.00%	14,176	7,138	\$45,981,859
2b	10.00%	14,176	5,071	\$30,027,656

*As of 2019 December 20

OPTION 3: Grant Program – Based on a Percent of PTP Credit Paid in 2019

Description:

This option would involve administering a grant program in 2020 where property owners would be eligible to receive an amount equivalent to a specified percentage of the PTP credit they received in 2019

Pros:

- Would benefit any property that received PTP in 2019

Cons:

- Would only apply to properties that qualified for PTP in 2019
- High administrative costs
- No guarantees that grants would be passed along to tenants
- Potential legal risks are addressed in confidential Attachment 8

Option 3 Program Estimates:

2019 Program Cost	Amount	Number of Qualified PTP Properties	Estimated Program Cost
2019 Approved PTP Budget	\$130,900,000		At Council's Discretion
Current 2019 PTP Payout*	\$116,648,306	11,655 (Credit Received)	

*As of 2019 December 20

OPTION 4: Business Tax Revival in Order to Provide a Business Tax Credit

Description:

This option involves reinstating business tax as a “reverse” tax for the purposes of compensating business owners directly. Due to the complexity of reinstating business tax there would be no possible way to administer this option within 2020. This is largely due to degraded business data, the timeline and costs required to upgrade that data and systems involved and the various Administrative groups involved. Report PFC2019-0559 brought forward by Administration on 2019 June 4 details the degradation of Business data as well as the potential associated costs to Administration.

Pros:

- Benefit will go directly to businesses

Cons:

- Cannot be implemented in 2020
- High related costs for Administration
- Substantial amount of resources and time required to re-establish the business roll
- Additional capital/operating expenses for Assessment, Finance, and other business units involved

OPTION 5: Non-Residential Municipal Property Tax Rebate

Description:

This option proposes a use of one-time funds to offset the non-residential municipal property tax through a municipal property tax rebate applicable to all non-residential properties based on their assessment value.

Pros:

- Benefit will go to all non-residential property owners regardless of increase/decrease in taxes
- Simple and transparent process
- Low administrative costs

Cons:

- Would provide less benefit to properties experiencing higher increases in their municipal taxes
- Would provide a rebate to properties experiencing a tax decrease

OPTION 6: Compassionate Business Grant by Way of Application

Description:

This option would create a program that businesses would apply for in order to receive a grant. A similar program was analyzed and brought forward to Council on 2019 May 27 through report PFC2019-0590 Small Business Resiliency Grant Program.

Pros:

- Benefit will go directly to businesses that apply and meet the eligibility criteria

Cons:

- High related costs and resources for administration
- Would not be implemented immediately
- Previous grant program (PFC2019-0590 Small Business Resiliency Grant Program) was voted down by Council on 2019 May 27

ADMINISTRATIVE CONSIDERATIONS FOR PHASED TAX PROGRAM (PTP)

Delivering Tax Relief Through PTP

In previous years, eligible non-residential property owners received PTP credits through their property tax bills. When PTP was approved, the intention was that these credits would be passed along to tenants. Administration has no way of verifying if PTP credits were passed from the property owner to the tenants. Previous reports to Council have considered various forms of financial support programs focused directly on businesses and business owners rather than property tax. While there could be positive impacts associated with those programs, Administration's analysis identified a number of challenges with the implementation of such programs, including operational concerns, potential for inequity and feasibility under the *Municipal Government Act* (MGA).

Administration found that providing financial aid to local businesses that were negatively affected by the economic downturn through property tax relief would be the most feasible option for several reasons. One of the most significant reasons is that The City has a direct relationship with all non-residential property owners through the existing municipal property assessment and taxation framework. Business assessment and taxation were eliminated in 2019 through Business Tax Consolidation. Administration still prepares assessments for some businesses for the purpose of collecting Business Improvement Area (BIA) taxes. However, the business inventory used for that purpose is limited to businesses located in BIAs. Unlike the property inventory, Administration does not have a complete business inventory or the associated ownership information for every business in the city. The administrative costs associated with obtaining business ownership information, maintaining a business inventory and creating accounts as means to deliver financial aid directly to businesses would be significant. Furthermore, Administration does not have sufficient information to accurately determine the financial impact of the economic downturn on specific types of businesses or the legislative authority to collect that information.

Manual Administration of PTP

PTP has been administered through a manual process which has been time consuming and at times complex. Finance and Assessment have worked closely to ensure the correct PTP credits are processed, especially for those accounts with an Assessment Review Board (ARB) complaint. Finance has received bi-weekly spreadsheets with lists of accounts where the ARB complaint has been resolved and the judicial review application deadline has passed. The manual administration of PTP has the potential to last many years into the future to accommodate the lengthy process for judicial reviews. This process impacted Tax and diverted resources from other high-priority initiatives such as the Tax Instalment Payment Plan (TIPP) forecasting project and TIPP integration.

Legislative Authority

The MGA requires an annual assessment be prepared each and every year, with assessments used as the basis for the fair and equitable distribution of property taxes. An annual assessment cycle better reflects the current economic effects on the real estate market. It is also better understood by property owners as there is only six months between the valuation date and the market value assessment. In longer assessment cycles (three to four years) property owners find themselves being taxed based on an economic circumstance that may have occurred up to five years previously. However, in any assessment cycle, where there is either a substantial change to one or more segments of the market, the tax distribution effects from the new assessments can be material. Administration has observed some of these effects in the Calgary non-residential markets.

**Attachment 7:
Illustrative Examples of the Effects of the 2020 Non-Residential Property Tax Relief Options**

52% Residential : 48% Non-Residential		
2019	2020	Year-over-Year Change

Estimated Program Cost (\$ in millions)
Estimated Number of Qualified Properties

Non-Residential Tax Mitigation Options					
Option 1a Status Quo @ 0%	Option 1b Status Quo @ 5%	Option 1c Status Quo @ 10%	Option 2a After 2019 PTP Cap @ 5%	Option 2b After 2019 PTP Cap @ 10%	Option 5 \$30m Rebate to All NR
\$ 13.0	\$ 8.6	\$ 5.8	\$ 46.0	\$ 30.0	\$ 30.0
1,255	589	350	7,138	5,071	14,176

Non-Residential \$5M Property

Assessment	\$5,000,000	\$5,000,000	0.00%
Municipal Taxes	\$88,875	\$78,130	-12.09%
Less PTP	\$16,214		
Municipal Taxes After PTP	\$72,661	\$78,130	7.53%
Municipal Tax Change After PTP			

\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
\$78,130	\$78,130	\$78,130	\$78,130	\$78,130	\$78,130
\$0	\$0	\$0	\$1,835	\$0	\$2,511
\$78,130	\$78,130	\$78,130	\$76,294	\$78,130	\$75,618
7.53%	7.53%	7.53%	5.00%	7.53%	4.07%

Retail - Strip Mall

Assessment	\$3,250,000	\$3,440,000	5.85%
Municipal Taxes	\$57,769	\$53,753	-6.95%
Less PTP	\$11,780		
Municipal Taxes After PTP	\$45,989	\$53,753	16.88%
Municipal Tax Change After PTP			

\$3,440,000	\$3,440,000	\$3,440,000	\$3,440,000	\$3,440,000	\$3,440,000
\$53,753	\$53,753	\$53,753	\$53,753	\$53,753	\$53,753
\$0	\$0	\$0	\$5,465	\$3,165	\$1,728
\$53,753	\$53,753	\$53,753	\$48,288	\$50,588	\$52,025
16.88%	16.88%	16.88%	5.00%	10.00%	13.13%

Retail - 17th Avenue SW

Assessment	\$3,560,000	\$3,560,000	0.00%
Municipal Taxes	\$63,279	\$55,628	-12.09%
Less PTP	\$9,200		
Municipal Taxes After PTP	\$54,079	\$55,628	2.86%
Municipal Tax Change After PTP			

\$3,560,000	\$3,560,000	\$3,560,000	\$3,560,000	\$3,560,000	\$3,560,000
\$55,628	\$55,628	\$55,628	\$55,628	\$55,628	\$55,628
\$0	\$0	\$0	\$0	\$0	\$1,788
\$55,628	\$55,628	\$55,628	\$55,628	\$55,628	\$53,840
2.86%	2.86%	2.86%	2.86%	2.86%	-0.44%

Retail - Neighbourhood Shopping Centre

Assessment	\$38,810,000	\$41,070,000	5.82%
Municipal Taxes	\$689,848	\$641,756	-6.97%
Less PTP	\$88,205		
Municipal Taxes After PTP	\$601,643	\$641,756	6.67%
Municipal Tax Change After PTP			

\$41,070,000	\$41,070,000	\$41,070,000	\$41,070,000	\$41,070,000	\$41,070,000
\$641,756	\$641,756	\$641,756	\$641,756	\$641,756	\$641,756
\$0	\$0	\$0	\$10,031	\$0	\$20,628
\$641,756	\$641,756	\$641,756	\$631,725	\$641,756	\$621,128
6.67%	6.67%	6.67%	5.00%	6.67%	3.24%

Office - Downtown AA Class

Assessment	\$334,890,000	\$315,370,000	-5.83%
Municipal Taxes	\$5,952,670	\$4,927,940	-17.21%
Less PTP	\$0		
Municipal Taxes After PTP	\$5,952,670	\$4,927,940	-17.21%
Municipal Tax Change After PTP			

\$315,370,000	\$315,370,000	\$315,370,000	\$315,370,000	\$315,370,000	\$315,370,000
\$4,927,940	\$4,927,940	\$4,927,940	\$4,927,940	\$4,927,940	\$4,927,940
\$0	\$0	\$0	\$0	\$0	\$158,400
\$4,927,940	\$4,927,940	\$4,927,940	\$4,927,940	\$4,927,940	\$4,769,540
-17.21%	-17.21%	-17.21%	-17.21%	-17.21%	-19.88%

52% Residential : 48% Non-Residential		
2019	2020	Year-over-Year Change

Office - Downtown A Class

Assessment	\$87,910,000	\$103,940,000	18.23%
Municipal Taxes	\$1,562,600	\$1,624,156	3.94%
Less PTP	\$0		
Municipal Taxes After PTP	\$1,562,600	\$1,624,156	3.94%
Municipal Tax Change After PTP			

Industrial - Warehouse

Assessment	\$4,970,000	\$5,220,000	5.03%
Municipal Taxes	\$88,342	\$81,567	-7.67%
Less PTP	\$13,083		
Municipal Taxes After PTP	\$75,259	\$81,567	8.38%
Municipal Tax Change After PTP			

Suburban Office

Assessment	\$24,130,000	\$25,030,000	3.73%
Municipal Taxes	\$428,911	\$391,116	-8.81%
Less PTP	\$0		
Municipal Taxes After PTP	\$428,911	\$391,116	-8.81%
Municipal Tax Change After PTP			

Non-Residential Tax Mitigation Options					
Option 1a Status Quo @ 0%	Option 1b Status Quo @ 5%	Option 1c Status Quo @ 10%	Option 2a After 2019 PTP Cap @ 5%	Option 2b After 2019 PTP Cap @ 10%	Option 5 \$30m Rebate to All NR

\$103,940,000	\$103,940,000	\$103,940,000	\$103,940,000	\$103,940,000	\$103,940,000
\$1,624,156	\$1,624,156	\$1,624,156	\$1,624,156	\$1,624,156	\$1,624,156
\$61,556	\$0	\$0	\$0	\$0	\$52,206
\$1,562,600	\$1,624,156	\$1,624,156	\$1,624,156	\$1,624,156	\$1,571,951
0.00%	3.94%	3.94%	3.94%	3.94%	0.60%

\$5,220,000	\$5,220,000	\$5,220,000	\$5,220,000	\$5,220,000	\$5,220,000
\$81,567	\$81,567	\$81,567	\$81,567	\$81,567	\$81,567
\$0	\$0	\$0	\$2,546	\$0	\$2,622
\$81,567	\$81,567	\$81,567	\$79,022	\$81,567	\$78,945
8.38%	8.38%	8.38%	5.00%	8.38%	4.90%

\$25,030,000	\$25,030,000	\$25,030,000	\$25,030,000	\$25,030,000	\$25,030,000
\$391,116	\$391,116	\$391,116	\$391,116	\$391,116	\$391,116
\$0	\$0	\$0	\$0	\$0	\$12,572
\$391,116	\$391,116	\$391,116	\$391,116	\$391,116	\$378,545
-8.81%	-8.81%	-8.81%	-8.81%	-8.81%	-11.74%

Transportation Report to
Priorities and Finance Committee
2020 January 21

ISC: UNRESTRICTED
PFC2020-0075

Council Innovation Fund Application - Roadside Naturalization Pilot

EXECUTIVE SUMMARY

Mayor Nenshi and Councillor Farrell are sponsoring an application to the Council Innovation Fund (CIF) in partnership with City Administration, represented by Calgary Parks and Roads. The application is seeking \$800,000 to support a pilot project for roadside naturalization initiatives. The proposed Roadside Naturalization Pilot Project explores unconventional landscaping methods on public land along roadways to create additional value in terms of natural infrastructure, ecosystem services and enhanced biodiversity.

Administration will manage the project and report back to Council with an update on the lessons learned from this initiative. A pilot project is being recommended to determine the efficacy of expanded naturalization efforts across Calgary that will inform future investment decisions and City policy and practices. This pilot will be rigorously designed and executed to generate the data and feedback needed to support a business case for the broader application of these landscaping methods city-wide.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend Council:

1. Approve this application for the Council Innovation Fund for the Roadside Naturalization Pilot Project in the amount of \$800,000;
2. That Administration engage with institutions, industry stakeholders and philanthropic groups to leverage available private contributions for this project;
3. That the Priorities and Finance Committee recommend Council direct Administration to report back to PFC on the outcomes of this project no later than Q4 2022.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2019 April 29, Council approved updates to the Council Innovation Fund Terms of Reference. Any Council member can submit an application to the Priorities and Finance Committee for review and consideration and ultimately for Council's consideration and approval. The proposal for funding must demonstrate credibility, fiscal responsibility and good management which will be important considerations in the evaluation of applications.

During the 2019 November 12 (continued November 25-29) Strategic Meeting of Council, a Motion Arising was approved with respect to Report C2019-1052, "That Council direct Administration to prepare a Council Innovation Fund application for an expanded pilot program of boulevard naturalization along selected roadways throughout Calgary for the January 2020 meeting of the Priorities and Finance Committee."

BACKGROUND

Over the last 20 years in Calgary, there have been limited efforts and trial projects undertaken to advance understanding of different techniques and materials for more naturalized landscaping. An expanded pilot project is being pursued to deepen our understanding, test assumptions and assess the applicability in our climate and municipal setting of these innovative approaches prior to making larger investments of capital and any significant shifts in city-wide policy and practice. In addition to financial and environmental considerations there are

Transportation Report to
Priorities and Finance Committee
2020 January 21

ISC: UNRESTRICTED
PFC2020-0075

Council Innovation Fund Application - Roadside Naturalization Pilot

community and aesthetic dimensions to be considered within a triple bottom line assessment framework.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The naturalization of roadsides has been a topic of increasing attention and discussion in Canada and internationally and has been the focus of several university research centres, scientific conferences, community initiatives and legislation. There has been a growing awareness of scientific findings made public that a combination of various factors including urban development, large scale land uses like agriculture and forestry, pesticide use and climate change have placed enormous pressures on biodiversity generally and on pollinator species like bees, butterflies and insects which are key to life processes.

Currently, Council and Administration are focused on service efficiency and cost-effectiveness, and boulevard maintenance was one of six sub-service areas examined in detail in 2019. A review of alternative approaches and evolving best practices for roadside landscaping and vegetation management practices in other jurisdictions has identified the potential for maintenance cost savings over the longer-term and for achieving an array of environmental benefits, through naturalization. A pilot project completed by February 2022 would provide valuable information in time for the next service planning and budget cycle to inform a business case on how these benefits could be realized and provide the basis for a longer-term estimate on the financial impacts of naturalization work across Calgary.

Stakeholder Engagement, Research and Communication

There are opportunities to engage and leverage the resources of various public institutions in this pilot project in designing and monitoring aspects of the landscaping treatments. Faculty and students from various post-secondary institutions and horticultural specialists are well positioned as partners in taking on certain elements of the pilot as applied science and real-world learning opportunities. Documentation and communication of the scientific basis of this innovation, its costs and benefits and potential for application in various settings including residential will be key for broader engagement.

Strategic Alignment

This project supports Council Priorities by exploring the cost-effectiveness of naturalized landscaping with the aim of minimizing maintenance costs and maximizing the environmental benefits for City-owned land over the long-term.

The naturalized landscaping and habitat restoration activities and outcomes that are central to this pilot project are well aligned with environment related policies and practices outlined in the Municipal Development Plan, Calgary Transportation Plan, Biodiversity Strategic Plan, Climate Resilience Strategy, and Resilient Calgary Strategy adopted by Council. The pilot project would be designed and executed in conformance with current policy and practices for integrated pest management including weed control under the new Pest Management Policy (2020).

Transportation Report to
Priorities and Finance Committee
2020 January 21

ISC: UNRESTRICTED
PFC2020-0075

Council Innovation Fund Application - Roadside Naturalization Pilot

Social, Environmental, Economic (External)

A well-run city that manages its assets and resources with a long-term perspective is well positioned to explore emerging alternatives to the current practices.

Financial Capacity

In 2018 November, Council approved the transfer of \$5 million to the Council Innovation Fund. As of 2020 January 1, the balance of the Council Innovation Fund is \$3.9 million. This application is requesting one-time funding of \$800,000 from the Council Innovation Fund. If Council approves this application, the remaining balance of the Council Innovation Fund would be \$3.1 million.

Current and Future Operating Budget:

There will be no impact on current and future operating budgets as a result of this pilot project.

Current and Future Capital Budget:

There will be no impact on current and future capital budgets as a result of this pilot project and the findings will be used to inform future capital investments.

Risk Assessment

One of the potential risks of proceeding with the application is that in times of budget constraint, the approval of this application may cause negative reputational risks. With The City facing challenging budget considerations, public dollars spent on new innovative projects may not be seen as essential. As the Council Innovation Fund was developed to support innovation projects and is the funding source identified, this risk can be mitigated.

REASON(S) FOR RECOMMENDATION(S):

This application meets the existing Council Innovation Fund Terms of Reference. This pilot project is a one-time funding request that has the potential to have a city-wide impact and helps to advance Council priorities. This project supports Council Priorities as well as the Municipal Development Plan and the Calgary Transportation Plan.

ATTACHMENT(S)

1. Attachment 1 – Application to The City of Calgary Council Innovation Fund
2. Attachment 2 – Council Innovation Fund Terms of Reference
3. Attachment 3 – Project Budget Overview



APPLICATION FOR COUNCIL INNOVATION FUND

Date of Submission: January 21, 2020

Name of Project: Roadside Naturalization Pilot

Sponsoring Councillor: Mayor Nenshi, Councillor Farrell

Applicant Business Unit or Name of Organization: Roads/Calgary Parks Business Units

Affected Business Unit(s) and /or Departments: Transportation (Roads), Community Services (Calgary Parks)

Amount of Funds Requested: \$800,000 (budget breakdown submitted as attachment)

Supporting Documents Provided: PFC Cover Report, Attachment 2 - Council Innovation Fund Terms of Reference, Attachment 3 - Budget Overview

Project Description:

The proposed Roadside Naturalization Project explores unconventional landscaping methods on public land along roadways to create additional value in terms of natural infrastructure, ecosystem services and enhanced biodiversity. Council and Administration had identified six sub-services for detailed analysis in Q3/Q4 2019 to determine the appropriateness of service levels and potential for cost savings, including the Boulevard Maintenance component of the Streets Service Line. Vegetation management is the primary focus of boulevard maintenance activities, with the establishment of turfgrass and regular mowing of the grass (plus associated weed and pest control, litter and debris removal, etc.) being relied upon conventionally as a cost-effective means of management. A review of alternative approaches and the evolving state of best practice in other jurisdictions and organizations has identified the potential for maintenance cost savings over the longer term and for achieving a suite of environmental benefits such as enhanced pollinator habitat and increased resilience to a changing climate, through naturalization.

Over the last 20 years in Calgary there have been limited efforts and trial projects undertaken to advance understanding of different techniques and materials for more naturalized landscaping. An expanded pilot project is being pursued to deepen our understanding, test assumptions, and assess the applicability in our climate and municipal setting of these innovative approaches prior to making larger investments of capital and any significant shifts in city-wide policy and practice. In addition to financial and environmental considerations there are community and aesthetic dimensions to be considered within a triple bottom line assessment framework. This pilot would be rigorously designed and executed to generate the data and feedback needed to inform a business case for the broader application of these unconventional landscaping methods.

Most of the funding would be invested in landscaping treatments within two ecologically distinct areas of the city, over a total of up to 50 hectares of land, which represents approximately five per cent of the total area (1,010 ha) of roadsides that Calgary Roads currently manages.

Existing turfgrass along 16th Avenue NE (east of 36th St.) is proposed for conversion to more native grasses and wildflowers in what was formerly a prairie-like setting, as the eastern part of the city falls within the Grassland Natural Region (with reference made to the Government of Alberta's ecological classification system and mapping). And approximately 12 km to the west,

transitioning into the Parkland Natural Region, the hilly and more natural looking roadside of Sarcee Trail SW is proposed for further naturalization treatments including wildflower, shrub and tree planting in select locations between 16th Ave NW and Richmond Road SW. It is notable that a program of roadside naturalization was first proposed to Council by Administration in 2002 with a trial conducted on the west side of Sarcee Trail north of Richmond Road. This is one of several areas in the city that has had limited or no mowing performed in the past 20 years.

The proposed pilot would dedicate a portion of funding to undertake biophysical assessment of these existing “low maintenance” areas throughout the city, in addition to before/after assessments of the two main treatment areas, to document changes in the plant communities, related measures of biological success for the pilot, and its potential for broader application city-wide in the future. We further propose to include with assessments an “operational impact statement” that describes the anticipated ongoing maintenance needs and associated costs for each of the treatment areas.

There are opportunities to engage and leverage the resources of public institutions in this pilot project, in designing and monitoring aspects of the landscaping treatments. Faculty and students in the University of Calgary Environmental Design Program and Olds College “Centre for Innovation” horticulture programs, and bumblebee specialists and other scientists at Mount Royal University and Southern Alberta Institute of Technology, would be well positioned as partners in taking on certain elements of the pilot as applied science and real-world learning opportunities. Documentation and communication of the scientific basis of this innovation, its costs and benefits, and its potential for application in various settings including residential (i.e. private lawns and gardens) will be key for broader engagement of Calgarians on this pilot project.

Project Benefits – Why is this Project Needed, and Why Now?

There has been a growing awareness of scientific findings made public through media that a combination of various factors including urban development, large scale land uses like agriculture and forestry, pesticide use, and climate change have placed enormous pressures on biodiversity generally and also on pollinator species like bees and butterflies which are key to life processes. Credible sources like the federal agency Environment and Climate Change Canada (ECCC) indicate that time is of the essence to address the loss of ecologically rich habitats and key native species. There is in fact a recovery strategy currently being drafted by ECCC for the gypsy cuckoo bumblebee (*Bombus bohemicus*), a federally designated endangered species, which was identified during recent scientific surveys of the Canyon Meadows Drive SW “bee boulevard” area. This pilot project would be well timed and aligned with the pending bee recovery strategy.

The naturalization of roadsides has been a topic of increasing attention and discussion in Canada and internationally as the focus of several university research centres, scientific conferences, community initiatives, and even legislation. In the United States, the Fixing America’s Surface Transportation Act (“FAST Act”, Public Law 114-94, Sec. 1415) enacted in December 2015 directs the federal transportation agency to use its authorities, programs and funding to work with State departments of transportation to enhance pollinator habitat through reduced roadside mowing and integrated vegetation management practices. Across Canada there are now examples of public landscaping and vegetation management being performed to achieve multiple benefits with

the use of unconventional practices, with the Toronto Area Conservation Authority's "Meadowway" initiative being a prime example: an "underutilized" hydro corridor 16 km in length in Scarborough, Ontario, recently has been restored to high quality native meadow habitat and urban greenspace.

The Transportation Association of Canada (TAC) in August 2019 initiated a project with pooled funding contributions from TAC member cities (including Calgary), provinces, territories and Transport Canada to compile beneficial management practices in "road ecology". The TAC project will provide information and context on a national scale for Calgary's pilot project, and with deliverables scheduled for October 2020 they will be timely and valuable sources of reference for benchmarking and business case development for potential scaling up of the pilot.

In December 2019, Calgary was designated by Bee City Canada as an official "Bee City". The designation is given to municipalities and other organizations that publicly declare to protect pollinators and their habitat through coordinated and collaborative actions that promote native pollinator species. The *Resilient Calgary* strategy adopted by Council in 2019 and the earlier *Complete Street Policy and Guide* (2014) emphasize the importance of an "interconnected network of natural green and engineered green elements" including "green roadways" and "natural infrastructure" to achieve social, economic and environmental benefits outlined in those documents. Additionally:

- Calgary's climate change resilience strategy (2018) calls for updated design guidelines for City infrastructure to promote resilience to extreme weather and chronic climate changes, including drought conditions that low maintenance landscaping may accommodate better
- The new City Charter enables The City to manage for "environmental well-being"
- Calgary is signatory to The Durban Commitment: Local Governments for Biodiversity, and our biodiversity strategic plan has as a primary target the naturalization of 20 per cent of open space in the corporate land inventory by the year 2025 to support biodiversity conservation; this pilot, with a total project area representing one-quarter of the targeted 20 per cent, would meaningfully and more rapidly advance us toward that goal.

At present, there is insufficient information to proceed with changes in city-wide policy and procedure, or to scale up our habitat restoration efforts to achieve the 20 per cent target. Key uncertainties include but are not limited to:

- the effort and cost for ongoing weed control (to meet environmental regulatory requirements and obligations) in absence of regular mowing;
- ability of the market to supply the amount and type of native seed and plant stock needed, at scale; and
- public acceptance of the different visual aesthetic of unconventional landscaping.

Council and Administration are focused on service efficiency and cost-effectiveness, and to that end boulevard maintenance was one of six sub-service areas examined in detail in late 2019. While potential operational cost savings have been attributed to "low maintenance" landscaping, as are a myriad of environmental benefits, in the short-term at least we do not anticipate direct, immediate economic benefits from this investment of innovation funds. However, a well-run city that manages its assets and resources with a long-term perspective is well advised to explore

emerging alternatives to the status quo using a triple bottom line lens on value creation. Interim reporting on the pilot project completed by February 2021 would provide valuable information in time for the next service planning and budget cycle to inform a business case on how these benefits could be realized and provide the basis for a longer-term estimate on the financial impacts of naturalization work across the City's land holdings.

Project Partners

- **Service providers:** Landscape architects, landscape construction firms, and specialist environmental consultants can be retained as required through existing standing offers (RFSO) and/or competitive fee proposals (RFP) for services in support of City internal staff and resources for planning, design and construction.
- **Public entities:** Local academic institutions like University of Calgary, Mount Royal University, SAIT, and Olds College are well positioned to provide additional resources and expertise for landscaping design and biological monitoring components of the project.
- **City Business Units:** Transportation will continue to work closely with Parks (Urban Conservation, IPM and Urban Forestry divisions), Law, and Supply to identify and address potential risks and opportunities, and utilize the expertise available, in the planning and execution of this pilot project.

Project Timeline

The pilot project will be completed by February 2022 and will provide valuable information for future service planning and budget cycles. Attached is the project timeline overview.

Project Budget

The total budget for the project will not exceed \$800,000. Attached for reference is a breakdown of the preliminary budget, developed based on approximate dimensions of the treatment areas and anticipated costs. A final budget will be prepared following project chartering and initial planning and design work.

How does this Project meet the Criteria of the Fund as set out in the Terms of Reference?

The proposed expanded application in Calgary of an emerging area of unconventional landscaping practice will throw light on practical and operational aspects of the practice to determine its potential for improved service delivery and cost-effectiveness, considering overall value creation for the community and for the environmental well-being of Calgary. The naturalized landscaping and habitat restoration activities and outcomes that are central to this pilot project are aligned with environment-related policy aims and practices outlined in the Municipal Development Plan, Calgary Transportation Plan, Biodiversity Strategic Plan, Climate Resilience Strategy, and Resilient Calgary Strategy adopted by Council.

This project supports the following Council Priorities:

1. *A prosperous city.*
Exploring the cost-effectiveness of naturalized landscaping with the aim of minimizing maintenance costs and maximizing environmental benefits over the long-term.

2. *Inspiring neighbourhoods:*

The pilot is proposed for skeletal and arterial (i.e. major) roadways that connect communities, using landscaping approaches that are applicable also within neighbourhoods along residential roads and in parks, and depending on the design they may add colour, distinctiveness, and opportunity for community engagement.

3. *A city that moves:*

Landscaping design and maintenance will address traffic safety/visibility concerns.

4. *A healthy and green city:*

Several environmental benefits ascribed to roadside naturalization include: increased biodiversity associated with native species; enhanced habitat for pollinators and birds; interception of storm water runoff; carbon sequestration by shrub and tree species; and resilience to drought conditions and climate change.

5. *A well-run city:*

By partnering with public institutions and private industry to explore innovative approaches to landscaping, The City will be leveraging opportunities to cost share, gain access to additional professional expertise and networks, and inform the development of business plans and best practices for habitat restoration of current open spaces and for new development alike.

What does Success look Like and How will it be Measured?

The project will be a success if:

1. The naturalized landscaping treatments and related assessments and engagement can be completed as planned within the constraints of available budget and resources;
2. Preliminary results of biological monitoring indicate appropriate rates and extents of desired vegetation establishment as an initial return on investment;
3. Calgarians have had more opportunity to deepen their understanding of vegetation management, native species, biodiversity, and ecological processes in Calgary's open spaces including roadsides (beyond natural area parks) as a result of this project; and
4. The full costs and methods deployed in the pilot project are carefully tracked and documented to form the evidentiary basis for future business cases for capital investments in boulevard naturalization and for potential changes in practices and specifications for new development city-wide.

Economic measures of success, with respect to potential future long-term operational cost savings in as a financial return on investment may not be measurable in the two-year timeframe. However, one valuable insight to be gained from this pilot project would be how the market (i.e. landscape construction firms) price the unconventional landscaping treatments and materials. Other key information needed to validate assumptions around the effort and costs required for ongoing control of regulated weeds and maintenance for this type of naturalized landscaping will only become available over several years, as plant communities establish and evolve subject to annual variations in local climate (e.g. drought conditions) and potential disturbances (e.g. utility

work in the right-of-way). Accordingly, an additional successful outcome of this project would be for partnerships to be established with academic institutions that lead to ongoing monitoring of naturalized landscapes and ecosystem processes over time, beyond the two-year timeframe of the pilot, to complement or expand on any monitoring work undertaken by The City.

The biophysical assessment component of this project, being scoped to include assessment of existing “low maintenance” areas throughout the city, will be valuable in providing some historical context and reference information beyond the two-year project timeline. This retrospective view will contribute to project success by providing insight to actual maintenance and weed control effort (relative to mowed turfgrass) over time, and by providing visual reference examples when engaging the public and gauging levels of acceptance of the more natural looking roadsides.

In relation to key indicators of success for this project, there are two related metrics already established through strategic plans and policy:

- The MDP/CTP Core Indicators for Land Use and Mobility and also the One Calgary budget include increases in the percentage of urban forest tree canopy; note that a project of this magnitude will not result in percentage-point increases in tree canopy, although naturalization at scale city-wide in the future would make meaningful contributions.
- The Biodiversity Strategic Plan established a target of 20 per cent naturalization of open space (832 ha) in the corporate land holdings by 2025, and Calgary Parks indicate that currently The City has restored approximately 6 per cent of open space; the successful completion of this pilot project would add another 5 per cent (past the half-way mark in meeting the 20 per cent target) and may help the business case for further naturalization.

Success will be measured and reported back to PFC by Q4 2022 with the following key indicators:

Measure	Target
Financial: Improved business case information	100% of costs tracked
Ecological: Per cent increase in naturalized open space city-wide	5%
Social: Number of Calgarians engaged in the pilot subject matter	Increased understanding

Project Alignment with Current Policies and Plans

The proposed project aligns with and will help to advance the implementation of several key city-wide policies, plans and procedures including but not limited to the following.

Calgary Transportation Plan (2009):

1. Improve the air quality on and around mobility corridors by increasing vegetation, decreasing impervious surfaces, and supporting the use of renewable energy and other techniques to mitigate climate change (Policy 3.12.b)
2. Preserve and enhance biodiversity to support the natural environment in and around mobility corridors (Policy 3.12.c)
3. All new and retrofit road and street designs should incorporate green infrastructure strategies to contribute to the environmental health and visual aesthetics of the urban fabric (Policy 3.7.o)
4. Native vegetation and a layered tree canopy structure should be incorporated within corridors to reduce the urban heat island effect and improve air quality (Policy 3.7.q)

Municipal Development Plan (2009):

1. All land use and transportation planning and development should seek to conserve and protect ecosystems by: (i) recognizing the interconnectedness of air, land, water, climate, ecosystems, habitat and people; ... (v) establishing, protecting and restoring native habitat and areas of biodiversity locally and regionally; ... (ix) promoting innovative technologies and processes to achieve environmental goals (Policy 2.6.a)
2. Land use planning and development, urban design and transportation planning processes should incorporate the principles of green infrastructure, which seek to: ... (iii) mimic nature through engineered green systems to reduce the impact on the ecosystem; and (iv) improve the aesthetic (visual) quality and sense of place of all communities and landscapes (Policy 2.6.1.a)
3. Create an interconnected open space system within and between watersheds to ensure that the ecological integrity of open spaces and parks are recognized and protected as the most critical element of Calgary's green infrastructure (Policy 2.6.4.f)
4. Manage natural areas and open spaces [i.e. includes public land set back from roadsides] primarily to conserve and promote native biodiversity (Policy 2.6.4.n).

Our BiodiverCity: Calgary's 10-year Biodiversity Strategic Plan (2015):

1. Restore 20 per cent of current open space to support the conservation of biodiversity
2. Evaluate landscapes in Calgary and set targets for conservation measures to identify, protect and manage ecological cores and corridors [e.g. includes naturalized open space]
3. Identify invasive species in open space and complete strategies for their management.

Climate Resilience Strategy and Action Plans (2018):

1. Update design guidelines for City infrastructure to ensure resilience to extreme weather events and chronic climate changes.

TERMS OF REFERENCE FOR THE COUNCIL INNOVATION FUND

Purpose of the Fund

The Council Innovation Fund (CIF) provides non-repayable financial support for **innovation** projects that aim to improve quality of life in Calgary.

Innovation Definition

For the purposes of the CIF, **innovation** is defined as:

The translation of ideas into new or improved services, products, processes, or social interaction, that create value for the community.

Guidelines

1. Types of Funding Applications

Applications may be submitted for:

- a) Startup project grant.
- b) Pilot project grant.

2. Criteria for Successful Funding Applications

Funding applications should demonstrate that the proposal:

- a) meets the **innovation** definition as set out in these Terms of Reference,
- b) supports Council's priorities,
- c) has the potential to change city-wide policies and procedures, if successful upon implementation,
- d) is viable and sustainable in the long term,
- e) is fiscally sound,
- f) will be managed well, and
- g) has not previously received a CIF grant.

3. Process for Funding Applications

This process will be followed for all applications.

- a) Applications for CIF grant may be prepared by a variety of organizations and must be sponsored by a member of Council or prepared and sponsored by a member of Council prior to submission to the Chief Financial Office.
- b) The Chief Financial Office will be the point of contact for all applications.
- c) The applicant must complete and submit a CIF application form to the Chief Financial Office. It is the applicant's responsibility to use the prescribed application form, describe the project in the context of these guidelines, and include detailed documentation.
- d) Applications should be submitted to the Chief Financial Office no later than six weeks in advance of the targeted Priorities and Finance Committee (PFC) meeting date.

- e) The Chief Financial Office shall forward all applications to Council for review and approval, through a report to PFC. PFC will recommend approval or refusal to Council based on the criteria as set out in these Terms of Reference.
- f) Applicants will be informed of the status of their application once Council has decided to approve or refuse the application.
- g) Following application approval, a Contribution or Funding Agreement will be prepared for signing by the applicant and The City of Calgary, laying out the legally binding responsibilities and obligations of both parties. The Agreement will specify that the applicant must return any unused portion of a CIF grant to The City of Calgary.

4. Reporting and Fund Replenishment

- a) Successful applicants must submit an update report to the Chief Financial Office indicating how the CIF grant was spent and the outcomes of the project, within 12 months of the project end date.
- b) The Chief Financial Office shall submit a summary report to Council through PFC annually, on CIF grants and the overall status of the CIF.
- c) A CIF summary report identifying all projects, project approval dates, project budgets and total fund expenses, shall be included in the four-year service planning and budget process.
- d) Council may review the financial status of the CIF as part of The City's four-year service planning and budget discussions and direct that additional funding be allocated to the CIF.

Project Budget Overview	
Activity	Total Cost (2 years)
Design	\$60,000
Biophysical Assessment and Monitoring	\$80,000
Communications/Community Outreach	\$25,000
Project Management	\$100,000
Site Preparation	\$45,000
Weed Control	\$200,000
Seeding	\$150,000
Planting	\$30,000
Maintenance for Sites and Watering	\$110,000
Total	\$800,000

Budget estimates are approximate based on selected sites and subject to change pending procurement. The project cannot exceed the allotted budget.

Project Timeline Overview	
Project Chartering	February 2020
Landscaping design begins with partners and industry engagement	March 2020
Community outreach	March 2020
Biophysical assessment and pilot monitoring program begins	March 2020
RFP for landscape construction to market	April 2020
Tree planting by Urban Forestry begins (procurement completed)	June 2020
Preferred proponent(s) awarded landscape construction work	June 2020
Landscaping treatments by contractor(s)	August 2020
Ongoing landscaping treatment, maintenance, assessment, engagement	May - Oct 2021
Pilot project analysis and reporting begins	November 2021
Project completed, final reporting (monitoring partnership to continue)	October 2022

City Manager's Office Report to
Priorities and Finance Committee
2020 January 21

ISC: UNRESTRICTED
PFC2020-0110

Council Innovation Fund Application – City of Calgary Citizen Privacy Data Practices

EXECUTIVE SUMMARY

Councillor Colley-Urquhart is sponsoring an application to the Council Innovation Fund (“CIF”) in partnership with the City Clerk. The CIF application is seeking \$75,000 to support (1) securing services of an external privacy expert to conduct an audit of the current and future privacy practices at The City of Calgary (“The City”); and (2) to develop and implement a city-wide public engagement campaign with citizens, privacy experts and organizations. This work will shape The City’s future strategic privacy framework and will inform the development and implementation of privacy tools to communicate more effectively about The City’s privacy practices to uphold the public’s trust and confidence. Administration will manage both aspects of this work and will report back to Council as part of the Privacy Framework 2019-2021 Workplan.

ADMINISTRATION RECOMMENDATIONS:

That the Priorities and Finance Committee recommend Council:

1. Approve the Application for Council Innovation Fund in the amount of \$75,000;
2. Direct Administration to report back on the outcomes as part of the Privacy Framework 2019-2021 Workplan no later than Q1 2021; and
3. Direct that this report be forwarded to the January 27 Strategic Council Meeting.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2019 April 29, Council approved updates to the Council Innovation Fund Terms of Reference (Attachment 1). Any Member of Council can submit an application for CIF to the Priorities and Finance Committee for review and consideration and ultimately for Council’s consideration and approval. The proposal for funding must demonstrate credibility, fiscal responsibility and good management which will be important considerations in the evaluation of applications.

At the 2019 April 29 Combined Meeting of Council, Council adopted Councillor Diane Colley-Urquhart’s Notice of Motion (C2019-0590), *City of Calgary Citizen Privacy Data Practices*, directing the Chief Security Officer/Chief Information Security Officer, the Chief Information Technology Officer, Chief Human Resource Officer and the City Clerk in consultation with appropriate City staff and leading external privacy experts to (a) provide an analysis of The City’s current privacy practices; and (b) develop a visible, accessible and overarching strategic Privacy Framework associated with digital infrastructure (‘Smart Cities’) and a Workplan for implementation for Council consideration. Council directed Administration to report back directly to the January 27th, 2020 Strategic Meeting of Council, with a status update.

BACKGROUND

On January 27, 2020, Administration will present a response to the Notice of Motion (C2019-0590), which includes (1) an analysis of The City’s current privacy practices; and (2) a detailed Privacy Framework 2019-2021 Workplan for Council’s consideration. Administration’s work to date has focused on analyzing The City’s current state practices, indicating whether The City meets or exceeds legislative thresholds and identifies key future state privacy considerations to

City Manager's Office Report to
Priorities and Finance Committee
2020 January 21

ISC: UNRESTRICTED
PFC2020-0110

Council Innovation Fund Application - City of Calgary Citizen Privacy Data Practices

move The City's current privacy program into closer alignment with international privacy standards such as the *General Data Protection Regulation* ("GDPR").

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Privacy has been a topic of increasing attention nationally and internationally, and there is a growing awareness of privacy within The City. The City has seen an increase in privacy related work in terms of privacy impact assessments and privacy breaches reported by members of the public and City employees. Currently, Administration's focus has been on collaborating internally and externally on operational matters, and documenting The City's current privacy practices. Prior to developing an overarching strategic privacy framework associated with digital infrastructure ("Smart Cities"), as directed by Notice of Motion (C2019-0560), Administration would like to obtain the services of an external privacy expert to conduct an audit of the current, under-development and future privacy practices to identify any policy and/or implementation gaps before a privacy framework is presented to Council for consideration. In addition, Administration would like to conduct a city-wide public consultation process on The City's proposed privacy vision and principles, given The City's commitment to communicate with the public regarding when and how their personal information is collected, used, disclosed, and retained by The City. A broader description of this work is outlined in Attachment 2. An external audit and city-wide public consultation will provide valuable information in order to shape The City's future strategic privacy framework.

Stakeholder Engagement, Research and Communication

There are opportunities to engage and leverage the resources of Customer Service and Communications (Attachment 3), as well as faculty and students from the University of Calgary. Attachment 3 provides additional details.

Strategic Alignment

This report aligns with Council's Priority of a well-run city: "Calgary's government is open, responsible, accountable and transparent, delivering excellent services at a fair price. We work with our government partners to ensure we have the tools we need".

Social, Environmental, Economic (External)

Privacy concerns have the potential to negatively impact City projects related to social and/or environmental well-being if privacy is not considered at the design stage of the project. To promote social and environmental projects, this work will allow for an audit of current state privacy practices and will provide input into the design of future privacy practices at The City.

Financial Capacity

As of 2020 January 1, the balance of the CIF is approximately \$3,900,000. This CIF application is requesting one-time funding of \$75,000.

City Manager's Office Report to
Priorities and Finance Committee
2020 January 21

ISC: UNRESTRICTED
PFC2020-0110

Council Innovation Fund Application - City of Calgary Citizen Privacy Data Practices

Current and Future Operating Budget:

The proposed external audit and engagement approach (Attachment 3) focuses on targeting privacy experts, specialized stakeholders, City employees and the general public. Administration does not have a sufficient operating budget to conduct a gap analysis, conduct an engagement campaign to inform a city-wide privacy framework, and implementing findings and recommendations out of the gap analysis and engagement process. Details related to the \$75,000 request are provided in Attachment 2.

Current and Future Capital Budget:

No impact on current and future capital budget.

Risk Assessment

The risk of not proceeding with the CIF application would be the lack of city-wide input into The City's future privacy framework, a limited scope gap assessment of current and future City privacy practices, and insufficient communication and education with the public and City employees related to the future privacy framework.

REASON FOR RECOMMENDATIONS:

This application meets the requirements of the existing CIF Terms of Reference. This CIF application is a one-time funding request that has the potential to have a city-wide impact and helps to advance Council priorities.

ATTACHMENTS

1. Attachment 1 – Terms of Reference for the Council Innovation Fund
2. Attachment 2 – Application for Council Innovation Fund
3. Attachment 3 – Privacy Framework Engagement Plan Overview

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- c) has the potential to change city-wide policies and procedures, if successful upon implementation,
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- e) is fiscally sound,
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- d) Council may review the financial status of the CIF as part of The City's four-year service planning and budget discussions and direct that additional funding be allocated to the CIF.



APPLICATION FOR COUNCIL INNOVATION FUND

CC 941 (R2019-10)

*** Be sure to save your completed document to your desktop before you print and/or email the form for submission so you do not lose your content. Please email your desktop copy and other attachments to the CFOD Administrative Assistant (see Contact Information on the CFOD myCity page for details), who will confirm receipt.**

Date of Submission

2020-01-13

Name of Project

City of Calgary Citizen Privacy Data Practices

Sponsoring Councillor

Councillor Diane Colley-Urquhart

Applicant Name

Laura Kennedy Director/City Clerk/FOIP Head

Applicant Contact Number

(403) 268-5848

Include area code, no spaces

Applicant Business Unit or Name of Organization

City Clerk's Office

Affected Business Units and/or Departments

City Clerk's Office

Amount of Funds Requested - please attach budget breakdown details in an attachment

\$75,000.00

Draft PFC cover report attached

Yes No

Please list supporting documents provided.

PFC Cover Report; and
Attachment 3 - Privacy Framework Engagement Plan Overview

Applications for the Council Innovation Fund are to be submitted to the Chief Financial Officer Department (name of person) no later than six (6) weeks in advance of the targeted Priorities and Finance Committee (PFC) meeting date.

Only completed applications supported by a PFC cover report will be submitted for placement on the PFC agenda. The PFC will review the report and proposal and provide their recommendation to Council. The recommendation and report will then be forwarded to Council at their next scheduled meeting.

Provide a summary description of the project to a maximum of 2 pages.

At the 2019 April 29 Combined Meeting of Council, Council adopted Councillor Diane Colley-Urquhart's Notice of Motion (C2019-0590), *City of Calgary Citizen Privacy Data Practices*, directing the Chief Security Officer/Chief Information Security Officer, the Chief Information Technology Officer, Chief Human Resource Officer and the City Clerk in consultation with appropriate City staff and leading external privacy experts to (a) provide an analysis of The City's current privacy practices; and (b) develop a visible, accessible and overarching strategic Privacy Framework associated with digital infrastructure ('Smart Cities') and a Workplan for implementation for Council consideration, including but not limited to:

- i. privacy vision, privacy principles and a privacy charter;
- ii. privacy statement aligned with existing statutory obligations and privacy best practice more broadly;
- iii. privacy awareness, for both City employees and citizens;
- iv. operational privacy toolkit;
- v. privacy auditing and review processes;
- vi. merits of having a Chief Privacy Officer;
- vii. Privacy Complaints Management; and
- viii. Digital tools that assist with tracking and managing City projects involving data collection, use and disclosure - particularly where personal information is involved.

Identify how this project meets the criteria as outlined in the Terms of Reference for the Council Innovation Fund.
Please attach additional information as required.

The project meets the following criteria as outlined section 2 of the Terms of Reference for the Council Innovation Fund:

(a) meets the innovation definition: the outcomes of the external audit and city-wide engagement will translate into improved services and processes for the public and City employees;

(b) supports Council's priorities: (1) well-run city: "Calgary's government is open, responsible, accountable and transparent, delivering excellent services at a fair price. We work with our government partners to ensure we have the tools we need"; and (2) Notice of Motion (C2019-0560), which provides that "there is a strategic governance requirement for City Council to lead in the overall public domain of digital governance, by ensuring administrative controls are in place over The City's data (including citizen data) when deploying Smart Cities technologies. And, as part of our legislative responsibility and social contract obligations with citizens, ensure that a comprehensive Administrative Privacy Program is in place to uphold the public's trust and confidence".

(c) has the potential to change city-wide policies and procedures, if successful upon implementation: the outcomes of this work will inform updates to The City's current Administration policy on Privacy Impact Assessments and The City's Privacy Breach Complaint Management procedures. Both the Administration policy and the Complaint Management procedures have a city-wide impact as they relate to all City projects that interact, or may interact, with personal information and the handling of personal information (citizen and City employee).

(d) is viable and sustainable in the long term: the outcomes of this work will be incorporated into The City's future strategic Privacy Framework

(e) is fiscally sound: Administration is seeking \$10,000 for a city-wide engagement campaign and creation of online privacy tools to communicate more effectively about The City's privacy practices; and \$65,000 to secure the services of an external privacy expert to conduct an audit of the current and future privacy practices at The City to inform the development of a city-wide strategic privacy framework. The remaining work directed in the Notice of Motion (C2019-0560) will be completed by Administration.

(f) will be managed well: On January 27, 2020, Administration will present to Council a Privacy Framework 2019-2021 Workplan with timelines for completion.

(g) has not previously received a CIF grant

Outline the proposed timeline for this project, including the final report back date.

The timeline for this work is Q3 2019 to Q4 2020, with a final report back to Council in Q1 2021 and publication of privacy online tools to calgary.ca in Q2 2021.

Identify what success looks like, and how it will be measured.

The work seeks to clearly communicate, internally and externally, The City's commitment to privacy, and how The City collects, uses, discloses and retains citizens' personal information. Success includes a Council approved strategic Privacy Framework for The City, that was informed by city-wide public engagement and an external privacy expert. Success will be measured by completing the strategic Privacy Framework, and associated deliverables, as outlined in Notice of Motion (C2019-0560), by Q2 2021.

Your personal information is being collected, used and disclosed for the administration and processing of your application for funding under the Council Innovation Fund Project. Your information is collected pursuant to section 33(c) of The Freedom of Information and Protection of Privacy Act ("FOIP Act") of Alberta. If you have any questions about the collection, use or disclosure of your personal information, please contact The City of Calgary's Chief Financial Office (#8003), The City of Calgary P.O. Box 2100, Str. M, Calgary, AB T2P 2M5 and by calling at 403-268-5664.

Attachment 3 - Privacy Framework Engagement Plan Overview(CIF).docx

Tasks	2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2
Public/online engagement		█				
Employee/Internal Engagement		█				
Engagement with expert stakeholders	█	█	█			
Members of Council Conversations	█	█	█	█		
Council Report: <i>'What we heard and What we did'</i>					█	
Awareness/ Implementation of new Privacy Framework Communications						█

**Returning Officer's Report to
Priorities and Finance Committee
2020 January 21**

**ISC: UNRESTRICTED
PFC2020-0094**

Civic Census Review

EXECUTIVE SUMMARY

This report provides recommendations for a biennial civic census based on a recent review conducted with census data users internal and external to the City. The review outcomes, recent direction from the Province and discussions with school boards and Statistics Canada are included in this report.

RETURNING OFFICER'S RECOMMENDATIONS:

That the Priorities and Finance Committee recommends that Council:

1. Direct the Returning Officer to conduct a civic census in 2020 and 2022;
2. Direct that no civic census be conducted in 2021; and
3. Direct the Returning Officer to report back with an evaluation of discussions with Statistics Canada and the provincial government and the ongoing value of a civic census by Q4 2022.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2019 February 14 Council directed Administration to: 1) Conduct a review of the value and benefits of conducting an annual municipal census program and report back in Q4 2019; and 2) Review and provide recommendations to amend the Civic Census Policy CC005 in Q4 2019.

Civic Census Policy CC005 (Attachment 1) outlines the purpose, frequency, data being collected, use of the data, stewardship and confidentiality related to conducting a municipal census.

BACKGROUND

The City of Calgary has conducted an annual Civic Census since 1958 with data available generally within two months of completion. In 1984, 1994, and 2005 extensive reviews of the Civic Census were undertaken. In all three cases Council confirmed the continuation of an annual census.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Civic Census Review

A review of the value of conducting an annual civic census was completed. The detailed review is included as Attachment 2. Internal and external consultation indicates the primary value of an annual civic census is to provide for current and consistent city-specific data for internal and external users. Uses of the data include:

- Developing accurate population forecasting
- Developing and monitoring the municipal Growth Strategy
- Determining appropriate levels and timing of infrastructure and services needed in new communities and established areas
- Population forecasts guide and align long-term planning and development goals to the Municipal Development Plan

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Civic Census Review

- Supports determining appropriate land use policies
- Developing the Regional Travel Model
- Calculating impacts on utility networks (i.e., storm, water and sanitary systems)
- Non-profits and businesses analyze demographics within individual communities or regions for program and services planning
- Post-secondary institutions use for research purposes
- Calgary school boards use for planning

In addition to the Civic Census Review, recent direction from the Province and discussions with school boards and Statistics Canada related to the civic census were considered, as outlined below.

Provincial Grants

In 2019 November, a letter was received from the Government of Alberta announcing that provincial grants for The City of Calgary will no longer be tied to the population collected in an annual civic census. In 2021, the methodology used to determine populations will be produced by the Government of Alberta in collaboration with Statistics Canada. The letter also indicated a municipality can continue to conduct a civic census, the results will only be used at the local level for municipal planning purposes.

To date, the Province has not communicated the planned frequency or methodology of the proposed provincial population estimate. Administration is prepared to provide feedback on the Provincial population estimation methodology to align with City data needs.

Administration supports continuing a civic census for city-specific data needs, planning and data based decision making for internal and external users.

Partnerships

The City of Calgary had a long-standing agreement with the Calgary Board of Education and Calgary Catholic School District. Together the Boards contributed to The City's annual civic census budget. The school boards have indicated that they no longer require specific civic census reports and instead will rely on civic census data available through The City's open data platform and other City statistical reports.

The City of Calgary maintains a relationship with Statistics Canada to ensure an alignment of processes. In 2016 Statistics Canada collection was negatively impacted by confusion caused by conducting the municipal and federal census within two months. Statistics Canada has requested the City consider not completing a census in 2021 to avoid this confusion. In support of Statistics Canada's request, the Returning Officer recommends that The City not conduct a census in the same year as a Federal Census. The Returning Officer and Statistics Canada are working collaboratively to align their data needs and as much as possible make the federal tools beneficial to Calgary.

**Returning Officer's Report to
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Civic Census Review

Financial Impact

The City receives provincial funding through municipal grants using our most recent population collected from the civic census. The changes being introduced by The Government of Alberta will result in funding amounts based on estimations instead of actual census data. Provincially, most grants had a population component to allocations. We do not know the financial impact of this change in methodology. The federal government uses Statistics Canada data and estimates to calculate grant funding.

The civic census costs \$1.5 million to conduct annually. This expense translates to approximately \$1.00/per person, or \$3.00/per household.

There would be cost-savings of approximately \$800,000 in years when a civic census is not conducted.

Recommendation

It is recommended a civic census be conducted in 2020 and 2022, and use the federal census results in 2021. This will provide the following benefits:

- Supports internal and external partner city-specific data, planning and resources needs;
- Develop with Statistics Canada reasonably accurate estimation models; and
- Financial savings realized in non-census years.

A report evaluating the biennial civic census will be provided for Council's consideration by Q4 2022. The report is an opportunity to determine if the provincial population estimation and partnership opportunities with Statistics Canada change the continued value, methodology and/or frequency of a civic census.

Stakeholder Engagement, Research and Communication

A number of internal and external partners were consulted as part of the development of this report, including:

1. Internal partners (Calgary Growth Strategies – Geo-demographics, Transportation Planning – Data and Forecasting, Strategy, Finance – Corporate Economics, Calgary Neighbourhoods and internal census survey participants); and,
2. External partners (e.g., Calgary Board of Education, Calgary Catholic School District, external census survey participants, Ministry of Municipal Affairs, Ministry of Treasury Board and Finance, Statistics Canada).

Strategic Alignment

This report aligns with Council's priority of a Well-Run City.

Returning Officer's Report to
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Civic Census Review

Social, Environmental, Economic (External)

Census data is used by many stakeholders for planning and analysis to determine business decisions that impact the citizens of Calgary.

Financial Capacity

Current and Future Operating Budget:

There would be a cost savings of approximately \$800,000 in years when a civic census is not conducted.

Current and Future Capital Budget:

There are no current or future capital budget requirements.

Risk Assessment

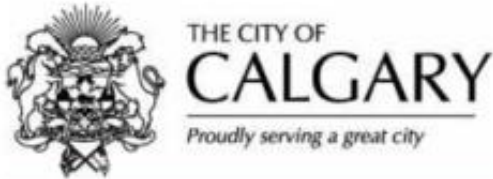
If a civic census is not conducted on a regular basis, alternate sources of data will be required for planning purposes, for internal and external data users.

REASONS FOR RECOMMENDATIONS:

Not conducting a census in 2021 is recommended to align with the request from Statistics Canada. It would also provide the opportunity for The City to work with the province and Statistics Canada to determine if the provincial population estimation and partnership with Statistics Canada changes the continued value, methodology and/or frequency of a civic census.

ATTACHMENT(S)

1. Civic Census Policy (CC005)
2. Civic Census Review



COUNCIL POLICY

Policy Title: Civic Census Policy
Policy Number: CC005
Report Number: C2011-24
Approved by: City Council
Effective Date: 1984 November 07
Business Unit: City Clerk's Office

BACKGROUND

The Civic Census is the official count of dwelling units and the population living in these units by the door to door physical collection and recording of data. This count of dwellings and residents may be supplemented yearly with other information such as the periodic age/gender distribution data, etc. This additional data is pertinent to the use and interpretation of the population statistics.

The City of Calgary first conducted a Civic Census in 1931 and continued periodically until 1958 when an annual count of population started and has continued ever since.

The Civic Census is conducted in accordance with Section 57 of the Municipal Government Act (Revised Statutes of Alberta 1994, Chapter M-26.1).

PURPOSE

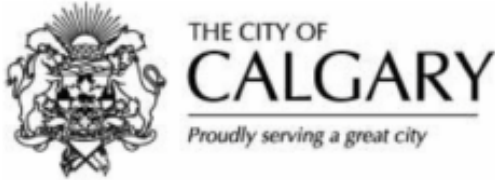
Up-to-date Census information is essential for the City of Calgary, school boards, business and residents in order to make informed decisions.

Planning

It is essential for City departments and related agencies to have accurate and up-to-date statistical information on the residents of Calgary to make informed and appropriate decisions on the provision of population based city services, such as transportation, roads, transit, fire protection, police services, utilities, recreation, etc. Basing decisions on constantly updated demographics results in more appropriate use of City revenues and this particularly so in times of rapid change.

Grants

The Province of Alberta and Government of Canada provide limited grants to municipalities. The amounts of these grants are calculated on a per capita basis using the official population from either an annual Civic Census or the latest



COUNCIL POLICY

Federal Census. As the Federal Census is only collected every five years, and Calgary is a rapidly growing municipality, using the population from the annual Civic Census provides the greatest financial return.

School Board Information

Under a cost sharing agreement between The City of Calgary and both the Public and Separate School Boards, data is collected for the Boards during the Census. This information is required for enrolment predictions, decisions on future schools, and transportation needs, etc. With decreasing funds available for education, the information obtained by the census is now more important and necessary for allocation of resources.

POLICY

Policy Statements

1. Definition of Civic Census

The Civic Census is the official count of dwelling units in The City of Calgary and the population living in these units by door to door physical collection and recording of data.

2. Frequency of Civic Census

The Civic Census shall be conducted annually commencing April 1.

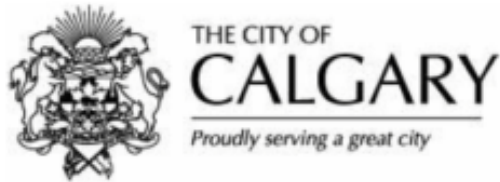
3. Type of Annual Data

The following data shall be collected annually for each dwelling unit:

- a. Structure type,
- b. Number of residents,
- c. Occupancy status,
- d. Owner occupied information, and
- e. School Board information.

4. Definition of a Dwelling Unit

A dwelling unit is a self-contained unit which has full cooking, sleeping and sanitary facilities, and is not part of an institution.



COUNCIL POLICY

5. Age/Gender Data Collection

Data on age and gender categories shall be collected as follows:

- a. In those years in which the Canada Census is conducted, i.e. 2001, 2006, 2011, etc., and
- b. Every third year after a Canada Census, i.e. 2004, 2009, 2014, etc.

The age groups to be collected are 0-4, 5-14, 15-19, 20-24, 25-34, 35-44, 45-54, 55-64, 65-74, and 75 and over.

6. Number of Employed Data Collection

Data on the number of persons, 15 years of age and over, employed full or part time is collected on a triennial basis or in conjunction with a travel to work survey for Land Use Planning & Policy Business Unit.

7. Mode of Transportation to Work Data Collection

Starting in 2011, data on the mode of transportation to work for one working individual in the household will be collected on a triennial basis. The data collected will reflect travel to work on a weekday by modes pre-determined by Transportation Planning.

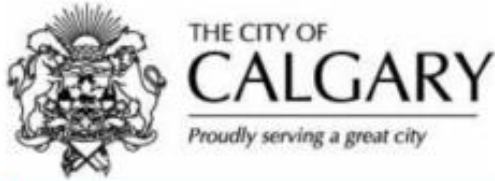
Data collected on the modes of transportation to work will be disseminated to the public and to Transportation Planning at the community level unless otherwise approved by the data steward.

8. Other Data Collected for City Business Units

Other data required by City of Calgary Business Units are to be scheduled in years when voter enumeration and collection of age/gender data are not scheduled. The decision, on what data and when it can be collected, shall be made by the steward.

9. Data Collected for Other Government Agencies

Other data may be collected for other government agencies at their cost. The decision, on what data and when it can be collected, shall be made by the steward.



COUNCIL POLICY

Data on school support and number of child by year of birth for the current year and the six previous years is collected annually for the two City of Calgary School Boards on a cost recovery basis.

Data collected for other Government Agencies is released to the agencies in aggregate so no individual or dwelling can be identified.

10. Primary Agency

City Clerk's shall be the primary agent for securing the census data and is responsible for the field collection, editing, data entry, compilation and publishing of the data for the current year and the comparison to the last year the data element was collected.

Land Use Planning & Policy Business Unit is the primary agent for the storage and reporting on historical census data.

11. Stewardship

The Returning Officer, City Clerk's, shall be the steward of the current year census data and is charged with the responsibility of formatting the data in a manner best suited to the needs of The City while maintaining confidentiality.

Land Use Planning & Policy Business Unit is the steward of the historical census data and takes responsibility of the previous year's data once the new current year is published. The Business Unit is charged with the responsibility of formatting the data in a manner best suited to the needs of The City while maintaining confidentiality and for combining the data with supplementary Federal and Provincial data and disseminating the information when it becomes available.

12. Confidential Status

Census totals shall be kept strictly confidential and restricted to "need to know" personnel in City Clerk's and others as approved by the Returning Officer until released by the Mayor at the press conference.

Census data shall remain confidential to the extent that data shall be released for corporate use in an aggregated manner that does not permit access to or determination of the data at an individual dwelling unit.



Freedom of Information and Protection of Privacy rules are applied to the data to ensure that no individual or dwelling unit can be identified in any of the data released. If there are 5 or less residents showing within a community or if there are 10 or less residents in 20 or fewer dwellings units within a community the data is removed from the community and included under the residual area for the ward.

Census data shall not be released for use outside of The Corporation at an aggregate level lower than community unless approved by the steward.

Census data, at the dwelling unit level, becomes public from The City of Calgary Archives once the data has been in existence for 50 years.

PROCEDURE

Contact Election & Information Services Division, City Clerk's.

AMENDMENTS

Date of Council Decision	Report / Bylaw	Description
1994 December 19		Commissioners Report to Council to change the schedule for number of employed data collection.
2011 March 07	C2011-24	Council policy amended to include a triennial question in the Civic Census on the mode of transportation to work. In addition to this amendment, information on <i>Freedom of Information and Protection of Privacy (FOIP) Act</i> has been added to the Council policy.



Civic Census Review

2019

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Executive Summary

The Returning Officer completed a review of the value of conducting an annual civic census. The review included engagement through online surveys, focus groups, and discussions with subject matter experts, and conversations with municipalities from across Canada on census and census-type data. While the review was underway, the provincial government announced that provincial grants for The City of Calgary will no longer be tied to the population data collected through the civic census. This new information was shared with internal stakeholders.

The review and consultations confirmed that Administration supports the continuation of a civic census for The City of Calgary. The frequency and accuracy of the census data is important to all users. Regularly and consistently collected data informs The City's ability to plan for services and programs, measure results, modify requirements and ensure well informed decisions are made. There was consensus among stakeholders that if an annual census is not supported, a biennial census would provide value. The addition of time between censuses would be used to validate the addition of new questions, support planning and allow for estimation models to be developed.

The Returning Officer recommends conducting a civic census in 2020 and 2022, no civic census be conducted in 2021, and will report back with an evaluation of a biennial census in 2022.

History of the Calgary Civic Census

The City of Calgary has conducted an annual Civic Census since 1958 with data available within two months of completion. In 1984, 1994 and 2005 extensive reviews of the Civic Census were undertaken. In all three cases, Council confirmed to continue with an annual census as laid out in the Civic Census Policy CC005. An extensive review of the Civic Census has not been conducted since 2005 and this report supports the importance of conducting this type of review.

Purpose of Review

The Civic Census Review was directed by Council to examine several themes related to the census and assist with the determination of the future direction for the census. Considerations in the review included:

- a review of current processes to align with new legislated requirements;
- identification of internal and external users of census data and their use of data;
- feedback of internal and external users of census;
- a review of the census question schedule and potential changes or new questions;
- framing of questions;
- identified value of providing census data annually;
- a scan of other municipalities and census programs;

- best practices in other jurisdictions; and
- identifying future alignment with the Federal Census.

Current Practices

The City of Calgary conducts the census annually between April and June in compliance with the *Determination of Population Regulation*. The census follows an annual plan, execute and review cycle:

- September – December: Initial planning, process and technology review, change, and implementation.
- January: Finalization of census plans
- February – March: Onboarding of temporary staff, census worker hiring
- April – June: Census worker training, online and on-street data collection
- June – July: Data analytics, off-boarding of temporary staff

Census data is collected in two phases: Census online begins the first week of April and continues throughout the collection period. In-person collection begins the third week of April.

Operational Challenges and Opportunities

Door-to-Door Collection

As our city grows and densifies, successful collection of census data at the door continues to be challenging. Access to high-density residences, language barriers, and privacy concerns are making efficient collection more difficult. There is also an issue generally of over-saturation in door knocking during election years and federal census years, which has been brought-up by Statistics Canada, and was the basis for their request for The City of Calgary not to conduct a civic census in 2021.

High-Density Residences

High-density residences pose a particular challenge to census collection. Facilitating access to multi-residential buildings requires the sustained effort throughout the census period. The Census office maintains a list of apartment buildings and property management companies that must be updated prior to collection starting. Letters and information posters are sent to building and property managers at the start of the collection period notifying them of the census dates, contact details of the Census office, and online Census option. During collection, census takers contact the Census office to obtain information and assistance gaining entry to buildings. Appointments must be set up with property/building managers to grant access for the census takers.

As more apartment buildings and condos are built and occupied, facilitating access requires more time.

Privacy Concerns

Conducting a door-to-door census becomes more difficult as people's perception of privacy changes. Many people either do not answer their doors or are reluctant to give census takers personal information. Census takers are required to visit a dwelling three times before marking it as unoccupied. More often, census takers are having to rely on information provided by neighbours or building managers.

Language Barriers

The Census office provides census takers with two ways to translate the census questions at the door. This has included audio translations, in various languages, of the questions on the census takers iPads and access to a translation service through 311. Despite the translation methods, census takers often find language barriers prevent to complete collection of census data.

Improvement Cycle

Conducting an annual census restricts the ability to implement innovative technical and process improvements except in small increments. As soon as a census cycle is complete, the Census office must start preparing for the next census.

Improvements the Census office is currently working on include:

- Increasing marketing push for online completion of census
- Identify existing touch points with citizens as new data capture points (e.g., in-person outreach; directing 311 calls for optional census completion; recreation and partner facilities such as libraries, civic partners).
- Exploring innovation opportunities (e.g., social media, app).
- Strengthening internal census partnerships.

Future of Census Questions

Framing

The Census office has engaged with the Human Resources partners who design the employee survey to review the wording and presentation of the census questions to ensure the questions meet survey methodology and diversity and inclusion best practices.

Additional Questions

Based on feedback during the focus group, a desire exists to add questions to the census on a set schedule.

Current Questions

The questions and frequency of questions included in the census are set by Council Policy CC005 Civic Census Policy.

Base Questions

The Civic Census includes the following base questions that are asked every year.

Question Name	Data collected
Structure Code	The type of structure the dwelling belongs to.
Unoccupied Code	If there are vacant dwelling units available for rent in the house/building.
Total Residents	The total number of persons, including children, living in the dwelling.
Ownership Code	If the dwelling owned by one of the residents.
School Code	The school system supported by the residents of the dwelling.
Number of Children	The number of pre-school aged children living in the dwelling (by year of birth).

Additional Scheduled Questions

The following questions are asked based on a schedule set in Council Policy CC005, with the exception of the Animal Survey, which does not have a set schedule. The current schedule is set only until 2021.

Name	Data Collected	Frequency
Age Gender	The number of residents in each age grouping by gender. Asked in 2019.	<ul style="list-style-type: none"> ▪ In those years in which the Federal census is conducted. ▪ Every third year after a federal census.
Number of Employed	The number of people in the dwelling, 15 years of age or older, who are employed full or part time. Will be asked in 2020.	<ul style="list-style-type: none"> ▪ Triennial basis, or ▪ In conjunction with the Mode of Transportation question.
Mode of Transportation	How the respondent (or another person living in the household that is employed) travelled to work on the last weekday worked. Will be asked in 2020.	<ul style="list-style-type: none"> ▪ Triennial basis, and ▪ In conjunction with the Place of Work Survey.

Name	Data Collected	Frequency
Animal Survey	How many dogs or cats live in the dwelling.	<ul style="list-style-type: none"> ▪ As required.
Place of Work Survey (Transportation Survey)	This survey is separate from the census, but linked to collection. Census respondents are prompted to complete the survey online following when they complete the census. Will be asked in 2020.	<ul style="list-style-type: none"> ▪ Every three to four years.

Additional Questions

Additional questions may be added to the census by business units, subject to approval by the Returning Officer. Generally, additional questions have not been scheduled in the same year as the age/gender question.

Census User Engagement

To understand the breadth and value of census data use, engagement was conducted with internal and external data users. A survey, focus group, and follow-up discussions with subject matter experts informed the recommendations of this review. There is clear consensus of support for the continuation of the civic census program.

Survey

An online survey was administrated to users of the 2019 Civic Census results. The survey was fielded from September 3-17, 2019.

Response rate and completion:

- 215 people started the survey.
- 142 respondents completed the survey in full.
- All questions were optional to answer; therefore base sizes vary.

NOTE: With relatively small sample sizes, findings should be interpreted as directional in nature only.

Of 142 respondents:

- 75% thought the Census should be conducted annually.
- Population, at 24%, was the most used data.
- City-wide data, at 41%, was the geographic level most used.

The full survey results are available in [Appendix A - Detailed Survey Results on page 18](#).

Focus Group

A focus group was held on 2019 October 30 with internal census users to gain insight into how census data is used, a review of base questions and additional question, and the frequency of the census. Twenty-four people attended the focus group from business units across the City including:

- Calgary Neighbourhoods – Strategic Services
- Resilience Strategy
- Finance-Director – Corporate Economics
- Calgary Growth Strategies - Geodemographics
- Transportation Planning
- Calgary Parks
- Calgary Housing

Findings of the Annual Census

Usability

Question	Usability
Unoccupied Code	Resilience Strategy, Calgary Neighbourhoods, Transportation Planning, Geodemographics
Total Residents	Resilience Strategy, Calgary Neighbourhoods, Transportation Planning, Geodemographics, Corporate Economics, Calgary Parks
Ownership Code	Resilience Strategy, Calgary Neighbourhoods, Transportation Planning, Geodemographics
School Code	City Clerks
Number of Children	Resilience Strategy, Geodemographics
Age Gender	Resilience Strategy, Calgary Neighbourhoods, Transportation Planning, Geodemographics, Corporate Economics, Calgary Parks
Number of Employed	Resilience Strategy, Calgary Neighbourhoods, Transportation Planning, Geodemographics
Mode of Transportation	Resilience Strategy, Calgary Neighbourhoods, Transportation Planning, Geodemographics
Animal Survey	Calgary Neighbourhoods, Calgary Parks
Place of Work Survey	Resilience Strategy, Calgary Neighbourhoods, Transportation Planning, Geodemographics, Corporate Economics, Calgary Parks

Census Frequency

- Geo-Dem could manage with less frequent Census
- Consensus that annual collection is the ideal situation but biennial collection is acceptable.

Benefit of adding Census questions

During the focus group, the participants were asked what additional questions or areas of interest they would like to include in a future census.

Business Unit/Division	Question / Topic	Description / Comments
Geodemographics	Migration	Did you move from another community in the last five years?
	Supply/demand	Monitoring new community growth. Is the development industry building what they said they would?
Transportation Planning	Household auto ownership	<ul style="list-style-type: none"> ▪ Would be useful for travel mode ▪ Useful transportation metric
Corporate Economics	How long have you resided in Calgary?	
	Race/culture question	Useful if it's cross-tabulated with home ownership data by community.
Calgary Parks	Outdoor leisure activities	
	Bike/e-bike/scooter usage	Alternate forms of transportation for pathway provision
	Park and open space usage	
Calgary Neighbourhoods	Household income	
Calgary Housing	Affordable housing – is this a subsidized housing unit?	

Partner Discussions

In addition to the focus group, individual discussions were held with internal users and external partners.

School Boards

The City collects the following data for the school boards and provides reports based this data. The school boards pay an annual fee for the collection and reporting service.

- Number of children by year of birth – seven consecutive years, including the current year
- Type of school support for all occupied dwellings

Both Calgary school boards have indicated that no longer use the Civic Census reports provided by The City in their enrollment estimates. Discussions are currently underway to negotiate a new contract between the Calgary school boards and The City.

Internal Value of the Census

As Census collection has been siloed from data use, investigating the value of the census for planning was required.

A survey was established for the release of the 2019 Census results in September; however what we've learned is that most users of census data don't use the raw data, they use the projections and geographies developed using census data by Corporate Economics and Calgary Growth Strategies (Geo-Dem).

Internal Partner	Value
<p>Planning (Calgary Growth Strategies: Geo-demographics)</p>	<p><i>Big-Picture Impacts and Risks</i></p> <ul style="list-style-type: none"> ▪ Calgary's annual population growth is closely tied with its economy, and is particularly volatile during periods of economic downturns and recoveries ▪ Annual reporting of population growth is important to accurately capture growth patterns associated with volatile economies ▪ Not adequately capturing or accounting for volatile growth patterns could impact forecasts that are relied upon not only by Planning and Development, but by many Departments and groups across the Corporation ▪ Growth Strategy and Long-Term Planning ▪ Monitoring of housing construction and population growth in newly-approved communities and established areas ▪ Monitoring of land use supply and demand constraints in newly-approved communities and established areas ▪ Determining appropriate levels and timing of infrastructure and services needed in newly-approved communities and established areas ▪ Providing accurate population forecasts to guide and align long-term planning and development goals to the MDP/CTP
<p>Local Area Planning</p>	<ul style="list-style-type: none"> ▪ Determining appropriate land use policies and concepts to apply in specific planning areas ▪ Communicating accurate potential growth and development to internal and external audiences ▪ Determining appropriate levels of services and infrastructure needed in planning areas ▪ City-Wide Planning ▪ Determining the accurate level of development and population supported or generated and monitoring the performance and absorption of specific land uses districts or general typologies ▪ Providing data to support reviews of Land Use Bylaw, the development of Guidebooks and other special studies

Internal Partner	Value
	<ul style="list-style-type: none"> ▪ Monitoring and reporting of demographic data used to guide service planning and accountability goals and MDP/CTP performance
<p>Corporate Economics</p>	<p><i>Population data</i></p> <p>Corporate Economics uses annual census data to create population forecasts. These forecasts are used throughout The City for determining and allocating capital budget. Currently, with annual civic census data, the forecasts are accurate to +/- 5000 19 times out of 20. This accuracy is bar none the best numbers any municipality can generate. When the accuracy of the data decreases (due to collection frequency) than increased capital costs will be required to ensure contingency is maintained.</p> <p>The only data course of net migration for Calgary is the Civic Census. The province does have some net migration figures, but it would be very difficult to determine where these people land (which municipality) and it doesn't account for intra-province migration.</p> <p>There is a volatility in the population that is unique to Calgary, which makes the use of the Statistics Canada 5-year cohort estimates inaccurate for population forecasting.</p> <p>The Civic Census is the way to make municipal services and spending efficient.</p>
<p>Transportation Planning</p>	<p><i>Population Data</i></p> <p>Is used to expand the annual travel survey. Less frequent would cause problems. Also used for Regional Travel Model. Stats Canada data has suppression and rounding, so it's not as good. Dwelling type is used to expand travel survey.</p> <p><i>Mode of Transportation</i></p> <p>(Additional questions) uses the data to understand the commute transportation mode.</p> <p>The number of employed is very critical. This data is required to map where the employees are. It is used in conjunction with place of work.</p> <p><i>Place of Work Survey</i></p> <p>Used to update the Regional Travel Model. Is essential to the work of transportation planning. It's better data than stats can because it includes workers with no fixed address combining with census increased response rates.</p>

Internal Partner	Value
<p>Water Resources</p>	<ul style="list-style-type: none"> ▪ We use both current and projection population numbers to calculate the impacts of densification on our utility network (storm, water and sanitary) ▪ Population data is incorporated into our water and sanitary network models ▪ We also use this data to determine serviced land supply (census values in hectares of development for greenfield for historical assumptions) ▪ In our review of applications, we may use census populations to determine the density of an older neighbourhood to see what the actual flows are in a particular pipe and the potential for growth – it is important for sanitary flow estimations ▪ We also correlate population numbers with rainfall flooding data to gain an understanding of the relationship between densification and damage to private property via flooding <p><i>Wish List Items</i></p> <ul style="list-style-type: none"> ▪ It would be great to know the true residential and employment job numbers, including if people work from home ▪ Raw data would allow us to do more precise servicing calculations ▪ Institutional, commercial and industrial data would be great ▪ It would be helpful to ask in a census what community do people work in

Municipal Scan

Alberta Municipalities

The following Alberta municipalities conducted an annual census in 2019:

- Airdrie
- Beaumont
- Blackfalds
- Chestermere
- Coalhurst
- Cochrane
- Crossfield
- Edmonton
- Fort Saskatchewan
- Leduc
- Lethbridge
- Spruce Grove
- Red Deer

Information Scan on Civic Census Programs Across Canada

Provincial/Territorial Regulations

Provinces and Territories within Canada may provide municipalities with the authority to conduct a municipal Census. Municipalities may choose to not conduct a Census, even if they are provided with authority from their governing legislation to take steps to do so. The following provinces and territories have included this in their local government act(s). Legislation governing municipalities may also indicate what counts the province will accept as an official reference to population.

Province / Territory	Local Government Legislation	Authority to Conduct a Census	Specific reference to population definition
British Columbia	Local Government Act	Not specifically but the local government must collect statistical information about current and projected population.	No reference

Province / Territory	Local Government Legislation	Authority to Conduct a Census	Specific reference to population definition
Alberta	Municipal Government Act	Yes	1(x) "population" means population as defined and determined in accordance with the regulations; 604 The Minister may make regulations (a) defining population for the purposes of this Act; (b) respecting the determination of the population of a municipality or other geographic area and establishing requirements for a municipality to conduct a census and provide information concerning population to the Minister
Saskatchewan	Municipalities Act	Yes	(ee) "population" means population as determined in accordance with the latest census taken pursuant to the Statistics Act (Canada) or by any other means that the minister may direct (2) When making a direction pursuant to clause (1)(ee), the minister may direct the use of different means of determining population for different purposes.
Manitoba	Municipal Act	No reference	A reference in this Act to the population of a municipality or other area means the population of the municipality or area as shown by the most recent census taken and available under the <i>Statistics Act</i> (Canada)
Ontario	Municipal Act	No reference	No reference
Quebec	Municipal Code, Municipal Powers Act, Cities and Towns Act	Yes, if a bylaw is passed to allow it.	No reference
Newfoundland and Labrador	Municipalities Act	No reference	No reference

Province / Territory	Local Government Legislation	Authority to Conduct a Census	Specific reference to population definition
Prince Edward Island	Municipal Government Act	No reference	A reference in this Act to the population of a municipality or other area means the population of the municipality or area as shown by the most recent census acceptable to the Minister.
Nova Scotia	Municipal Government Act	No reference	No reference
New Brunswick	Local Government Act (replaced Municipalities Act in 1973)	No reference	No reference
Nunavut	Consolidation of Hamlets Act, Consolidation of Cities, Towns, Villages Act	Yes, if a bylaw is passed to allow it.	No reference
North West Territories	City, Towns, and Villages Act	No reference	No reference
Yukon	Municipal Act	Yes	A reference in this Act to the population of a municipality or other area means the population of the municipality or area as shown by the most recent census approved by the Minister

Municipalities

While most municipalities in Canada do not conduct a civic census, questions were posed to discover what data is used, and how, for planning purposes. Of the municipalities contacted who do not conduct a census, they all use Statistics Canada federal data, most with an established undercount rate. Population estimates are completed at varying frequencies – either yearly, mid-year, quarterly, or monthly. Some municipalities struggle with the consistency of use (i.e., certain businesses use different counts depending on needs).

Key Questions

1. Do you conduct a municipal census?
2. What do you rely on as the official population count? (if it's a non-census year)
3. To your knowledge, is the official population count used consistently across your municipality?
4. Do you estimate population counts where more accurate data is not available? If so, what data sets and/or methodology do you rely on?
5. If you don't rely on an official population count, which data sets do you rely on for planning and analysis purposes?
6. What internal practices have helped to overcome gaps in population and other data sets used for planning and analysis? (e.g., creation of a corporate analytics group, data sharing with other agencies)

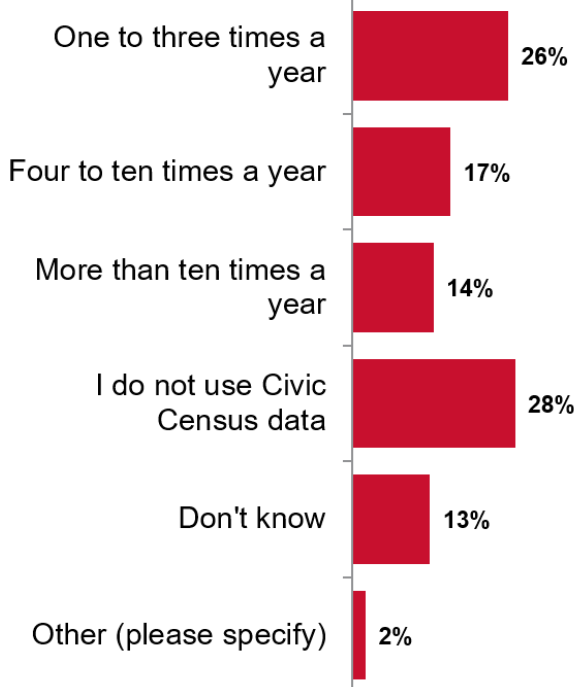
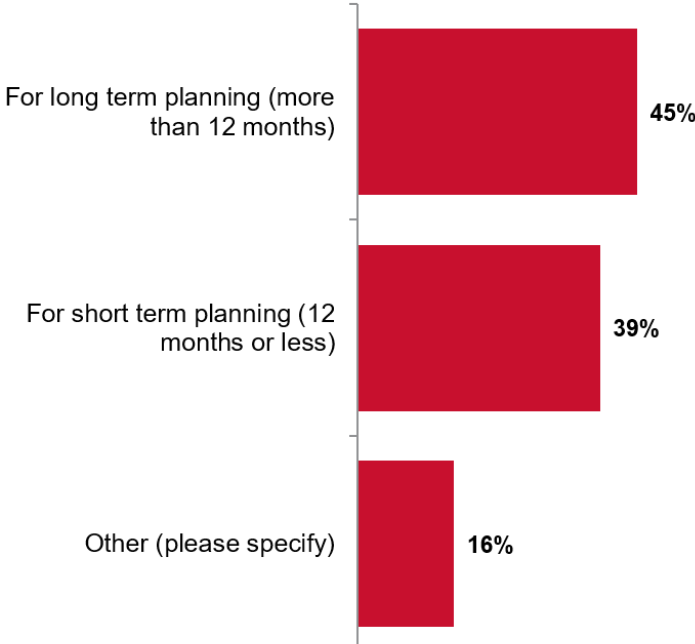
Summary of Responses

Municipality	Responses
Edmonton (subject to same regulation as Calgary)	<ol style="list-style-type: none"> 1. Conducts Census: Yes 2. Official Population Count: Based on census collection. 3. Consistency of Use: Yes, all use population count from the census. 4. Estimate Population Counts: No. 5. Other Data Sets: None 6. Internal Practices: Schedule of census determined by Council. Edmonton will not be completing a census in 2020.
Mississauga	<ol style="list-style-type: none"> 1. Conducts Census: No 2. Official Population Count: Approved growth forecast formula/methodology (internally developed) during non-census (federal) years. 3. Consistency of Use: Yes. 4. Estimate Population Counts: Forecast methodology 5. Other Data Sets: N/A 6. Internal Practices: Open data
Ottawa	<ol style="list-style-type: none"> 1. Conducts Census: No 2. Official Population Count: Statistics Canada federal census. 3. Consistency of Use: No consistency across business partners. 4. Estimate Population Counts: Estimates done mid-year and at year end based on occupied dwellings and building permits. 5. Other Data Sets: Dependent of requirements 6. Internal Practices: Ad hoc practices when data is required from specific geography. No specific information by age or community.

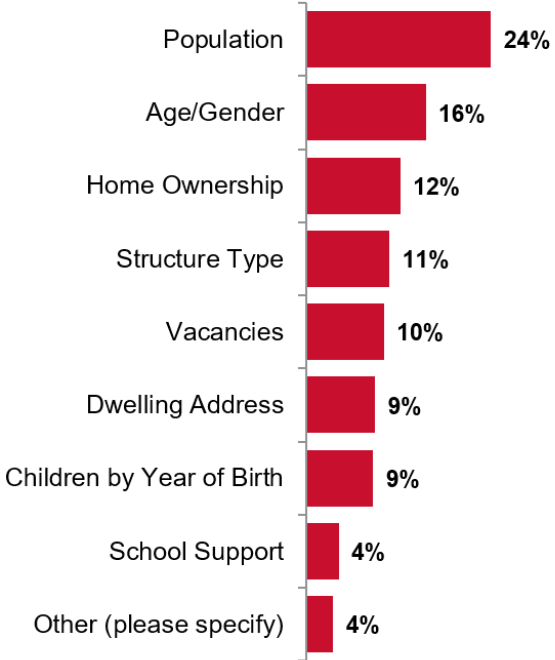
Municipality	Responses
Peel Region	<ol style="list-style-type: none"> 1. Conducts Census: No 2. Official Population Count: Statistics Canada with undercount rate (3.26%) 3. Consistency of Use: N/A 4. Estimate Population Counts: Quarterly estimates using Stats Can and undercount rate. Forecast is prepared by a consultant. 5. Other Data Sets: N/A 6. Internal Practices: For long range, Planning works with consultants to draft growth forecasts to 2041. For long range, Planning works with consultants to draft growth forecasts to 2041.
Toronto	<ol style="list-style-type: none"> 1. Conducts Census: No 2. Official Population Count: Statistics Canada and undercount; population estimates from the Ontario Ministry of Finance. 3. Consistency of Use: 4. Estimate Population Counts: Provincial Growth Plan for the greater golden horseshoe. 5. Other Data Sets: Development approvals 6. Internal Practices: N/A
Vancouver	<ol style="list-style-type: none"> 1. Conducts Census: No 2. Official Population Count: Statistics Canada 3. Consistency of Use: Not used consistently due to differing needs of departments. 4. Estimate Population Counts: Estimates are done during inter-census years using development data. Consultants are used to produce demographic projections. 5. Other Data Sets: Development data and BC Infrastructure data 6. Internal Practices: No formal structure for sharing data. Information and knowledge shared informally.
Winnipeg	<ol style="list-style-type: none"> 1. Conducts Census: No 2. Official Population Count: Latest annual estimate from Statistics Canada 3. Consistency of Use: The estimate is published, and staff is encouraged to use it. 4. Estimate Population Counts: Population estimating is sometimes used for forecasting. 5. Other Data Sets: None 6. Internal Practices: Annual figure is shared by the Economic Research office.

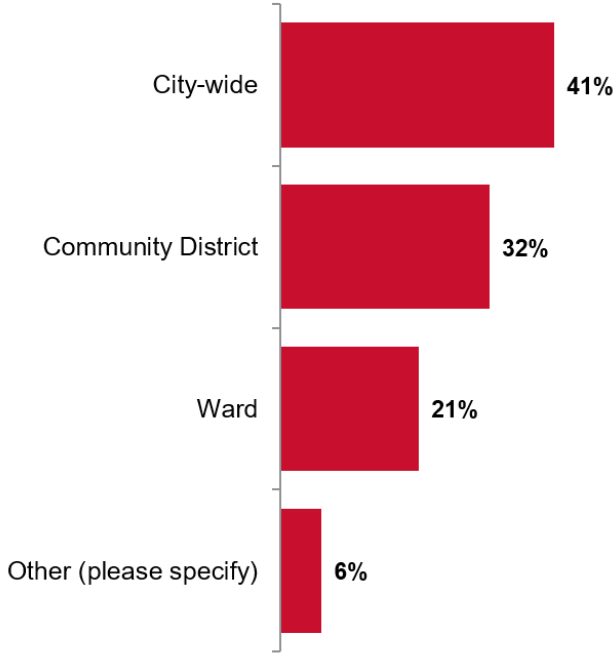
Municipality	Responses
York Region	<ol style="list-style-type: none"><li data-bbox="483 285 792 317">1. Conducts Census: No<li data-bbox="483 323 1344 386">2. Official Population Count: Statistics Canada adjusted for undercount; monthly estimates based on CMHC completions<li data-bbox="483 392 1252 424">3. Consistency of Use: Monthly estimates are distributed widely.<li data-bbox="483 430 1094 462">4. Estimate Population Counts: Monthly estimates<li data-bbox="483 468 792 499">5. Other Data Sets: None<li data-bbox="483 506 1390 569">6. Internal Practices: Research, policy, and forecasting unit provides regular updates.

Appendix A - Detailed Survey Results

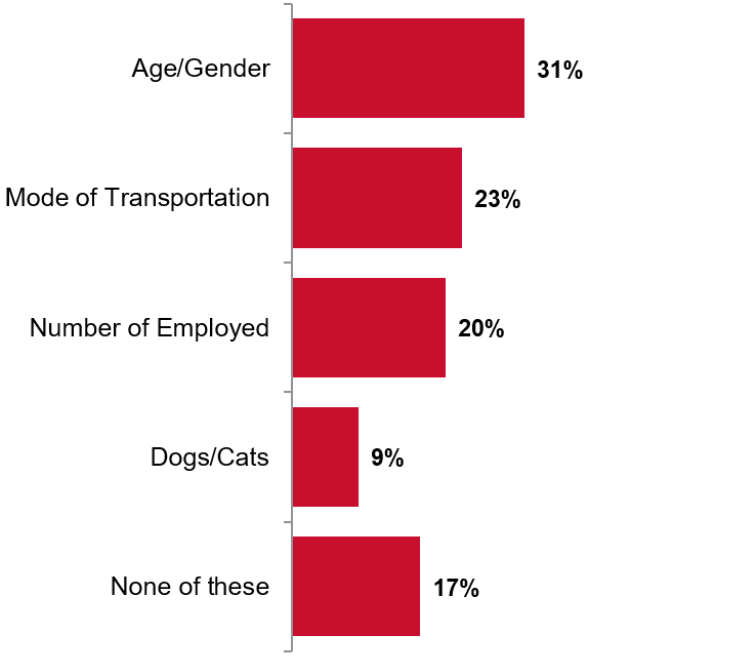
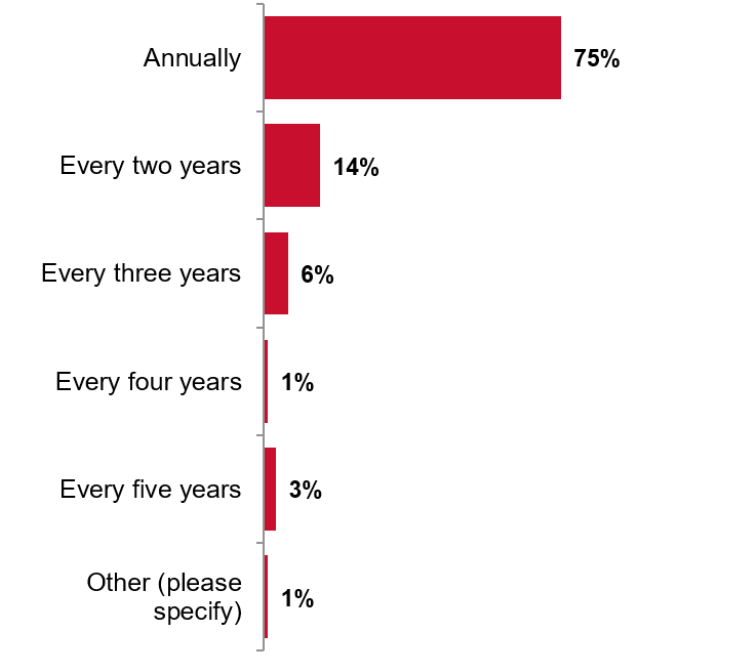
Question	Results														
<p>Question: How often do you use Civic Census data?</p> <p>Base size: All respondents (n=174)</p>	 <table border="1"> <thead> <tr> <th>Frequency</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>One to three times a year</td> <td>26%</td> </tr> <tr> <td>Four to ten times a year</td> <td>17%</td> </tr> <tr> <td>More than ten times a year</td> <td>14%</td> </tr> <tr> <td>I do not use Civic Census data</td> <td>28%</td> </tr> <tr> <td>Don't know</td> <td>13%</td> </tr> <tr> <td>Other (please specify)</td> <td>2%</td> </tr> </tbody> </table>	Frequency	Percentage	One to three times a year	26%	Four to ten times a year	17%	More than ten times a year	14%	I do not use Civic Census data	28%	Don't know	13%	Other (please specify)	2%
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<p>Question: How do you use Civic Census data?</p> <p>Base size: All respondents (n=166)</p> <p>Multiple responses allowed.</p> <p>Base size: Those who chose "other" (n=26)</p>	 <table border="1"> <thead> <tr> <th>Usage</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>For long term planning (more than 12 months)</td> <td>45%</td> </tr> <tr> <td>For short term planning (12 months or less)</td> <td>39%</td> </tr> <tr> <td>Other (please specify)</td> <td>16%</td> </tr> </tbody> </table> <p>Other:</p> <ul style="list-style-type: none"> ▪ Assisting researchers ▪ Academic research 	Usage	Percentage	For long term planning (more than 12 months)	45%	For short term planning (12 months or less)	39%	Other (please specify)	16%						
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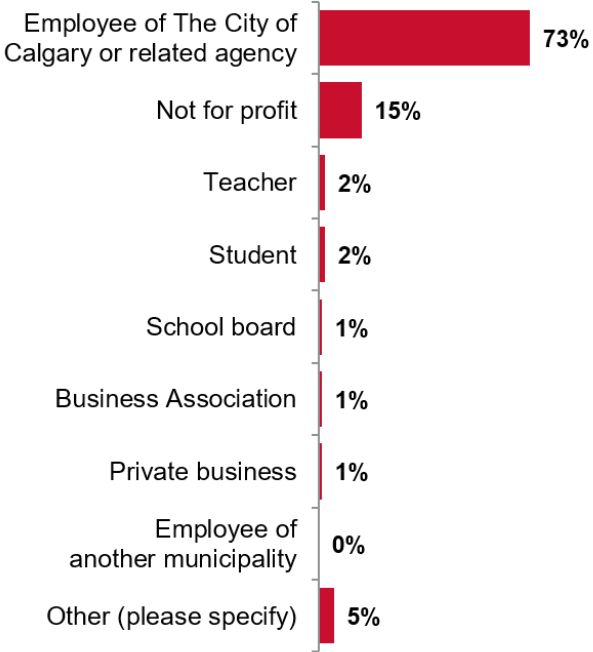
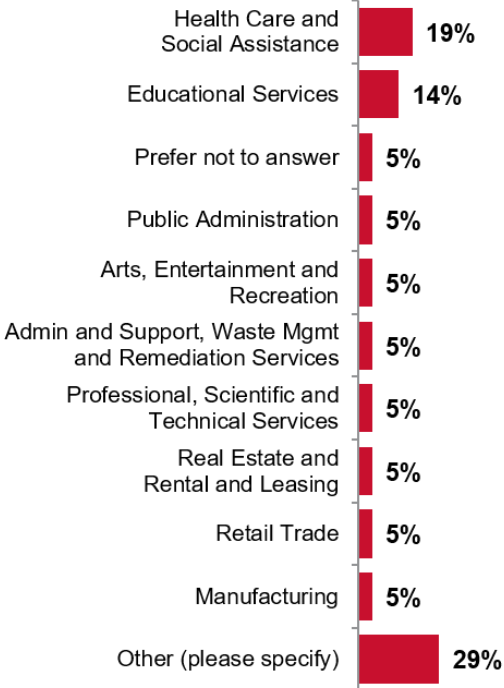
Question	Results
	<ul style="list-style-type: none"> ▪ Historical analysis; specific analysis not necessarily tied to planning; responding to requests for information; detailed demographic analysis; supporting business cases - whether financial or as part of ROI analysis ▪ Forecasting growth, housing units, potential areas for future investment ▪ Curiosity ▪ Other municipality queries regarding pet licensing and for benchmarking on how well we are doing with our pet licensing ▪ To build tools that look at today and focus outwards, used mainly for long term planning ▪ Currently don't use but looking to, would use it for more short term but also look at some long term trends ▪ Family number census ▪ curiosity ▪ demographic info for background/rationale for funding/grant applications ▪ Program reporting ▪ Use regularly for community engagement ▪ Analysis for other BU's ▪ For academic and personal research. ▪ research ▪ don't use it ▪ for both short term and long term forecasting ▪ information regarding city population, framing research ▪ Continuous improvement ▪ to compare the corporation energy usage with the City population ▪ Don't use it at this time. ▪ To inform my reports to committees and council ▪ Occasionally for reporting, or to confirm (or challenge) my "thought bubbles" ▪ Creating a baseline for resilience ▪ I won't know for now, hopefully i will begin to apply it in some way sooner than later

Question	Results																				
<p>Question: Which types of Civic Census data do you use?</p> <p>Base size: All respondents (n=166)</p> <p>Multiple responses allowed.</p> <p>Base size: Those who chose "other" (n=15)</p>	 <table border="1" data-bbox="667 279 1218 934"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Population</td> <td>24%</td> </tr> <tr> <td>Age/Gender</td> <td>16%</td> </tr> <tr> <td>Home Ownership</td> <td>12%</td> </tr> <tr> <td>Structure Type</td> <td>11%</td> </tr> <tr> <td>Vacancies</td> <td>10%</td> </tr> <tr> <td>Dwelling Address</td> <td>9%</td> </tr> <tr> <td>Children by Year of Birth</td> <td>9%</td> </tr> <tr> <td>School Support</td> <td>4%</td> </tr> <tr> <td>Other (please specify)</td> <td>4%</td> </tr> </tbody> </table> <p>Other:</p> <ul data-bbox="667 1010 1412 1585" style="list-style-type: none"> ▪ Pets ▪ Place of Work Survey ▪ Language ▪ Number of pets in households and which type, ie cat and/or dog ▪ Add on survey data (POW, commute to work); institutional population ▪ Transportation, Dwelling Units, Household Size, etc. ▪ Any data that would identify trends with social issues and build off of our current 211 and crisis data sets ▪ Community demographics ▪ Mode of transportation ▪ Mode of transportation to work, pets ▪ Commuting patterns and modes ▪ Language and income - if available ▪ Have not used it at this time ▪ Income levels ▪ Social economic, religious affiliation, etc. 	Category	Percentage	Population	24%	Age/Gender	16%	Home Ownership	12%	Structure Type	11%	Vacancies	10%	Dwelling Address	9%	Children by Year of Birth	9%	School Support	4%	Other (please specify)	4%
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<p>Question: Which geographic levels of Civic Census data do you use?</p> <p>Base size: All respondents (n=166)</p> <p>Multiple responses allowed</p> <p>Base size: Those who chose “other” (n=14)</p>	 <table border="1" data-bbox="716 283 1331 934"> <thead> <tr> <th>Geographic Level</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>City-wide</td> <td>41%</td> </tr> <tr> <td>Community District</td> <td>32%</td> </tr> <tr> <td>Ward</td> <td>21%</td> </tr> <tr> <td>Other (please specify)</td> <td>6%</td> </tr> </tbody> </table> <p>Other:</p> <ul style="list-style-type: none"> ▪ I routinely use the response points. I am the Civic Census data steward for the Planning and Development Department. As part of my job, I maintain and use this level of data. ▪ Transportation Zones ▪ Blockface level ▪ Custom as needed. block level or custom request through requests to geodemographics ▪ area structure plan ▪ Language ▪ City of Calgary ▪ Custom analysis ▪ We have our own geographies smaller than communities ▪ TZ ▪ Transportation Zones ▪ Custom geographic areas (from geodem) ▪ Street 	Geographic Level	Percentage	City-wide	41%	Community District	32%	Ward	21%	Other (please specify)	6%
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<p>Question: What data format(s) do you use?</p> <p>Base size: All respondents (n=166)</p> <p>Multiple responses allowed</p> <p>Base size: Those who chose "other" (n=10)</p>	<table border="1"> <caption>Data Format Usage</caption> <thead> <tr> <th>Data Format</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Community Tables</td> <td>21%</td> </tr> <tr> <td>Downloadable data file</td> <td>18%</td> </tr> <tr> <td>City Wide Tables</td> <td>17%</td> </tr> <tr> <td>Civic Census Maps</td> <td>16%</td> </tr> <tr> <td>Census Results Book</td> <td>14%</td> </tr> <tr> <td>Ward Tables</td> <td>10%</td> </tr> <tr> <td>Other (please specify)</td> <td>3%</td> </tr> </tbody> </table> <p>Other:</p> <ul style="list-style-type: none"> ▪ Feature classes on Corporate SDE ▪ Custom requests to geodemographics - custom geography. ▪ Custom TZ tables ▪ Not sure yet but could see using a combination of them ▪ Statistics ▪ GIS Extract into Excel ▪ Community map layer file from the City's SDE ▪ custom results (from geodem) ▪ open data; custom data requests (from ge dem) ▪ GIS DATA 	Data Format	Percentage	Community Tables	21%	Downloadable data file	18%	City Wide Tables	17%	Civic Census Maps	16%	Census Results Book	14%	Ward Tables	10%	Other (please specify)	3%
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Question	Results														
<p>Question: Currently, the base Civic Census is conducted annually. Civic Census data for number employed, age/gender, number of dogs/cats, and mode of transportation are not collected on an annual basis. Do you have a business need for any of the following non-annual types of Civic Census data to be collected annually? Please select all that apply.</p> <p>Base size: All respondents (n=166)</p> <p>Multiple responses allowed</p>	 <table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Age/Gender</td> <td>31%</td> </tr> <tr> <td>Mode of Transportation</td> <td>23%</td> </tr> <tr> <td>Number of Employed</td> <td>20%</td> </tr> <tr> <td>Dogs/Cats</td> <td>9%</td> </tr> <tr> <td>None of these</td> <td>17%</td> </tr> </tbody> </table>	Category	Percentage	Age/Gender	31%	Mode of Transportation	23%	Number of Employed	20%	Dogs/Cats	9%	None of these	17%		
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<p>Question: How frequently does Civic Census need to be collected to maximize its usefulness to your business decisions and direction?</p> <p>Base size: All respondents (n=99)</p> <p>Multiple responses allowed</p>	 <table border="1"> <thead> <tr> <th>Frequency</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Annually</td> <td>75%</td> </tr> <tr> <td>Every two years</td> <td>14%</td> </tr> <tr> <td>Every three years</td> <td>6%</td> </tr> <tr> <td>Every four years</td> <td>1%</td> </tr> <tr> <td>Every five years</td> <td>3%</td> </tr> <tr> <td>Other (please specify)</td> <td>1%</td> </tr> </tbody> </table>	Frequency	Percentage	Annually	75%	Every two years	14%	Every three years	6%	Every four years	1%	Every five years	3%	Other (please specify)	1%
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Other (please specify)	1%														

Question	Results																								
<p>Question: Please indicate what type of census results user you are.</p> <p>Base size: All respondents (n=95)</p> <p>Multiple responses allowed</p>	 <table border="1"> <thead> <tr> <th>User Type</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Employee of The City of Calgary or related agency</td> <td>73%</td> </tr> <tr> <td>Not for profit</td> <td>15%</td> </tr> <tr> <td>Teacher</td> <td>2%</td> </tr> <tr> <td>Student</td> <td>2%</td> </tr> <tr> <td>School board</td> <td>1%</td> </tr> <tr> <td>Business Association</td> <td>1%</td> </tr> <tr> <td>Private business</td> <td>1%</td> </tr> <tr> <td>Employee of another municipality</td> <td>0%</td> </tr> <tr> <td>Other (please specify)</td> <td>5%</td> </tr> </tbody> </table>	User Type	Percentage	Employee of The City of Calgary or related agency	73%	Not for profit	15%	Teacher	2%	Student	2%	School board	1%	Business Association	1%	Private business	1%	Employee of another municipality	0%	Other (please specify)	5%				
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<p>Question: Please indicate the primary industry or line of business you work in.</p> <p>Base size: All respondents (n=21).</p>	 <table border="1"> <thead> <tr> <th>Industry</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Health Care and Social Assistance</td> <td>19%</td> </tr> <tr> <td>Educational Services</td> <td>14%</td> </tr> <tr> <td>Prefer not to answer</td> <td>5%</td> </tr> <tr> <td>Public Administration</td> <td>5%</td> </tr> <tr> <td>Arts, Entertainment and Recreation</td> <td>5%</td> </tr> <tr> <td>Admin and Support, Waste Mgmt and Remediation Services</td> <td>5%</td> </tr> <tr> <td>Professional, Scientific and Technical Services</td> <td>5%</td> </tr> <tr> <td>Real Estate and Rental and Leasing</td> <td>5%</td> </tr> <tr> <td>Retail Trade</td> <td>5%</td> </tr> <tr> <td>Manufacturing</td> <td>5%</td> </tr> <tr> <td>Other (please specify)</td> <td>29%</td> </tr> </tbody> </table>	Industry	Percentage	Health Care and Social Assistance	19%	Educational Services	14%	Prefer not to answer	5%	Public Administration	5%	Arts, Entertainment and Recreation	5%	Admin and Support, Waste Mgmt and Remediation Services	5%	Professional, Scientific and Technical Services	5%	Real Estate and Rental and Leasing	5%	Retail Trade	5%	Manufacturing	5%	Other (please specify)	29%
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**Community Services Report to
Priorities and Finance Committee
2020 January 21**

**ISC: UNRESTRICTED
PFC2020-0028**

Beltline and Inglewood Facilities Rates and Fees

EXECUTIVE SUMMARY

Council directed Calgary Recreation to report back to the Priorities and Finance Committee with options for modestly increasing rates and fees at Beltline Aquatic & Fitness Centre and Inglewood Aquatic Centre as part of a broader program of work to improve the sustainability of the facilities and better align with community needs. This report includes five pricing scenarios and associated financial impacts, for Council's consideration. The five scenarios increase from no change over and above the Council-approved 2020 increase in scenario 1 up to a \$3.00 increase in scenario 5.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council direct Administration to implement a rate option from the scenarios listed in Attachment 1 at Beltline and Inglewood facilities.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2019 November 29, Council approved C2019-1052, 2020 User Fee & Rate Changes, Attachment 9C which reflected increases to single admissions. Council directed Administration to report to the Priorities and Finance Committee on 2020 January 21 with the addition of new user fee categories intended to increase prices at Beltline and Inglewood, specifically.

Council also approved PFC2019-1330 as amended, including specifying price increases as shown in point 2 below (see italics):

1. Maintain funding for up to 2 years (\$400,000/site, per year) for the Beltline Aquatic and Fitness Centre and Inglewood Aquatic Centre from 2019 Corporate Program Savings to maintain service at both sites starting Jan 1, 2020.
2. Implement a combination of the A1, A2, A3, and B1 concepts contained in PFC2019-1330 in order to:
 - Redesign program mix/allocation to focus types of programming to capitalize on each location's strengths;
 - Increase marketing and promotions in order to increase user base by increasing awareness among non-users, using market segmentation to reach out to under-represented populations.
 - *Modestly increased prices compared to other City direct-delivery facilities, remaining competitive with other recreation facilities in the area.*
 - Reduce hours to better align with times that are more financially viable, operating two facilities in tandem so one will always be open.
3. Update phase one and complete phase two of the Facility Development and Enhancement Study to include emerging communities and provide recommendations based on city-wide recreation infrastructure needs.
4. Prepare a Request for Proposal for a shift to a partner operated model for either or both pools.

**Community Services Report to
Priorities and Finance Committee
2020 January 21**

**ISC: UNRESTRICTED
PFC2020-0028**

Beltline and Inglewood Facilities Rates and Fees

5. Identify long-term, sustainable service alternatives and targeted investments to maximize community and social benefits in the area of the two flatwater pools.
6. To engage affected community stakeholders in the above work and report back to Council through the Standing Policy Committee on Community and Protective Services with an update on the progress of the work no later than Q4 2020.
7. To develop appropriate targets for long term operating and capital support for each of these facilities reporting back to Council through Standing Policy Committee on Community and Protective Services no later than Q1 2020.

BACKGROUND

In 2019 July, as part of report C2019-0901, Calgary Recreation proposed closing Beltline and Inglewood facilities. The key reasons for the recommendation were low attendance at each facility and the availability of other publicly-accessible recreation facilities in the area. Tax support for each facility is approximately \$600,000 annually, which is 74 per cent of operational costs for Beltline and 71 per cent for Inglewood. Other comparable City-operated pools operated with 49 per cent tax support. The tax support per visit is \$18.00 at Beltline, \$10.50 at Inglewood and \$7.50 at other comparable City-operated pools.

Council approved one-time funding to keep the facilities open while Administration worked to reduce tax support to the facilities and understand long-term community needs.

The new 2020 admission and pass model approved by Council during Budget Adjustments included the consolidation of Tier 1 and Tier 2 pool admissions. This led to an increase in adult single admission prices at Tier 1 pools including Beltline and Inglewood, from \$6.70 in 2019 to \$8.00 in 2020. These changes were made to bring The City into closer alignment with industry practices and what other recreation partners are offering, while ensuring City facilities continue to be among the most affordable recreation options in Calgary.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Administration identified five price scenarios for adult drop-in admission at Beltline and Inglewood pools, and modelled their potential financial impacts. Attachment 1 shows scenarios starting with the approved 2020 admission and pass model rate (\$8.00) and maxing out at \$11.00. The highest proposed rate increase (\$11.00) is still below rates at the two other facilities in the catchment area – Repsol (\$15.25) and the YMCA (\$16.00). Vecova (\$9.00) is the most comparable facility to Beltline and Inglewood in terms of amenities. For Fee Assistance users, these scenarios increase the rates from \$2.00 at current pricing to a maximum of \$2.75 depending on the option selected since Fee Assistance rates are calculated at a 75 per cent reduction from regular adult pricing.

While higher rates may indicate higher revenue, there is some likelihood that declining attendance due to escalated pricing could offset additional positive revenue. As shown in Attachment 1, the Council-approved 2020 admission change is expected to increase revenue at the two facilities, provided 2020 attendance numbers are consistent with 2019 numbers. However, further incremental increases to only the adult admission rates would not have significant additional impact on revenues even if attendance remained unchanged.

Beltline and Inglewood Facilities Rates and Fees

Admissions are not the primary revenue drivers at Beltline and Inglewood. At Beltline, admissions account for only 23 per cent of revenue. At Inglewood, admissions account for 18 per cent of revenue (see Attachment 2, 2019 Revenues by Product Type). To meaningfully impact revenue through pricing changes, other revenue streams like bookings would need to be changed. As part of the broader Council-directed scope of work related to Beltline and Inglewood facilities, Administration will review potential price increases to other service offerings, complete more detailed analysis of the financial impact of those price increases and engage with impacted stakeholders. The result of this investigation will be brought back to Council by 2020 Q4 with recommendations for adjustments that better support cost recovery.

Modestly increased admission prices at Beltline and Inglewood could help decrease the facilities' reliance on tax support but would not bring these facilities in line with tax support at other flatwater pools. If Council chooses to change pricing at this time, Administration recommends the change take place when City facilities change from winter to spring scheduling to allow proactive communication with customers.

Stakeholder Engagement, Research and Communication

Development of the new 2020 admission and pass model included a thorough market analysis to maintain alignment of pricing to services offered at City-operated facilities so they remain among the most affordable recreational options available in Calgary. That analysis indicated that a single adult admission fee of \$8.00 would allow Beltline and Inglewood to remain affordable and competitive in the marketplace.

Calgary Recreation has worked closely with internal and external stakeholders to support their understanding of the rates and fee changes made effective 2020 January 2. This included communicating with Councillors early in the process. Details on the admission and pass model are shown on Calgary.ca/passes.

The broader program of work aimed at reducing the reliance on tax support of the Beltline and Inglewood facilities involves Administration engaging with stakeholders and reporting back to Council on progress.

Strategic Alignment

Calgary Recreation's Council-approved Zero Based Review (ZBR) recommendations include working with partners to offer recreation opportunities to Calgarians, optimizing direct delivery and modernizing admission charges. The implementation of a new admission and pass model already undertaken for 2020 aligns with this strategic direction.

Current pricing levels, changes to operating costs, market comparisons and alignment were all factors used in determining the 2020 price structure. An additional increase to fees at the Beltline and Inglewood facilities does not align with that analysis.

Social, Environmental, Economic (External)

While some users have seen prices increase with the new admission and pass model's 2020 rates and fees, the new model is more affordable for people who cannot afford to buy a year's worth of visits up front. Further admission increases may have a negative impact on affordability for some customers including Fee Assistance users.

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2020 January 21

ISC: UNRESTRICTED
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Beltline and Inglewood Facilities Rates and Fees

Additional admission price increases at Beltline and Inglewood could help decrease reliance of the facilities on tax support but will not bring them in line with tax support at other flatwater pools.

Financial Capacity

Current and Future Operating Budget:

Council directed Administration to maintain operating funding for Beltline and Inglewood for up to two years. Scenarios 2-5 in Attachment 1 represent additional revenue potential ranging from \$12,000 to \$35,000 (1.5 per cent to 4 per cent of tax support) above revenue increases anticipated as part of the 2020 admission and pass model changes.

Current and Future Capital Budget:

There is no impact to current and future capital budget as a result of this report.

Risk Assessment

If prices at these facilities increase further without an increase to the value proposition compared to other recreation opportunities, there is a risk of attendance declining and revenue decreasing.

Admission and pass rates are typically changed on January 1 of a given year. New rates took effect in 2020 January and a second fee increase in the same calendar year may negatively impact citizen goodwill and attendance.

These risks would be mitigated through the broader program of work and implementing a more comprehensive approach to pricing.

REASON(S) FOR RECOMMENDATION(S):

A modest price increase to admissions may marginally reduce the tax support required by the two facilities. The Council-approved admission and pass model already features modest increases to 2020 pricing at City pools, including Beltline and Inglewood. Council has directed Administration to complete a broader program of work aimed at reducing the reliance of these facilities on tax support. Completing that full scope of work by 2020 Q4 would better support a comprehensive cost-recoverability plan.

ATTACHMENT(S)

1. Beltline and Inglewood Proposed Pricing Scenarios
2. 2019 Revenues by Product Type

Beltline and Inglewood Proposed Pricing Scenarios

The table below provides revenue forecasts for five pricing scenarios. Each scenario is based on 2019 attendance numbers at Beltline and Inglewood facilities. The revenue model assumes no changes in attendance from the levels used for Scenario 1 but the greater the rate increase, the less certainty in the revenue projection due to the risk of attendance declining. Revenue is based on each pricing scenario being in effect for a full calendar year.

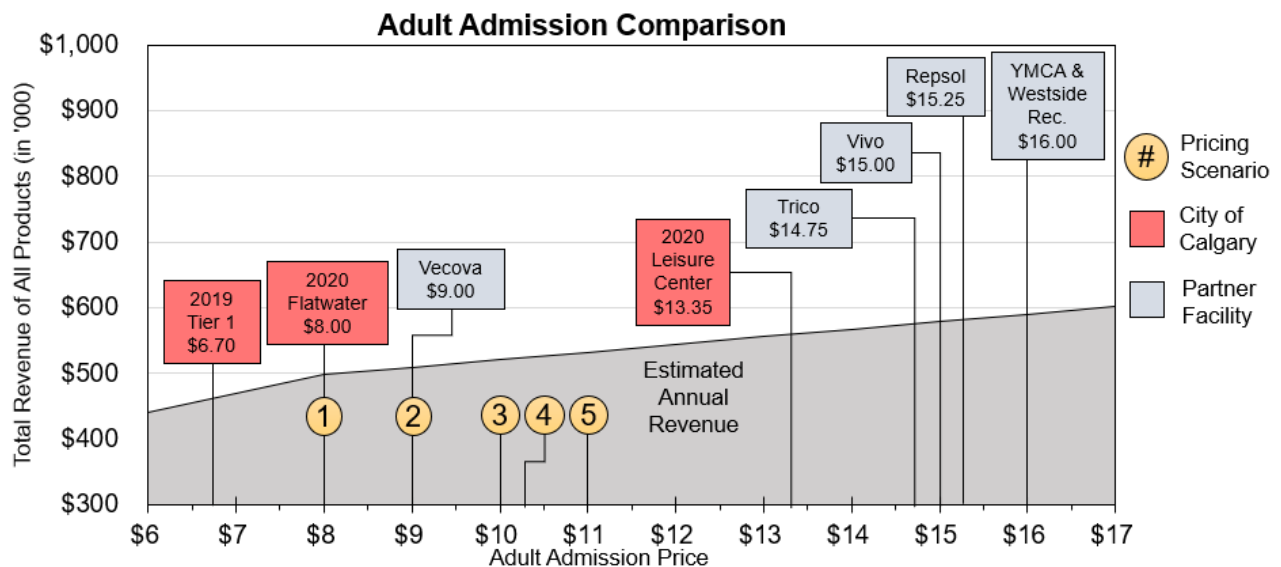
Scenario 1 (Currently Approved Rates) is forecasted to create a net revenue increase of \$48,000 at these facilities in 2020 (includes all rates and fee changes). The other scenarios could create an annual maximum of \$12,000 to \$35,000 in additional revenue *on top of Scenario 1*.

Pricing Scenarios (Price of Adult Drop-In Admission)		Beltline		Inglewood		Total	
		Forecasted Revenue	Maximum Increase above Scenario 1	Forecasted Revenue	Maximum Increase above Scenario 1	Forecasted Revenue	Maximum Increase above Scenario 1
#	2019 Rate - \$6.70	\$245K*	N/A	\$204K*	N/A	\$450K*	N/A
1	Currently Approved - \$8.00	\$288K	N/A	\$210K	N/A	\$498K	N/A
2	\$9.00	\$295K	\$8K	\$214K	\$4K	\$509K	\$12k
3	\$10.00	\$303K	\$15K	\$218K	\$8K	\$521K	\$23k
4	\$10.25	\$305K	\$17K	\$219K	\$9K	\$524K	\$26k
5	\$11.00	\$311K	\$23K	\$221K	\$12K	\$532K	\$35k

Notes:

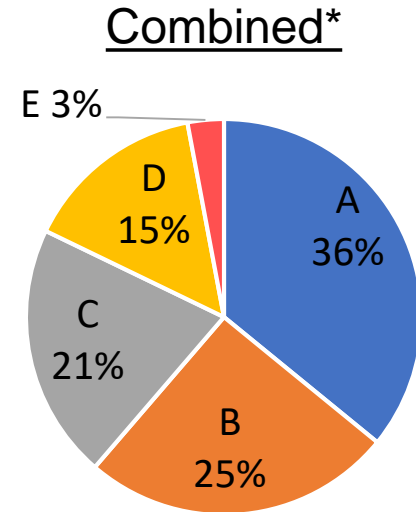
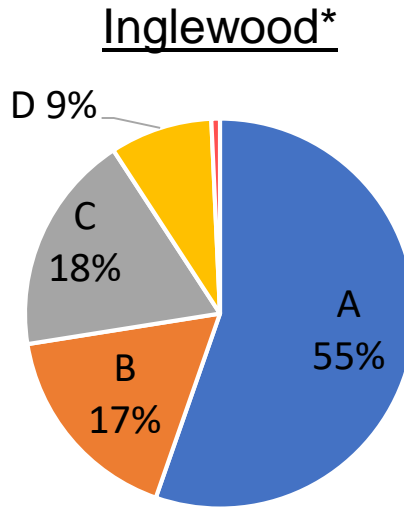
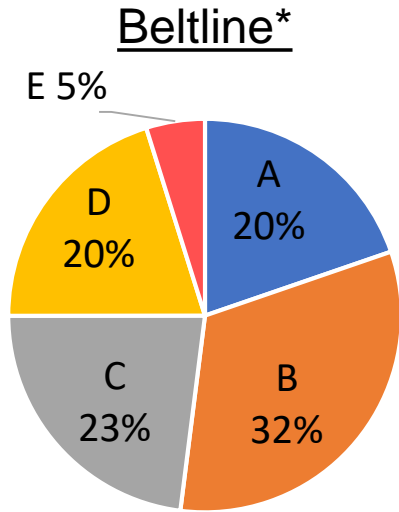
* 2019 revenues and expenses are estimates as 2019 year-end had not closed at the time of writing.

1. Pricing for Adult 10x Punchcards will be adjusted by a matching percentage.
2. Due to rounding, numbers presented may not add up precisely to the totals.
3. Adult Fee Assistance rates will increase between \$0 to \$0.75 depending on the scenario chosen.



2019 Revenues by Product Type

PFC2020-0028 Beltline and Inglewood Facilities Rates and Fees ATT2
ISC: UNRESTRICTED



- A - Bookings
- B - Programming
- C - Drop-in and Punchcard Admissions
- D - Passes
- E - Other Misc.

Products (in '000)	Beltline*	Inglewood*	Total*
A - Bookings	\$ 48	\$ 113	\$ 161
B - Programming	\$ 79	\$ 35	\$ 114
C - Drop-in and Punchcard Admissions	\$ 56	\$ 37	\$ 94
D - Passes	\$ 50	\$ 17	\$ 67
E - Other Misc.	\$ 12	\$ 1	\$ 13
Estimated Total Revenue	\$ 245	\$ 204	\$ 450
Estimated Total Expenses	\$ 800	\$ 800	\$ 1,600
Net	\$ (555)	\$ (596)	\$ (1,150)
Estimated 2019 operational cost Tax Support**	69%	75%	71%

* 2019 revenues and expenses are estimates as 2019 year-end had not closed at the time of writing.
 ** 2019 average operational cost tax support for flatwater pools is roughly 50%.



Report Number: PFC2020-0106

Meeting: Priorities & Finance Committee

Meeting Date: 2020 January 21

NOTICE OF MOTION

RE: Bylaw Setback Reform

Sponsoring Councillor(s): Councillor Druh Farrell

WHEREAS the City of Calgary's Land Use Bylaw 1P2007 contains a table of Road Rights-of-Way Property Line Setbacks (bylaw setbacks) that directs the Development Authority to require additional development setbacks on streets across Calgary;

AND WHEREAS the purpose of the bylaw setbacks is to ensure there is space which is unencumbered by buildings, and for public enhancements, that will help to achieve the objectives of the Municipal Development Plan, Calgary Transportation Plan, Complete Streets Guide, Main Streets program, and other relevant policies;

AND WHEREAS the development industry has repeatedly raised bylaw setbacks, and the Corporate Planning Applications Group (CPAG) approach to bylaw setbacks, as impediments to development potential, development financial viability, and to the ability to provide enhanced public realm at their expense;

AND WHEREAS City Administration's current practice is to limit or restrict privately-funded public realm improvements in the bylaw setback in the absence of streetscape designs and/or funded infrastructure projects, thus resulting in subpar quality public realm and increased capital/operating costs to the City of Calgary to implement improvements at a later date;

AND WHEREAS City Administration's current practices surrounding bylaw setbacks lead to conflicting priorities between City departments more generally, often resulting in subpar outcomes for the public realm that are not aligned with the aforementioned higher order City policies;

AND WHEREAS, while City Administration is more recently implementing an ad hoc approach to reviewing bylaw setback needs on an opportunity basis to achieve better context-specific outcomes, the current approach is limited in scope, can be time and resource intensive, can lead to inconsistent results, and still requires individual Council-approved amendments to the Land Use Bylaw;

AND WHEREAS changes to the current bylaw setbacks approach will reduce long-term capital/operating costs by leveraging private investment and can be achieved through short-term internal practice improvements, with further improvements achieved through local area plan work as budgets allow;

NOW THEREFORE BE IT RESOLVED that City Council directs City Administration to report to Council no later than Q3 2020 with recommendations on the following:

1. Criteria needed to support applicant-provided improvements within bylaw setbacks, and between the curb and building edge generally, in order to achieve enhanced public realm and context specific mobility improvements, while still allowing for a flexible approach based on site and area specific considerations;
2. The formalization of a process used by CPAG, CPAG partners, and City asset owners to review and assess development applications with the intent to better achieve the above setback objectives;
3. Clarify the intent of the bylaw setbacks in supporting public realm and context-specific mobility improvements by renaming the Road Rights-of-Way Property Line Setbacks table within Land Use Bylaw 1P2007 and by adding a purpose statement;

AND FURTHER BE IT RESOLVED that City Council Directs City Administration to bring forward updates to relevant bylaw setbacks at the time of local area plan and/or multi-community plan creation/update, including currently underway plans, with particular consideration to:

1. Creating streetscape plans and/or cross sections for streets with bylaw setbacks, where prioritized, that provide guidance to applicants and/or the City of Calgary for how improvements should be implemented;
2. Decreases or increases to bylaw setback allowances, where appropriate;
3. Removal of bylaw setbacks that are no longer required;
4. Supporting below- and/or above-grade building projections into the bylaw setbacks that still consider utility impacts, enable street furniture/tree provisions, and support enhanced public realm;

AND FURTHER BE IT RESOLVED that the future renewal of the Land Use Bylaw consider further policy direction that better and consistently aligns the bylaw setbacks with the objectives of the Municipal Development Plan, Calgary Transportation Plan, Complete Streets Guide, Main Streets program, and other relevant policies.

NOTICE OF MOTION CHECKLIST

The checklist is a tool intended to support the sponsor(s) of a Notice of Motion. The items listed below are important considerations when crafting and submitting a Notice of Motion. It is also intended to support other Members of Council, as the same considerations are important when reaching a decision on a Notice of Motion.

The checklist is therefore an opportunity for the sponsor(s) to:

- consider what advice might be helpful to them in formulating their proposal; and
- share key points about the advice received with their Council colleagues, to inform their deliberations.

This document is recommended to be provided to City Clerks alongside every Notice of Motion and will become part of the Corporate record. It is at the discretion of the sponsor(s) to decide with whom to consult and what information to include.

Title of the Motion: **Bylaw Setback Reform**

There are two classifications of a Notice of Motion (Check the one that applies):

- Regular
- Urgent (Include details in Urgency Rationale box below)

Is this Notice of Motion Confidential? (Include details in Procedural box below)

Financial and Other Resource Capacity
Some staff resourcing and minor bylaw amendments will be required for the first resolution. The second resolution requires more intensive work, but can be accommodated within the existing work stream of multi-community planning. The third resolution will be integrated with work on the renewed Land Use Bylaw. The direction in this Notice of Motion seeks to achieve a positive financial situation in the medium- to long-term by better leveraging private investment and by reducing future capital/operating costs to the City. While some resourcing is required to action the Notice of Motion, the results should provide notable net cost savings.
Legal / Legislative
Bylaw amendments will be required, but no issues are identified at this time.

Technical Content
<p>Some technical considerations stem from all resolutions. The first resolution largely addresses internal practice improvements. Administration has the existing skillset to address any technical considerations that arise. The second resolution requires more in depth work, but the technical skillset is likewise present in Administration for this work. The third resolution is also within Administration's ability to action.</p>
Procedural (Including reasons for confidentiality)
<p>Not applicable.</p>
Other Considerations
<p>Administration was engaged on the drafting of the Notice of Motion, with feedback reflected in the final version. Feedback was also sought from members of the development industry vocal on this topic. Some members of the development industry wanted a more aggressive approach, but the motion balances their desires with the resource capacity of Administration. The Q3 2020 report back timeline for the first resolution aligns with Administration's capacity. Administration indicates that work from the second resolution can be accommodated within current and future local area/multi-community plan work, with the exception of the North Hill plan. The North Hill plan will still appear before Council as scheduled, and as direct by Council to coincide with the Guidebook for Great Communities, with a minor plan update that reflects this Notice of Motion to follow at a later date.</p>
Urgency Rationale
<p>Not applicable.</p>



Report Number: PFC2020-0116

Meeting: Priorities & Finance Committee

Meeting Date: 2020 January 14

NOTICE OF MOTION

RE: Banning Conversion Therapy

Sponsoring Councillor(s): Evan Woolley, Druh Farrell, Gian-Carlo Carra, Jyoti Gondek, Naheed Nenshi

WHEREAS Calgary is a welcoming City for all people regardless of gender or sexual orientation;

AND WHEREAS society has well-established legal and ethical obligations to protect people from foreseeable risks of significant mental, emotional and physical harm;

AND WHEREAS all orders of government have a role in protecting Calgarians from the harms associated with the practice of conversion therapy;

AND WHEREAS the Federal Minister of Justice has been instructed by the Prime Minister's Office to amend the Criminal Code to ban the practice of conversion therapy and take other steps required with the provinces and territories to end conversion therapy in Canada;

AND WHEREAS the Canadian Psychological Association opposes the practice of conversion therapy stating that it can result in negative outcomes such as distress, anxiety, depression, negative self-image, a feeling of personal failure, difficulty sustaining relationships, and sexual dysfunction;

AND WHEREAS the College of Alberta Psychologists amended the Standards of Practice in 2019 October to prohibit psychologists from providing any treatment, counselling or behavior modification techniques with the objective of changing or modifying the sexual orientation, gender identity or gender expression of an individual;

AND WHEREAS the Government of Alberta has yet to take any action to ban this practice;

AND WHEREAS the City of Edmonton, City of St. Albert and Strathcona County have passed bylaws prohibiting the practice and promotion of conversion therapy;

AND WHEREAS the Council of the City of Calgary may pass bylaws for municipal purposes respecting the safety, health and welfare of people and the protection of people;

AND WHEREAS the Council of The City of Calgary has the authority to pass bylaws concerning businesses, ensuring citizens' expectations for safe and ethical business practices are met;

NOW THEREFORE BE IT RESOLVED that The City of Calgary advocate to the provincial government, including having the Mayor send a formal request on behalf of Council, urging the use of tools within their jurisdiction to end the practice of conversion therapy;

AND FURTHER BE IT RESOLVED that Council direct Administration to draft a bylaw to prohibit the business practice of conversion therapy including a fine for those advertising or offering conversion therapy services within Calgary and return to Council through the Standing Policy Committee on Community and Protective Services no later than Q1 2020.



Report Number: PFC2020-0120

Meeting: Priorities & Finance Committee

Meeting Date: 2020 January 21

NOTICE OF MOTION

RE: Public Safety Task Force

Sponsoring Councillor(s): Councillor George Chahal and Mayor Nenshi

WHEREAS Calgary is a place of opportunity, where everyone should be safe and feel welcome;

AND WHEREAS there are significant and growing citizen concerns regarding community safety given the recent increase in drug-related violent crime involving firearms in Calgary;

AND WHEREAS gun violence can take many forms including suicide, domestic violence, and other criminal activity including gangs

AND WHEREAS the Calgary Police Service (CPS) 3rd Quarter 2019 Statistical Report demonstrates that criminal activity involving firearms remains significantly above the five year average¹;

AND WHEREAS citizen concerns about crime and violence related to gun violence highlight the need for a broader community strategy that is collaborative and proposes solutions that improve community safety;

AND WHEREAS there are a number of a initiatives and programs from both the public sector and civil society that focus on intervention and prevention that could be better aligned through a clear community-driven evaluation of these programs' successes and opportunities;

AND WHEREAS The City of Calgary should work with its public and private partners, including but not limited to: the federal and provincial governments, CPS, school boards, schools, teachers, parents, law abiding gun owners, and citizens to tackle the escalating issues of gun violence;

AND WHEREAS City Council and Administration should take immediate steps to respond to the increase in violent crime by seeking the best advice possible from the community and affected stakeholders through a cross-sector collaborative approach;

NOW THEREFORE BE IT RESOLVED Council direct Administration to create a Public Safety Task Force, that will report back to Council with its best advice and recommendations relating to gangs and gun violence, based on the Task Force's review of existing programs and services locally and in other relevant jurisdictions;

AND FURTHER BE IT RESOLVED THAT Council direct Administration to work with interested members of council to prepare a briefing to Council by 16 March 2020 establishing the Terms of Reference for the Task Force including membership which will be drawn from a broad base of community stakeholders.

¹ https://www.calgary.ca/cps/Documents/statistical-reports/Quarterly/QuarterlyReportQ3_2019.pdf