



## REVISED AGENDA

### PRIORITIES AND FINANCE COMMITTEE

October 13, 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)

#### ***SPECIAL NOTES:***

*Public are encouraged to follow Council and Committee meetings using the live stream [Calgary.ca/WatchLive](https://calgary.ca/WatchLive)*

*Public wishing to make a written submission may do so using the public submission form at the following link: [Public Submission Form](#)*

*Members may be participating remotely.*

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
  - 4.1. Regular Meeting of the Priorities and Finance Committee, 2020 September 08
5. CONSENT AGENDA
  - 5.1. DEFERRALS AND PROCEDURAL REQUESTS  
None
  - 5.2. BRIEFINGS
    - 5.2.1. Status of Outstanding Motions and Directions, PFC2020-1069

6. POSTPONED REPORTS  
(including related/supplemental reports)

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1. The City of Calgary Debt Policy, PFC2020-1028

NEW MATERIALS

7.2. 2021 Preliminary Assessment Roll and Related Estimates, PFC2020-1014, PFC2020-1014

7.3. Assessment and Tax Circumstances Report, PFC2020-0982

7.4. 2020 Mid-year Capital and Operating Budget Revisions Report, PFC2020-1075

7.5. Golf Course Operations Expression of Interest and Real Estate Assessment, PFC2020-0952  
Attachment 4 held confidential pursuant to Section 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*.

**Review By: 2025 October 01**

7.6. 2019 Audited Financial Statements for Business Revitalization Zones and Business Improvement Areas (BIA), PFC2020-1088  
Attachments 2 through 15 held confidential pursuant to Section 16 (Disclosure harmful to business interests of a third party) of the *Freedom of Information and Protection of Privacy Act*.

**Review By: 2035 October 15**

7.7. Real Estate Working Group Terms of Reference, PFC2020-1149

NEW MATERIALS

7.8. Council Expense Audit Follow-Up, PFC2020-1143

8. ITEMS DIRECTLY TO COMMITTEE

8.1. REFERRED REPORTS  
None

8.2. NOTICE(S) OF MOTION  
None

8.2.1. Notice of Motion - Public Art in Northeast Calgary, PFC2020-1168  
Councillor Chahal

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES  
None

10.2. URGENT BUSINESS

11. ADJOURNMENT





## MINUTES

### PRIORITIES AND FINANCE COMMITTEE

**September 8, 2020, 1:00 PM  
IN THE COUNCIL CHAMBER**

**PRESENT:**

Mayor N. Nenshi, Chair  
Councillor S. Chu, Vice-Chair (Remote Participation)  
Councillor G-C. Carra (CPS Chair) (Remote Participation)  
Councillor J. Davison (T&T Chair)  
Councillor J. Gondek (PUD Chair) (Remote Participation)  
Councillor W. Sutherland (UCS Chair) (Remote Participation)  
Councillor E. Woolley (Audit Chair) (Remote Participation)  
Councillor D. Colley-Urquhart (Remote Participation)  
Councillor P. Demong (Remote Participation)  
Councillor J. Farkas  
Councillor D. Farrell (Remote Participation)  
Councillor S. Keating (Remote Participation)

**ALSO PRESENT:**

City Manager D. Duckworth  
Chief Financial Officer C. Male  
Deputy City Clerk T. Mowrey  
Legislative Coordinator M. A. Cario  
Legislative Advisor J. Palaschuk

**1. CALL TO ORDER**

Mayor Nenshi called the Meeting to order at 1:05 p.m.

**ROLL CALL**

Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Colley-Urquhart, Councillor Gondek, Councillor Keating, Councillor Davison, Councillor Sutherland, Councillor Carra, Councillor Chu, and Mayor Nenshi.

**2. OPENING REMARKS**

Mayor Nenshi provided opening remarks at today's meeting.

**3. CONFIRMATION OF AGENDA**

**Moved by** Councillor Chu

That the Agenda for the 2020 September 08 Regular Meeting of the Priorities and Finance Committee be confirmed.

**MOTION CARRIED**

4. CONFIRMATION OF MINUTES

- 4.1 Minutes of the Regular Meeting of the Priorities and Finance Committee, 2020 July 14

**Moved by** Councillor Chu

That the Minutes of the 2020 July 14 Regular Meeting of the Priorities and Finance Committee be confirmed.

**MOTION CARRIED**

5. CONSENT AGENDA

**Moved by** Councillor Chu

That the Consent Agenda be approved as follows:

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

5.2 BRIEFINGS

- 5.2.1 Status of Outstanding Motions and Directions, PFC2020-0897

**MOTION CARRIED**

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 7.1 Economic Strategy Update, PFC2020-0969

A presentation entitled "Calgary in the New Economy" was electronically distributed and displayed with respect to Report PFC2020-0969.

Councillor Woolley joined the Meeting at 1:20 p.m.

**Moved by** Councillor Davison

That with respect to Report PFC2020-0969, the following be approved:

That the Priorities and Finance Committee receive this report for the Corporate Record.

**MOTION CARRIED**

- 7.2 Kensington Manor Status Update, PFC2020-0900

**Moved by** Councillor Farrell

That with respect to Report PFC2020-0900, the following be approved:

That the Priorities and Finance Committee receive this report for the Corporate Record.

**MOTION CARRIED**

**7.3 Solutions for Achieving Value and Excellence (SAVE) Program Preliminary Results and Actions, PFC2020-0891**

A presentation entitled "PFC2020-0891: Solutions for Achieving Value and Excellence (SAVE) Program Preliminary Results and Actions", dated 2020 September 8, was electronically distributed and displayed with respect to Report PFC2020-0891.

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017 and by General Consent, Committee suspended Section 78(2)(b), in order to complete Item 7.3 prior to the afternoon recess.

**Moved by** Councillor Colley-Urquhart

That with respect to Report PFC2020-0891, the following be approved:

That the Priorities and Finance Committee receive this report for the Corporate Record.

**MOTION CARRIED**

Committee recessed at 3:34 p.m. and resumed at 3:54 p.m. with Mayor Nenshi in the Chair.

**ROLL CALL**

Councillor Gondek, Councillor Keating, Councillor Carra, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, and Mayor Nenshi.

Absent for Roll Call: Councillor Sutherland

**7.4 Project Update on Tomorrow's Chinatown, PFC2020-0922**

A presentation entitled "PFC2020-0922 Tomorrow's Chinatown - Project Update", dated September 8 2020, was electronically distributed and displayed with respect to Report PFC2020-0922.

Councillor Farrell rejoined the Meeting at 4:00 p.m.

**Moved by** Councillor Farrell

That with respect to Report PFC2020-0922, the following be approved:

That the Priorities and Finance Committee receive this report for the Corporate Record.

**MOTION CARRIED**

**7.5 Amendments to the Election Bylaw, PFC2020-0965**

Councillor Demong rejoined the Meeting at 4:40 p.m.

**Moved by Councillor Chu**

That with respect to Report PFC2020-0965, the following be approved:

That the Priorities and Finance Committee recommend that Council give three readings to the proposed Bylaw, as set out in Attachment 1, to amend Bylaw 35M2018.

**MOTION CARRIED**

7.6 Electronic Voting Implementation Update, PFC2020-0967

A presentation entitled "PFC2020-0967 Electronic Voting Implementation Update" was electronically distributed and displayed with respect to Report PFC2020-0967.

Councillor Sutherland rejoined the Meeting at 4:45 p.m.

**Moved by Councillor Davison**

That with respect to Report PFC2020-0967, the following be approved:

That the Priorities and Finance Committee recommend that Council adopt the Electronic Voting Framework contained in Attachment 2.

**MOTION CARRIED**

7.7 City of Calgary Proposed Municipal Stimulus Program Submission, PFC2020-0894

A presentation entitled "PFC2020-0894 Capital Investment Application Recommendations for Municipal Stimulus Program", dated 2020 September 8, was electronically distributed and displayed with respect to Report PFC2020-0894.

Councillor Woolley rejoined the Meeting at 5:30 p.m.

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017 and by General Consent, Committee suspended Section 78(2)(c), in order to complete the remainder of today's agenda prior to the dinner recess.

**Moved by Councillor Gondek**

That the Administration Recommendations contained in Report PFC2020-0894 be amended by adding a new Recommendation 1, as follows, and renumbering the remaining Recommendations:

1. Receive the full list of projects considered as part of the Municipal Stimulus Program (MSP) funding, both successful and unsuccessful;

Against: Councillor Farrell

**MOTION CARRIED**



**Moved by** Councillor Farrell

That with respect to Report PFC2020-0894, the following be approved, **as amended:**

That the Priorities and Finance Committee recommend that Council:

**1. Receive the full list of projects considered as part of the Municipal Stimulus Program (MSP) funding, both successful and unsuccessful;**

Against: Councillor Farrell

**MOTION CARRIED**

**Moved by** Councillor Farrell

That with respect to Report PFC2020-0894, Administration Recommendation 2 be approved, as follows:

2. Approve The City's investments proposed for Municipal Stimulus Program (MSP) funding, and approve the capital budget, as identified in Attachment 1, contingent on Government of Alberta's approval of The City's applications; and

ROLL CALL VOTE:

For: (8): Mayor Nenshi, Councillor Carra, Councillor Davison, Councillor Gondek, Councillor Sutherland, Councillor Woolley, Councillor Farrell, and Councillor Keating

Against: (3): Councillor Chu, Councillor Colley-Urquhart, and Councillor Demong

**MOTION CARRIED**

**Moved by** Councillor Farrell

That with respect to Report PFC2020-0894, Administration Recommendation 3 be approved, as follows:

3. Direct Administration to submit the City of Calgary Municipal Stimulus Program applications to the Government of Alberta on or before 2020 October 1.

ROLL CALL VOTE:

For: (8): Mayor Nenshi, Councillor Carra, Councillor Davison, Councillor Gondek, Councillor Sutherland, Councillor Woolley, Councillor Farrell, and Councillor Keating

Against: (3): Councillor Chu, Councillor Colley-Urquhart, and Councillor Demong

**MOTION CARRIED**

## 8. ITEMS DIRECTLY TO COMMITTEE

### 8.1 REFERRED REPORTS

None

### 8.2 NOTICE(S) OF MOTION

- 8.2.1 Notice of Motion - Fulfillment of Providing Services to Hamlet of Shepard and Surrounding Area, PFC2020-0995

**Moved by** Councillor Keating

That with respect to Notice of Motion PFC2020-0995, the following be approved:

That Notice of Motion PFC2020-0995 be forwarded to the 2020 September 14 Combined Meeting of Council for consideration.

**MOTION CARRIED**

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

10.2 URGENT BUSINESS

None

11. ADJOURNMENT

**Moved by** Councillor Chu

That this meeting adjourn at 6:34 p.m.

**MOTION CARRIED**

The following items have been forwarded to the 2020 September 14 Combined Meeting of Council:

**CONSENT**

- Electronic Voting Implementation Update, PFC2020-0967
- City of Calgary Proposed Municipal Stimulus Program Submission, PFC2020-0894

ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

COMMITTEE REPORTS

- Amendments to the Election Bylaw, PFC2020-0965, PFC2020-0965
- Notice of Motion - Fulfillment of Providing Services to Hamlet of Shepard and Surrounding Area, PFC2020-0995

The next Regular Meeting of the Priorities and Finance Committee is scheduled to be held on 2020 October 13 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

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CHAIR

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ACTING CITY CLERK

UNCONFIRMED



# BRIEFING

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Item # 5.2.1

**Chief Financial Officer's Briefing to  
Priorities and Finance Committee  
2020 October 13**

**ISC: UNRESTRICTED  
PFC2020-1069**

## **Status of Outstanding Motions and Directions**

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### **PURPOSE OF BRIEFING**

Identify outstanding items for the Priorities and Finance Committee as of 2020 September 25.

### **SUPPORTING INFORMATION**

On 2012 April 03, 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. Status of Outstanding Items for the Priorities and Finance Committee.



DATE BACK TO COMMITTEE	ITEM	DATE OF REQUEST	SOURCE	SUBJECT
2018 Q4	<b>PROPOSED CODE OF CONDUCT FOR ELECTED OFFICIALS BYLAW26M2018</b>	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 Q2	<b>ECONOMIC DEVELOPMENT INVESTMENT FUND GOVERNANCE AND TERMS OF REFERENCE</b>	2018 March 06	PFC2018-0187	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.
2021 (Revised under C2020-0698)	<b>OPPORTUNITY CALGARY INVESTMENT FUND GOVERNANCE STRUCTURE</b>	2019 July 02	PFC2019-0828	Deferral.
2020 April 21  (Revised under C2020-0390) 2020 October	<b>GOLF SUSTAINABILITY FRAMEWORK Q1 2020 UPDATE</b>	2020 March 10	PFC2020-0251	That the Priorities and Finance Committee recommend that this report be forwarded to the 2020 March 16 Combined Meeting of Council as an item of Urgent Business; and  That Council refer Report PFC2020-0251 to Administration: 1. To investigate a shorter time frame option and expression of interest from the marketplace;

				<p>2. To prepare a financial report on the closure of Richmond Green and options for stage 2 assessment; and</p> <p>4. That Recommendations 1 and 2 return to the April 21 Priorities and Finance Committee Meeting.</p>
2020 Q4	<b>CITY PLANNING &amp; POLICY 2020 WORK PLAN</b>	2020 January 15	PUD2020-0016	<p>That the Standing Policy Committee on Planning and Urban Development recommend that Council:</p> <p>Adjust the reporting timelines for: ii. The New Community Growth Strategy – Growth Management Overlay Policy Review (PFC2019-1062), to report to Council, through the Priorities and Finance Committee no later than 2020 Q4.</p>
2020 Q2  (Revised under C2020-0390) 2020 December	<b>RESPONSE TO WATER FLUORIDATION IN THE CITY OF CALGARY REPORT</b>	2019 October 29	CPS2019-0965	<p>That the Standing Policy Committee on Community and Protective Services recommends to Council that:</p> <p>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</p> <p>4. Report back directly through Priorities and Finance Committee no later than Q2 2020.</p>
Progress Briefing no later than June 2020 (Revised under C2020-0698) 2021 Q3	<b>2019 GROWTH STRATEGY MONITORING REPORT</b>	2019 November 05	PFC2019-1062	<p>That the Priorities and Finance Committee recommends that Council direct Administration to:</p> <p>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 <b>briefing on progress toward the new model will be presented at 2020 June 9</b> Priorities and Finance Committee meeting, with a targeted timeline for completion of <b>no later than Q3 2021</b>.</p> <p>4. Review business cases by May 29, 2020, with subsequent dialogue with proponents and a summary of</p>



2020 October				<p>approved and rejected cases to be forwarded to <b>October 13 2020</b> 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 <b>2020 October</b>.</p>
2020 October	<b>FINANCIAL TASK FORCE RECOMMENDATIONS – IMPLEMENTATION APPROACH AND RESOURCES</b>	2020 July 27	C2020-0815	<p>That with respect to Report C2020-0815, the following Motion Arising be adopted:</p> <p>1.To further assist the Chief Finance Officer with recommendation #19 (Distribute tax responsibility appropriately), as well as assisting the Business and Local Economy (BLE) team in tackling recommendation # 33 (Investigate the crisis level vacancy in the downtown office market and respond with actions), direct Administration to:</p> <p><b>a.</b> Establish an Administration-led Real Estate Working Group by bringing a mandate and direction for the Real Estate Working Group (similar to the 2019 Tax Shift Assessment Working Group) to the October 2020 meeting of the Priorities and Finance Committee of Council</p> <p><b>b.</b> The Real Estate Working Group will liaise directly with the Priorities and Finance Committee of Council through a standing agenda item, until Administration recommends that the working group be disbanded;</p> <p><b>c.</b> Determine composition of the Real Estate Working Group to include but not be limited to interested members of the Real Estate Sector Advisory Committee of Calgary Economic Development, as well as the now disbanded Financial Task Force with real estate experience, and/or other experts within Calgary;</p>

				<p><b>d.</b> Direct the City Manager to assign an Administrative Chair for the Real Estate Working Group other than the Chief Financial Officer (who is presently tasked with execution of the Financial Task Force recommendations), and</p> <p><b>e.</b> As part of the scope of work of the independent consultant for recommendation #19, as led by the Chief Financial Officer, ensure appropriate stakeholder engagement, including the Real Estate Working Group.</p>
<p>2020 November 10</p> <p>(Resised under C2020-0390) 2020 December</p>	<b>GREEN LINE BOARD</b>	<p>2020 July 20</p>	GC2020-0772	<p>That with respect to Report GC2020-0772, the following be adopted:</p> <p>That Council:</p> <p>1. Give three readings to the Proposed Bylaw 21M2020, the Green Line Board Bylaw and Terms of Reference, to establish the Green Line Board (the “Board”) as a Committee of Council responsible for governing and overseeing the successful delivery of the Green Line Program;</p> <p>2. Appoint the City Manager to serve as a member of the Board; and</p> <p>3. Direct Administration to retain an external search firm and work with the Inaugural Chair to identify candidates for appointment to the Green Line Board, and present appointment recommendations to the Priorities and Finance Committee for its consideration no later than 2020 November 15.</p>
<p>2020 Q2</p> <p>(Revised under C2020-0698) Q1 2021</p>	<b>RESILIENT CALGARY</b>	<p>2019 June 17</p>	PFC2019-0617	<p>That with respect to Report PFC2019-0617, the following be adopted:</p> <p>2. Direct Administration to report back with an update to the Priorities and Finance Committee no later than Q2 2020.</p>

2020 Q4	<b>NOTICE OF MOTION RE: FINANCIAL RELIEF FOR TAXPAYERS</b>	2020 July 27	C2020-0885	AND FURTHER BE IT RESOLVED THAT Council immediately directs Administration to advocate to the Government of Canada to create new direct borrowing relationship with The City and explore what options are available to achieve preferred interest rate loans and report back to the Priorities and Finance Committee no later than Q4 2020 with a formal plan to establish these relationships.
2020 Q4	<b>CITY PLANNING &amp; POLICY 2020 WORK PLAN</b>	2020 January 15	PUD2020-0016	That the Standing Policy Committee on Planning and Urban Development recommend that Council: B. Adjust the reporting timelines for: ii. The New Community Growth Strategy – Growth Management Overlay Policy Review (PFC2019-1062), to report to Council, through Priorities and Finance Committee no later than 2020 Q4.
2020 Q4	<b>ESTABLISHED AREA GROWTH AND CHANGE STRATEGY 2020: PHASE 1 RECOMMENDATIONS</b>	2020 April 29	PFC2020-0381	That with respect to Report PFC2020-0381, the following be approved, <b>after amendment</b> :  Administration recommends* that the Priorities and Finance Committee recommends that Council  <b>c. Explore</b> additional financial tools and strategies for public realm investment in Phase 2 and replenishing the Established Area Investment Fund, as listed in Attachment 3, <b>with a report back with preliminary recommendations through the Priorities and Finance Committee by end of Q4 2020.</b>
2020 Q4	<b>NOTICE OF MOTION PROCESS FLOW AND CHECKLIST</b>	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.

2020 Q4	<b>GREENLINE UPDATE STAGE 1</b>	2020 June 15	GC2020-0583	<p>That with respect to revised Report GC2020-0583, the following be adopted, after amendment:</p> <p>The Green Line Committee recommends that Council:</p> <p>16. Direct Administration to:</p> <p>a. Advise the Government of Canada and the Government of Alberta of Council's approval of the recommendations in this report;</p> <p>b. Secure any required amendments to the funding agreement, such amendments to include but not be limited to the Government of Canada agreeing to expedite the release of its funding contributions to help mitigate debt financing costs; and</p> <p>c. Secure written assurances from the Government of Alberta resolving the issues related to the 90-day termination provision contained in the Public Transit and Green Infrastructure Project Act (Alberta). All amendments and written assurances are to be in content satisfactory to the City Manager and the Chief Financial Officer and in form satisfactory to the City Solicitor and General Counsel. Should all amendments and written assurances not be secured by the end of Q4 2020 direct Administration to report back to the Priorities and Finance Committee;</p> <p>17. Notwithstanding the approvals above, and provided that the total Green Line Program Stage 1 cost does not exceed the Council approved Green Line Program budget, should significant additional funding for public transit become available, direct Administration to return to the Priorities and Finance Committee with recommendations for investments outlined in the Route Ahead prioritization strategy (including north and south extensions of the Green Line). Further, if adjustments to the Green Line Program are required to attract additional funding, direct Administration to make recommendations to Council regarding those adjustments and funding opportunities.</p>
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2021 Q1	<b>SOCIAL PROCUREMENT UPDATE (NOW CALLED BENEFIT DRIVEN PROCUREMENT POLICY)</b>	2019 December 16	PFC2019-0384	<p>That Council:</p> <ol style="list-style-type: none"> <li>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</li> <li>2. Direct Administration to return to the Priorities and Finance Committee with an update no later than <b>Q1 2021.</b></li> </ol>
2020 Q1	<b>NOTICE OF MOTION – RENAMING JAMES SHORT PARK AND JAMES SHORT PARKADE</b>	2020 July 20	PFC2020-0802	<p>That Council:</p> <ol style="list-style-type: none"> <li>1. Direct Administration to revise the Municipal Naming, Sponsorship and Naming Rights Policy CP2016-01 as follows:</li> <li>2. DIRECT administration to develop a process by which citizen requests to re-examine an existing name of a city asset will be handled, ensuring that any such process involve community input with final decision-making by Council through the Priorities and Finance Committee as per the existing policy. In addition, this must also involve consultation with the Anti-Racism Advisory Committee once it is operational, with the report returning through the Priorities and Finance Committee no later than Q1 2021.</li> </ol>
2021 Q1	<b>2020 NON- RESIDENTIAL PROPERTY TAX RELIEF OPTIONS</b>	2020 February 03	PFC2020-0015	<ol style="list-style-type: none"> <li>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.</li> </ol>

2021 Q2	<b>UNIVERSITY OF CALGARY – CITIZEN SCIENTIST WEARABLES PROGRAM</b>	2019 September 30	PFC2019-1096	<p>That with respect to Report PFC2019-1096, the following be adopted: That Council:</p> <ol style="list-style-type: none"> <li>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</li> <li>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.</li> </ol>
2021 September	<b>COUNCIL INNOVATION FUND APPLICATION FOR VIRTUAL REALITY FIRE AND LIFE SAFETY EDUCATION PILOT</b>	2020 July 14	PFC2020-0784	<p>That with respect to Report PFC2020-0784, the following be adopted:</p> <p>That Council:</p> <ol style="list-style-type: none"> <li>1. Approve this one-time application to allocate \$75,000 from the Council Innovation Fund for the Virtual Reality Fire and Life Safety Education Pilot.</li> <li>2. Direct Administration to report back to the Priorities and Finance Committee on the outcomes of this project by September 2021.</li> </ol>

2021 Q4	<b>HAWKWOOD OUTDOOR RECREATION FACILITY PROJECT</b>	2020 July 20	PFC2020-0696	<p>That with respect to Report PFC2020-0696, the following be adopted:</p> <p>That Council:</p> <p>1. Consider this application for the Council Community Fund for the Hawkwood Community Capital project in the amount of \$500,000 one-time funding request; and</p> <p>2. Direct Councillor Magliocca's office and the applicant to report back to the Priorities and Finance Committee within 12 months of project completion.</p>
ANNUALLY	<b>CITY OF CALGARY CITIZEN PRIVACY DATA PRACTICES</b>	2020 January 27	C2020-0039	<p>2. Direct the City Clerk/FOIP Head to provide an annual report to the Priorities and Finance Committee on The City's Privacy Management Program.</p>
2022 Q1	<b>HERITAGE CONSERVATION TOOLS AND INCENTIVES UPDATE REPORT</b>	2020 July 27	PUD2020-0758	<p>That Council direct Administration to:</p> <p>3. Return to the Priorities and Finance Committee no later than Q1 2022 with the residential tax credit financial incentive package for consideration in the 2023-2026 budget deliberations.</p>
2022 Q2	<b>SUPPLEMENTAL REPORT – RESPONDING TO COUNCIL QUESTIONS ON THE COUNCIL INNOVATION FUND APPLICATION FOR DOWNTOWN ACCELERATOR PROGRAM – 1MILLION SQUARE FEET</b>	2020 May 25	C2020-0600	<p>That with respect to Report C2020-0600, the following be adopted:</p> <p>4. Direct Administration to report back to the Priorities and Finance Committee on the outcomes of this project by Q2 2022</p>

2022 Q4	<b>CIVIC CENSUS REVIEW</b>	2020 February 03	PFC2020-0094	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.
2023 Q1	<b>COUNCIL INNOVATION FUND REQUEST FOR THE FUTURE OF STEPHEN AVENUE – ACTIVATE + EXPERIMENT</b>	2020 March 10	PFC2020-0274	That the Priorities and Finance Committee recommends that Council:  1. Approve this application to the Council Innovation Fund for The Future of Stephen Avenue: Activate & Experiment, in the amount of \$300,000; and 2. Direct Administration to report back to Priorities and Finance Committee on the outcomes of this project by Q1 2023 as per the fund guidelines.
2023 Q2	<b>ROADSIDE NATURALIZATION PILOT</b>	2020 February 24	C2020-0265	That with respect to Report C2020-0265, the following be adopted:  That Council:  4. Direct Administration to report back to the Priorities and Finance Committee on the outcomes of this project no later than Q2 2023, with interim reports on project progress and return-on-investment as information becomes available.



## **The City of Calgary Debt Policy**

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### **RECOMMENDATION(S):**

That the Priorities and Finance Committee recommends that Council:

1. Hold a public hearing on the proposed The City of Calgary Debt Policy (Attachment 2); and
2. Approve The City of Calgary Debt Policy.

### **HIGHLIGHTS**

- The City of Calgary Charter (AR 40/2018) requires Council to obtain an external credit rating and establish a debt limit and a debt servicing policy.
- Having an approved municipal debt policy reflects widely applied best practice in fiscal policy and treasury management and is established in most other comparable municipalities in North America.
- The policy aggregates relevant processes and previous Council approvals in a formal Council Policy and thus contributes to the transparency of City's financial management.
- The City's debt limit and debt servicing limits, as well as other debt-related provisions, are currently governed under the Municipal Government Act (MGA) and related Debt Limit Regulation (AR 255/2000) that expires on 2020 December 31. This policy will effectively replace this regulation.
- Having an approved debt policy will set the stage for further work that will help align the borrowing framework to City's longer-term goals and priorities.
- Background and Previous Council Direction is included as Attachment 1.
- Strategic Alignment to Council's Citizen Priorities: A well-run city

### **DISCUSSION**

- The Debt Policy outlines objectives, standards and appropriate controls for the use and issuance of debt to ensure that The City utilizes debt prudently and efficiently.
- Attachment 2 consolidates The City's current processes, including a number of elements the Council has approved in the past, into a formal Council policy. A formal review of the policy elements (e.g. policy statements, procedures, etc.), including the debt limits, will occur by the end of 2022.
- The policy reflects the existing legislative and regulatory framework and complements it with industry best practice recommendations.
- Certain provisions of the Debt Policy that have not yet been formally approved by Council include but are not limited to:
  - striving to maintain or improve The City's credit rating;
  - reporting the level of indebtedness as measured by tax-supported debt as a percentage of taxable assessment
  - allowing for a prudent use of derivatives for risk hedging purposes.
- In writing this policy, the following resources were reviewed:
  - debt policies of several comparable North-American municipalities
  - the Government Finance Officers Association's best practice recommendations;
  - credit rating agencies' guidelines;

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- provincial legislation and other relevant publications such as municipal annual reports, budget documents or other finance policies.
- This policy was presented to and endorsed by the Executive Leadership Team on 2020 October 6.
- The Debt policy will be open to comments through a public hearing process that will be advertised with all relevant information in accordance with the applicable provisions of the Municipal Government Act.
- Approval of a Council Debt Policy will exempt The City from the legislated debt limits contained in the MGA.

**STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

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

**IMPLICATIONS**

**Social**

This policy has no direct impact on the social well-being of Calgarians.

**Environmental**

There is no environmental impact as a result of approving this policy.

**Economic**

Approving this policy positively contributes to promoting The City's fiscal responsibility in line with The City's long-term goals and priorities by reinforcing its commitment to use borrowing transparently, prudently and efficiently so as to enhance the well-being of Calgarians in a fair and financially sustainable manner.

**Service and Financial Implications**

There are no direct service or financial implications as a result of approving this policy as it reflects the legislative framework that already governs The City's borrowing.

**Choose an item.**

*Include actual figure*

There is no direct quantifiable opportunity cost from pursuing this recommendation.

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**RISK**

A clear Debt Policy mitigates the risks associated with debt and borrowing. Approving this policy decreases the risk that The City would fail to utilize debt in a prudent and sustainable manner in accordance with best practice by removing some elements of discretion that are inherent in any debt issuance and replacing it with a formal and transparent framework.

**ATTACHMENT(S)**

1. Background
2. The City of Calgary Debt Policy

Department Circulation

General Manager (Name)	Department	Approve/Consult/Inform (Pick-one)
Carla Male	CFOD	Approve



# Background

The City of Calgary's current debt limits are prescribed in the Municipal Government Act and Debt Limit Regulation. The City of Calgary Charter, allows The City to establish these debt limits within a debt policy. The City Charter requires that a Public hearing be held prior to approval of the debt policy.

## Context

Council has approved various components of policy, but a formal debt policy has not been approved. Attachment 2 encapsulates the current Council approval, as well as other aspects of the current debt processes, within a formal Council Policy. Administration will review the policy to determine if any changes are required to the current processes and procedures and report back to Council by the end of 2022.

## Previous Council Direction

### Council approvals of debt policy elements

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2/25/2002	FB2002-11	<b>Tax-Supported Capital Financing Review</b> This report contained several debt-related policies including the establishment of a maximum debt servicing target for tax supported debt of 10% of gross expenditures net of recoveries.
11/20/2006	FCS2006-42	<b>Debt Financing Review</b> This report outlined the categories of debt including the establishment and evaluation of self-sufficient tax-supported debt, and further outlined the use of debt.





## Council Policy

**Policy Title:** Debt Policy  
**Policy Number:** Assigned by the City Clerk's Office  
**Report Number:** Report(s) going to Committee/Council  
**Adopted by/Date:** Council / 2020 November 2 or 2020 December 14  
**Effective Date:** 2021 January 1  
**Last Amended:** N/A  
**Policy Owner:** Chief Financial Officer's Department

### 1. POLICY STATEMENT

- 1.1 The City of Calgary ("The City") utilizes debt in its commitment to manage its fiscal position in a prudent and sustainable manner, as well as balance the need for Capital Infrastructure and Calgary's ability to pay for it.
- 1.2 Debt must be structured in a way that can reasonably be considered fair and equitable to those who pay and benefit from the underlying assets over time.
- 1.3 The *Debt Policy* guides the rationale and processes that govern The City's borrowing as it pertains to the overall levels of indebtedness, the structure of the debt, as well as the annual debt servicing limits.
- 1.4 The issuance of new debt must be approved by Council and authorized by adopting a borrowing bylaw.

### 2. PURPOSE

- 2.1 The purpose of the *Debt Policy* is to outline objectives, standards and appropriate controls for the use and issuance of debt, and to ensure that The City's financial conduct is governed by the following principle:
  - 2.1.1 The City utilizes debt prudently and efficiently in accordance with best practice as applied in the context of municipal fiscal policy and treasury management. This includes, but is not limited to the following considerations:
    - 2.1.1.1 Identifying sources of funding for debt repayment when debt is issued
    - 2.1.1.2 Aligning with The City's planning and budgeting process and longer-term financial considerations
    - 2.1.1.3 Ensuring appropriate guidelines and controls are in place for both the issuance and use of debt
    - 2.1.1.4 Minimizing the long-term cost of financing
    - 2.1.1.5 Striving to maintain or improve The City's credit rating
    - 2.1.1.6 Considering the use of debt in the context of other forms of financing, generally as the last applied form of financing.

- 2.1.1.7 Limiting financial risk exposure and applying appropriate risk mitigation strategies
- 2.1.1.8 Fulfilling all relevant provincial and federal legislative requirements
- 2.1.1.9 Adhering to transparent and reasonable reporting requirements
- 2.1.1.10 Designating the relevant authority and responsibilities to qualified personnel and following the appropriate reporting structure in alignment with other City Finance policies
- 2.1.1.11 Formally enforcing ethical conduct and mitigating potential conflicts of interest for staff involved in debt issuance activities
- 2.1.1.12 Ensuring that the City has sufficient debt capacity available to provide for financial flexibility by appropriately managing the timing of cash flows in both short term as well as longer time horizon.

### 3. **DEFINITIONS**

#### 3.1 The following definitions apply:

##### 3.1.1 Amortizing Debt

Refers to repayment of debt according to a predetermined amortization schedule that is generally composed of fixed payments paid in regular installments. Each payment is composed of a principal and an interest component so that the debt is repaid in full at the maturity date.

##### 3.1.2 Bullet Debt

A debt structure whereby a large portion (or the full amount) of principal is repaid at a specified date, usually at maturity. Regular installments between inception and maturity cover the interest portion of the debt only.

##### 3.1.3 Credit Rating

Quantitative and qualitative assessment of borrower's creditworthiness (as it pertains to the ability to honour existing and potential debt obligations) conducted by a reputable credit rating agency (such as Standard and Poor's, Moody's Investors Service, Inc., DBRS Morningstar or Fitch Ratings) that is based on past indicators as well as estimates of future metrics. In a municipal context, at this time, the following areas are generally subject to a due diligence process by the credit rating agency: economic structure, fiscal and financial management, as well as relations with senior levels of government. Additional factors may include ownership of municipal corporations and municipal governance. The higher the credit rating score, the greater the ability to issue debt efficiently.

##### 3.1.4 Debt

Money borrowed from a counterparty in exchange for compensation in the form of interest payment. It represents an obligation that must be repaid within a predetermined



time horizon under conditions that both parties to the transaction agree upon. Debt is utilized primarily when other sources of financing are not available or are considered less efficient.

### 3.1.5 Debt Structure

The structure of debt repayment agreed upon between the lender and the borrower upon issuance of debt. Specifically, it may refer to the time pattern (e.g., duration and timing) of principal and interest payments, interest rate calculation (e.g., fixed or variable rate), credit and liquidity enhancements, use of derivatives, and potentially other tools available to structure debt. In general, debt should be structured to achieve the lowest possible cost of funds, subject to constraints of debt maturity, the capital asset being financed, capital market conditions and the objectives of the *Debt Policy*.

### 3.1.6 Debt Term

The period of time during which debt payments are made. At the end of the debt term, the debt must be paid in full.

### 3.1.7 Derivatives

Financial security (a contract) whose price is derived from changes in value of the underlying asset. In municipal debt context, derivatives are primarily utilized for risk management purposes (hedging) by allowing the debt issuer (The City) to transfer certain kinds of risk to a counterparty in the transaction. Prudent use of derivatives may increase the City's financial flexibility and provide opportunity for cost savings.

### 3.1.8 Financing Method

Method of financing a project or initiative either from own or borrowed sources. Examples include earmarking of a specific funding source, issuing debt, entering into a derivatives contract or lease financing.

### 3.1.9 Funding Source

Sources of funds earmarked to repay debt, either capital or operating in nature. May refer to a variety of tools such as proceeds from the City's investment portfolio, operations (sales of goods and services), user fees and levies, tax revenue, grants, reserves or other revenue sources.

### 3.1.10 Long-term Debt

Debt with maturity over one year generally issued to finance a capital project or a capital asset purchase.

### 3.1.11 Revenue

The total revenue reported in the City's last available audited annual financial statement, net of any transfers from other levels of government reported as revenue, and net of contributed or donated tangible capital assets reported as revenue. Sources of revenue include but are not limited to the following: property taxes, revitalization and improvement levies, business taxes, sales of goods and services, investment income, fines and penalties, licenses, permits, fees, or other miscellaneous revenue.

Revenue of authorities over which the City has direct control (Calgary Parking Authority, Calgary Public Library Board, Calhome Properties Ltd. (operating as Calgary Housing Company), Calgary Municipal Land Corporation, Attainable Homes Calgary Corporation, The Calgary Convention Centre Authority (operating as Calgary TELUS Convention Centre), Calgary Economic Development Ltd., Calgary Arts Development Authority Ltd.) is included in this calculation.

ENMAX Corporation, a wholly owned subsidiary of The City, is excluded from the debt limit calculation. Other organizations that have fiscal relationships with the City but are not included in City's consolidated financial statements, such as City and Civic partners, are also excluded from debt limit and debt servicing limit calculations.

#### 3.1.12 Self-sufficient Tax-supported

Debt for non-utility operations, programs or activities, whose operating costs, including debt servicing, are self-funded by revenues or cash flows from a dedicated funding source. Self-sufficient tax-supported debt has also included short-term debt that was funded from future grant receipts from the Alberta Government's Municipal Sustainability Initiative (MSI).

#### 3.1.13 Self-supported Debt

Debt mainly for City Utility services which is not funded by tax revenues but by revenues generated by the Utility, including rates charged directly to users and other cash flows generated from operations.

#### 3.1.14 Short-term Debt

Short-term debt issued in the form of commercial paper or promissory notes issued to manage cash flows of The City. The primary purpose is to bridge the gap between cash outflows and cash inflows. Short-term debt is limited in its term to 365 days and is not issued as a financing source for any capital projects and/or capital asset purchases.

#### 3.1.15 Structured Debt

A form of debt "tailored" to borrower's needs. May be used in instances where traditional forms of amortizing debt are considered insufficient to address the scale of a project, and/or related implications on risk, credit or liquidity management need to be addressed either through the use of derivatives or additional structure-enhancing mechanisms.

#### 3.1.16 Tax-supported Debt

Debt issued for capital expenditures that is funded in whole or in part from tax revenues.

#### 3.1.17 Tax-supported Gross Expenditures (Net of Recoveries)

Expenditures funded in whole or in part from tax revenues, calculated as total City expenditures (net of recoveries) less City utilities expenditures net of recoveries.

#### 3.1.18 Taxable Assessment

Total residential, commercial, industrial, and farm value assessed for property tax purposes as reported by the City of Calgary in accordance with the Municipal Government Act.

#### 3.1.19 Total Debt

Includes all principal that is outstanding at the calculation time on all borrowings made or guaranteed by the municipality, less any principal the City is entitled to recover at the calculation time. Debt may be in a form of a debenture, bond, commercial paper, promissory note, lease of capital property, participation in a Public Private Partnership (PPP), loan, loan guarantee or other form of contractual long-term financial commitment or guarantee.

#### 3.1.20 Total Debt Service

All principal and interest payments with respect to debt as defined above that the City is required to pay in a 12-month period after the calculation time, or that the City is liable to pay as a result of guarantees made by the City, less any principal and interest amounts to be recovered within that period.

- 3.2 Furthermore, this Council Policy applies the definitions related to pertinent sections of MGA, namely those related to "Borrowing" (section 251 to 263) and "Loans and Guarantees" (section 264 – 268), including any subsequent amendments.

### 4. **APPLICABILITY**

- 4.1 This Council policy applies to all City departments, business units and services. It does not apply to The City's subsidiaries that are consolidated in The City's financial statements.
- 4.2 The *Debt Policy* should be read in conjunction with Council's *Budget Reporting Policies (CFO006)* that sets forth procedures on reporting of budget variances, adjustments and spending.

### 5. **LEGISLATIVE AUTHORITY**

- 5.1 Pursuant to The City of Calgary Charter (Alberta Regulation 40/2018), Council must obtain an external credit rating and then establish a debt limit policy and a debt servicing policy. Before establishing a debt limit policy and a debt servicing policy, Council must hold a public hearing with respect to those policies in accordance with section 230 after giving notice of it in accordance with section 606 of MGA.
- 5.2 Furthermore, the *Debt Policy* is to be aligned with other pertinent sections of MGA, namely those related to “Borrowing” (section 251 to 263) and “Loans and Guarantees” (section 264 – 268), including any subsequent amendments.
- 5.3 This Council Policy is in compliance with applicable provincial and federal laws and regulations.

## **6. PROCEDURE**

### **6.1 Categories of Debt**

6.1.1 All Debt will be categorized as either:

- a) Tax supported;
- b) Self-sufficient tax-supported; or
- c) Self-supported.

6.1.2 Debt limits for Tax-supported Debt are to include Self-sufficient Tax-supported Debt.

6.1.3 No Debt will be approved or originated without an identified Funding Source for repayment of all principal and interest to the satisfaction of the Treasurer.

6.1.4 All use of Debt will be considered in the context of other forms of financing

### **6.2 Debt Limits**

6.2.1 Total Debt shall not exceed 1.6 times Revenue.

6.2.2 Total Debt service shall not exceed 0.28 times Revenue.

6.2.3 The limit for the City Tax-Supported Debt service is a maximum of 10% City Tax-Supported Gross Expenditures (net of recoveries).

6.2.4 If any Debt Limits are exceeded, Administration will prepare a recommended plan for returning to the limit or below within the next budget cycle.

6.2.5 The City will also report the level of indebtedness as measured by the following:

- a) Tax-supported Debt per capita;
- b) Tax-supported Debt as a percentage of Taxable Assessment

### **6.3 Debt Terms**

- 6.3.1 The term of any Debt for capital assets shall not exceed the useful life of the asset being financed.
- 6.3.2 The term of any Debt shall not exceed 20 years unless approved by Council.
- 6.3.3 Procedures shall be developed to review and consider cost saving opportunities through prepayment or refinancing of existing Debt.
- 6.3.4 Short-term Debt issued for cash management purposes shall not exceed a term of 365 days.
- 6.4 Debt Structure
  - 6.4.1 In order to minimize the cost of Debt, Amortizing Debt will be used in most circumstances.
  - 6.4.2 Structured Debt, including Bullet Debt, may be considered for Short-term Debt or only when the cash flows of the funding source support a structure other than Amortizing Debt.
- 6.5 Credit Rating
  - 6.5.1 The City will strive to maintain or improve its current Credit Rating ("AA (high)" according to DBRS Morningstar and "AA+" according to Standard & Poor's Global Ratings) for long term debt in order to minimize the cost of debt and be able to access capital markets in an efficient manner. The minimum Credit Rating required for The City to maintain in order to issue debt is investment grade.
- 6.6 Policy Review
  - 6.6.1 The Director of Finance (City Treasurer), Corporate Budget Office Manager and Treasury Manager will formally review the Debt Policy at least once in every five years. Any changes or revisions to legislation which affect the policy will apply when they come into force. The Debt Policy will be updated to reflect such changes at the time of formal review.
- 6.7 Use of Derivatives
  - 6.7.1 Derivatives may be used insofar as they facilitate achieving a specific financial objective consistent with the *Debt Policy*, and if deemed prudent and in The City's best interest as determined by the City Treasurer. They are to be considered as an interest rate management tool in instances when they could facilitate the hedging of risk or achieving significant cost savings as compared to a non-derivative financial instrument. For instance, in certain cases The City may wish to consider issuing Debt with variable interest rate. To mitigate associated interest rate risk, The City may consider entering into an interest rate exchange

agreement that would effectively alter the pattern of Debt service payments or cap the variable rate at a predetermined level. Alternatively, were the City to issue Debt denominated in a foreign currency, entering into a foreign currency exchange agreement should be considered to convert the obligation to Canadian currency.

7. **SCHEDULE(S)** (Optional)

8. **AMENDMENT(S)** (Mandatory)

Date of Council Decision	Report/By-Law	Description

9. **REVIEWS(S)** (Mandatory)

Date of Policy Owner's Review	Description

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## **2021 Preliminary Assessment Roll and Related Estimates**

### **RECOMMENDATION:**

That the Priorities and Finance Committee recommend that Council receive this report for the Corporate Record to inform their discussion during the November budget deliberations.

### **HIGHLIGHTS**

- Administration is providing an overview of the 2021 preliminary assessment roll and related estimates to provide Council preliminary information on the assessment values and the associated property tax implications for residential and non-residential (non-res) properties.
- What does this mean to Calgarians? Assessment is a mechanism for the distribution of property taxes. Having a better understanding of these assessments will help Calgarians understand the individual tax implications for their property.
- Why does this matter? By providing as much information to Council as possible, Council can be well-informed for The City's budget discussions in November. All non-res and residential property owners will have a better understanding of their 2021 assessment values and will be able to better plan and budget for the upcoming year.
- The majority of the property assessment base is decreasing in total value year-over-year, apart from industrial type properties, generally speaking.
- The non-res taxable base is estimated to decrease overall by 5 per cent. Industrial (+5 per cent), Office (-10 per cent), Retail (-9 per cent) and Other (-6 per cent)
- Office, retail and hotel properties, as types of properties in the non-res assessment class, are expected to see both decreases in assessment value and overall property taxes year-over-year before the "bow wave" effects of the 2020 Phased Tax Program (PTP). In some cases when the impacts of the 2020 PTP is taken into account, the taxes increase from year-over-year.
- Industrial properties, as part of the non-res assessment class, are expected to see an increase in both assessment value and overall property taxes year-over-year both before and after the "bow wave" effects of the 2020 PTP.
- The residential taxable base is estimated to decrease overall by 3 per cent. A typical detached home (-2 per cent), typical residential condo (-4 per cent), multi-residential (multi-res) low-rise (-6 per cent) and multi-res high-rise (+12 per cent).
- Multi-res high-rise properties, as part of the residential assessment class, are expected to see significant increases in both assessment value and property taxes year-over-year.
- Risks associated with the 2021 reassessment include the tax responsibility shifting within the non-res class to industrial and increased assessment tribunal activity and potential losses.
- There is also foreseeable stakeholder advocacy for tax relief for both non-res and multi-res properties, particularly larger properties in both groups.
- Recommendations 2, 4 and 27 of the Financial Task Force (FTF) C2020-0742 speak to increased communication and information around assessment and tax implications to support the decision making process.



## 2021 Preliminary Assessment Roll and Related Estimates

### DISCUSSION

Assessment is currently in the process of estimating the market value for each property in Calgary as of 2020 July 1 for the purposes of distributing the 2021 property taxes in a fair and equitable manner and in accordance with the Municipal Government Act (MGA). The municipal portion of property tax pays for City services including police, fire, roads, parks and many other services that help make life better everyday for Calgarians. For additional information on the assessment process, see Attachment 1.

The taxable assessment roll can vary on a year-to-year basis, largely due to changes in market value and physical growth. Below is a summary of the preliminary 2021 assessment roll values compared to the 2020 assessment roll values.

Assessment Class	2020 Taxable ASMT (Millions)	2021 Est. Taxable ASMT (Millions)	% Change
<b>Taxable Residential</b>	210,505	204,965	-2.6%
<b>Taxable Non-Residential</b>	59,729	57,121	-4.4%
<b>Total</b>	<b>270,235</b>	<b>262,086</b>	<b>-3.0%</b>
<b>Taxable Farm Land</b>	5	28	456.0%
<b>Total</b>	<b>270,240</b>	<b>262,113</b>	<b>-3.0%</b>

*\*Note that these are preliminary values and are subject to change*

The total assessment base is estimated to decrease year-over-year for both the residential and non-residential assessment classes. The substantial increase in the farm land assessment class is a result of a recent court decision which changed the legal interpretation of farm land.<sup>1</sup> This change will have a marginal effect on tax revenue.

The majority of property types will see an overall decrease in the estimated assessment base for 2021, with the notable exception of industrial and multi-res high-rise properties. As a hypothetical example, taking into account the specific changes within each property type and Council's direction for a 0 per cent tax rate increase, the estimated 2021 revenue neutral tax rates have been calculated. Information on the revenue neutral tax process can be found in Attachment 2. Using the estimated revenue neutral tax rate, the tax implications are estimated as follows<sup>2</sup>:

Assessment Class (Property Type)	2020 Taxable ASMT (Millions)	2020 Municipal Rate	2020 Municipal Tax (Millions)	2021 Est. Taxable ASMT (Millions)	Est. 2021 Revenue Neutral Tax Rate	Est. 2021 Tax (Millions)
<b>Taxable Residential</b>	210,505	0.0047795	\$ 1,006	204,965	0.0049084	\$ 1,006
<b>Taxable Non-Residential</b>	59,729	0.0158278	\$ 945	56,702	0.0166688	\$ 945
<b>Total</b>	<b>270,235</b>		<b>\$ 1,951</b>	<b>261,667</b>		<b>\$ 1,951</b>
<b>Taxable Farm Land</b>	5	0.0206458	\$ 0.1	28	0.0146730	\$ 0.4
<b>Total</b>	<b>270,240</b>		<b>\$ 1,952</b>	<b>261,695</b>		<b>\$ 1,952</b>

*\*Note that these are preliminary values and are subject to change*

<sup>1</sup> *Associated Developers Ltd v Edmonton (City)*, 2020 ABCA 253 (CanLII), <<http://canlii.ca/t/j8dwt>>.

<sup>2</sup> 2020 September 30 memo to Council used the 2021 Est. Taxable assessment X 2020 Tax rate, these charts use the 2021 Est. Taxable assessment X the 2021 revenue neutral tax rate.



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Residential Property Type	2020 Taxable ASMT (Millions)	2020 Municipal Rate	2020 Municipal Tax (Millions)	2021 Est. Taxable ASMT (Millions)	Est. 2021 Revenue Neutral Tax Rate	Est. 2021 Tax (Millions)
Single Residential	197,619	0.0047795	\$ 945	192,531	0.0049084	\$ 945
Multi-residential	9,693	0.0047795	\$ 46	9,494	0.0049084	\$ 47
Other	3,193	0.0047795	\$ 15	2,940	0.0049084	\$ 14

*\*Note that these are preliminary values and are subject to change*

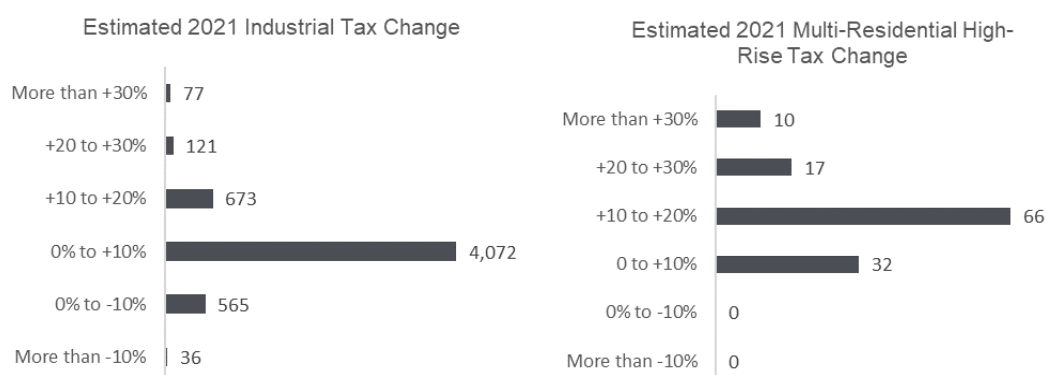
Non-Residential Property Type	2020 Taxable ASMT (Millions)	2020 Municipal Rate	2020 Municipal Tax (Millions)	2021 Est. Taxable ASMT (Millions)	Est. 2021 Revenue Neutral Tax Rate	Est. 2021 Tax (Millions)
Industrial	16,171	0.0158278	\$ 256	17,050	0.0166688	\$ 284
Office	15,461	0.0158278	\$ 245	13,904	0.0166688	\$ 232
Retail	19,753	0.0158278	\$ 313	17,915	0.0166688	\$ 299
Other	8,344	0.0158278	\$ 132	7,833	0.0166688	\$ 131

*\*Note that these are preliminary values and are subject to change*

Illustrative examples highlighting the specific impacts to various property types can be found in Attachment 3. Two property types that will be facing large tax increases for 2021 are industrial and multi-res high-rise properties.

Industrial properties, particularly large format warehouses, are expected to see a substantial increase in property taxes for 2021.<sup>3</sup> The total taxes paid by industrial properties are estimated to increase by about 7 per cent before the “bow wave” effect of the 2020 PTP. Approximately 16 per cent of industrial properties will experience a property tax increase of more than 10 per cent year-over-year as a result of the redistribution.

The multi-res high-rise property type is also expected to see an increase in property taxes for 2021.<sup>4</sup> About 53 per cent of taxable high-rise accounts will see a property tax increase between 10 and 20 per cent. A summary of the industrial population and multi-res high-rise population is as follows:



Risks associated with these tax implications can be found in both the risk section below and in Attachment 4.

<sup>3</sup> This is largely due to the fact that the assessment base of other non-residential properties is decreasing in value; whereas, industrial properties are holding stable or, in some cases, increasing in value.

<sup>4</sup> This is because the rest of the residential property assessment base values will remain stable or decrease, while the high-rise assessment base will increase in value.

## **2021 Preliminary Assessment Roll and Related Estimates**

In contrast with the above, office, retail and hotel properties are expected to see decreases in overall property taxes year over year.<sup>5</sup>

Administration is acting on recommendations 12 and 35 of the FTF to investigate the use of multi-year property assessment averages to reduce volatility in assessment values as well as advocate for legislative change around subclasses if determined to be beneficial.

### **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

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

Assessment has undertaken a number of communication and engagement tactics in preparation for the 2021 tax year as per Attachment 5 – Table 1. In addition, Assessment in partnership with Customer Service & Communications, has designed a robust communications plan for the upcoming year as per Attachment 5 – Tables 2 to 4.

The stakeholder engagement process is ongoing; therefore, the findings from said engagement have not yet been determined. It is expected that as more information is taken in during the stakeholder engagement process, some assessments may change as is the norm every year.

### **IMPLICATIONS**

#### **Social**

The City offers a Property Tax Assistance Program for eligible residential property owners experiencing financial hardship, which property owners can apply for through the Fair Entry Program. Information on the program can be found at:

[www.calgary.ca/csps/cns/seniors/property-tax-assistance-program.html](http://www.calgary.ca/csps/cns/seniors/property-tax-assistance-program.html)

#### **Environmental**

Not Applicable.

#### **Economic**

The production of an assessment roll, that is then used to determine municipal and provincial property taxes, allows The City to distribute and collect taxes which then pay for services and amenities for the benefit of the citizens of Calgary. Because assessment plays a key role in the distribution of property taxes, and it is expected that assessment (and thus tax) shifts will occur in 2021, the associated tax implications will have external economic impacts. These impacts and risks are discussed in the Discussion and Risk section, as well as in Attachment 4.

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

Each year, Council determines the amount of money needed to operate their municipality. Assessment is a mechanism to fairly and equitably distribute the required property taxes and

<sup>5</sup> But see Attachment 2 to review the concept of Revenue Neutral Tax.

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**2021 Preliminary Assessment Roll and Related Estimates**

does not in and of itself create taxes. However, as a mechanism to distribute taxes, there is a direct link between assessment and property taxes.

**No anticipated financial impact to The City**

N/A

No applicable opportunity cost.

**RISK**

Attachment 4 speaks to each risk at length. In summary, the largest risks presented to The City have been identified as follows:

1. Property tax shifts are expected to result from 2021 assessment shifts.
2. Assessment tribunal activity is expected to increase, potentially resulting in increased tax loss.
3. Foreseeable stakeholder advocacy for tax relief.

**ATTACHMENT(S)**

1. Property Assessment Process
2. Revenue Neutral Tax Explanation
3. 2021 Illustrative Examples
4. Risk Analysis
5. Stakeholder Engagement and Communications

**Department Circulation**

General Manager (Name)	Department	Approve/Consult/Inform (Pick-one)
Carla Male	Chief Financial Officer	Approve
David Duckworth	City Managers Office	Inform
		Choose an item.
		Choose an item.



## Property Assessment Process

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### Background

Property assessment is the process of assigning a dollar value to a property for taxation purposes. In Alberta property is taxed based on the ad valorem principle. Ad valorem means “according to value.” This meant the amount of tax paid is based on the value of the property. Property assessment is the method used to distribute the tax burden among property owners in a municipality. Changes in market value do not automatically increase or decrease taxes, however, as different property types can be affected by market forces differently, the assessed values (and the way they change from year to year) can have a material impact on how that tax-supported budget is distributed among taxpayers.

“Assessment” is the process of estimating a dollar value on a property for taxation purposes. This value is used to calculate the amount of taxes that will be charged to the owner of the property.

“Taxation” is the process of applying a tax rate to a property's assessed value to determine the taxes payable by the owner of that property.

The Municipal Government Act (MGA) gives direction to Alberta municipalities in the areas of governance and administration, planning and development, and assessment and taxation.

### The Assessment Process

The estimated value of each property comes from the measurement, analysis and interpretation of the real estate market and is governed by the Municipal Government Act (MGA). This process is based on mass appraisal which is designed to establish fairness and equity between assessments and property owners as the legislated method of preparing assessments in Alberta.

An annual property assessment reflects the estimated market value of a property (the amount a property likely would have sold for on the open market) as of July 1 of the year prior, and the characteristics and conditions of the property as of December 31 of the year prior, as set by the MGA. Market changes that have occurred since July 1 of the previous year would be reflected in the following year's assessment. Changes to the physical characteristics of a property that have occurred since December 31 of the previous year would also be reflected in the following year's assessment.

To determine market value, Assessment uses one of three industry accepted approaches to value:

***Sales comparison:*** comparing to sales of similar properties

***Income:*** capitalize the income being generated by the property

***Cost:*** land value, plus the depreciated replacement cost of the improvement

All three approaches to determine market value involve extensive data collection, data verification, statistical analysis and testing. To ensure property information is up-to-date and accurate, Assessment sends out requests for information annually and conducts inspections as necessary. Assessment also collects and analyzes large volumes of sales and income information which is used to measure market conditions. Through extensive analysis, Assessors develop mass appraisal models that are designed to produce market value assessments that reflect typical market conditions for different groups of properties

as of the valuation date. The assessed values go through internal checks and balances and a provincial audit before the assessment roll is declared and the assessment notices can be mailed.

## Customer Consultation

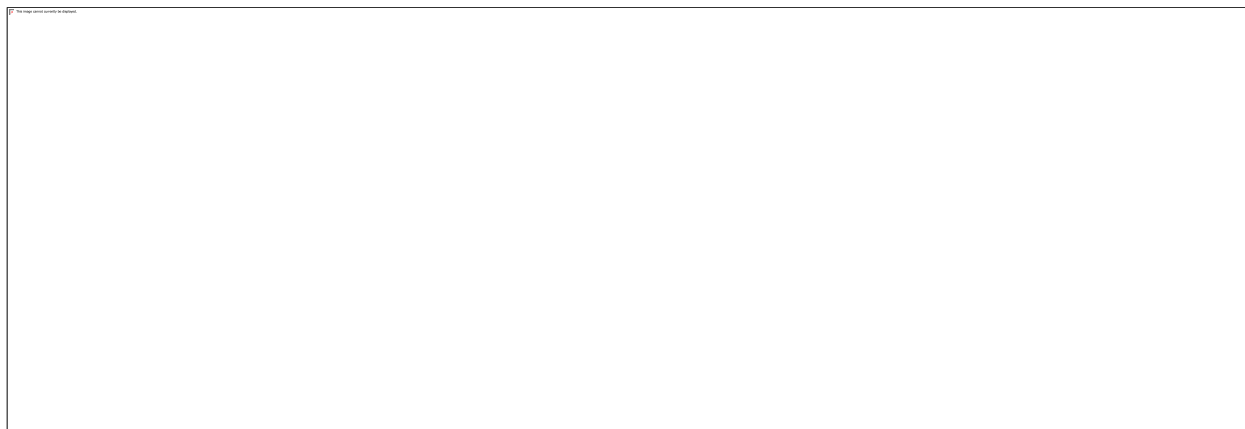
Pre-Roll Consultation Period (Pre-Roll) is a time when non-residential and multi-residential property owners and their representatives can review their preliminary property assessments and discuss those with assessors, before they are finalized and mailed in January. For the 2021 Assessment Year, the Pre-Roll program runs from 2020 Thursday, Oct. 1 – Friday, Nov. 27.

Each January, after the annual property assessment notices are mailed Assessment offers the Customer Review Period (CRP) to help property owners understand their property assessment. During this period property owners are encouraged to review their property assessment and if necessary, contact Assessment. Assessors work collaboratively with owners to explain the process and discuss real estate information used in determining their property's assessed value. In addition, Assessment will change an assessment if new, relevant information is brought forward, regardless of the time of year.

## 2021 Assessment Timeframe

The annual assessment cycle is driven by legislated dates. Following the mailing of the annual assessment notices, there is a legislated 60-day period in which property owners have to review their assessments and file complaints with the Assessment Review Board (our "Customer Review Period"). The Pre-Roll dates are not legislated and can vary in length and timing from year to year.

The 2021 Assessment Timeframe:



## Revenue Neutral Tax Explanation

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### Why is Revenue Neutral Important?

The City's revenue neutral tax system is consistent with certain principles within the *Municipal Government Act* (MGA) and Alberta Municipal Affairs (AMA) guidance. This ensures that:

- Total tax revenues do not change automatically with assessment changes year over year, which creates less volatility; and
- Any tax revenue change brought forward by The City is communicated separately through the budgetary process.

Conversely, in a rate-driven tax system, assessment value increases or decreases directly impact the amount collected through property taxes.<sup>1</sup> In this system, the assessment is not only responsible for distributing property taxes but controls the magnitude of property taxes as well.<sup>2</sup> This system fails to meet the test of open and transparent property taxation.<sup>3</sup>

The revenue neutral tax system makes certain that the assessment process remains a distinct and separate process from the budgetary process. Revenue neutral ensures that no new taxes will be collected due to the annual reassessment process.

### Revenue Neutral and the Municipal Property Tax Rate Calculation

Once all properties are reassessed and the assessment roll is finalized, a revenue neutral tax rate is determined.

Municipal Revenue Neutral Tax Rate =  $\frac{\text{Last year's revenue required by The City of Calgary from property tax}}{\text{This year's total assessment}}$

When property values go up, the revenue neutral tax rate decreases and when property values go down, the rate goes up.

Council sets the budget to ensure that The City collects only what it needs to meet its financial commitments: the operating and capital costs of serving a community of more than 1 million people. To get the amount of revenues required from property taxes, The City takes the overall expenditure and subtracts all other sources of revenue such as license fees, user fees and provincial grants. The remainder is the amount of money the municipality needs to raise through property taxes in order to provide services for the year. This revenue requirement is then used to calculate the tax rate. Any changes in the revenue requirement is applied to the revenue neutral tax rate. Or simply, the tax rate calculation is as follows:

Municipal Tax Rate =  $\frac{\text{This year's total revenue required by The City of Calgary from property tax}}{\text{This year's total assessment}}$

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<sup>1</sup> See International Association of Assessing Officers. "Standard on Property Tax Policy." *International Association of Assessing Officers*, 2020: s. 6.2. [https://www.iaao.org/media/standards/Standard\\_on\\_Property\\_Tax\\_Policy.pdf](https://www.iaao.org/media/standards/Standard_on_Property_Tax_Policy.pdf).

See also International Association of Assessing Officers. "Standard on Property Tax Policy." *International Association of Assessing Officers*, 2010: s. 5.2.1.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

The tax rate is then applied to each individual property assessment using the following formula:

Property Assessment (\$) x Municipal Tax Rate = Municipal Taxes Payable

Because of revenue neutral, taxpayers are assured that The City does not:

- take advantage of rising market values to collect more tax than it needs, or
- calculate property taxes based on the increase or decrease in market value from one year to the next.

In surveying other jurisdictions across Alberta and Canada, all who have responded have confirmed the use of the revenue neutral system:

<b>Municipality</b>	<b>Taxation Method</b>
Calgary	Revenue Neutral
Camorse	Revenue Neutral
Edmonton	Revenue Neutral
Lethbridge	Revenue Neutral
Red Deer	Revenue Neutral
Grande Prairie	Revenue Neutral
St. Albert	Revenue Neutral
Strathcona County	Revenue Neutral
Medicine Hat	Revenue Neutral
Airdrie	Revenue Neutral
RM Wood Buffalo	Revenue Neutral
British Columbia - Province Wide	Revenue Neutral
City of Winnipeg	Revenue Neutral
City of Saskatoon	Revenue Neutral
Ontario (MPAC) - Province Wide	Revenue Neutral

Though the revenue neutral system is not required, many jurisdictions choose to use it as it provides confidence in the integrity and transparency of the property assessment and tax system.

Within Calgary, the revenue neutral calculation takes place on an annual basis with the finalization of the assessment roll in December. Should The City's property tax budgetary requirements change, the tax rate is further adjusted, typically in spring of each year, to bring in the amount of revenue needed as directed by Council when the property tax bylaw is approved.

The revenue neutral model means that, excluding Council decisions to change the tax rate, for every additional tax dollar levied to one property, there is a tax dollar reduction in another. Assessment acts only as a mechanism to annually distribute taxes to each taxpayer in an equitable manner. The assessment process does not determine the overall level of taxation, the Council approved budget does. This is revenue neutrality in action.

#### How does this work for the average residential homeowner?

The City begins by revaluing every property in The City based on real estate market transactions that have occurred. A typical assessment value change for residential properties for the whole city (the "aggregate mean") is then determined. If the homeowner's assessment changes by the same amount as the typical change (the aggregate mean), the amount they pay in property taxes will likely be unchanged



as a result of the reassessment. If their value change is above the typical, they will see a tax increase as a result of the reassessment and if it is below, they will see a tax decrease.

The above example assumes that The City's revenue required from property taxes stays unchanged from one year to the next based on Council's approved budget.

Table 2 shows an example of reassessment impacts on property taxes using revenue neutral, while Table 3 shows (in contrast) an example of reassessment impacts on property taxes in a rate-driven tax system.

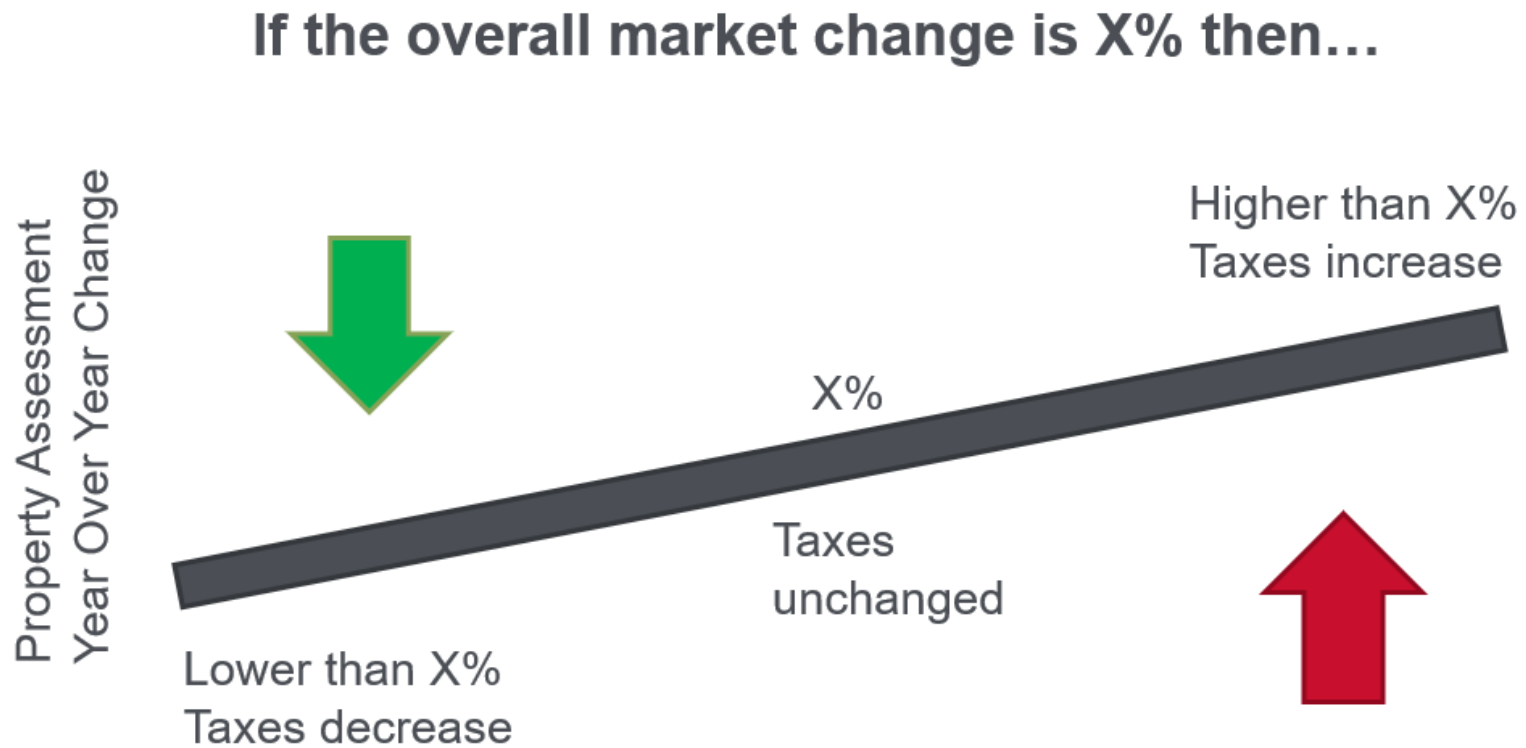
Table 4 shows a year to year comparison between using the historical actual tax rate and a hypothetical example of a fixed tax rate. The actual tax rates were determined using the revenue neutral process and factoring in budget changes as directed by Council. The fixed tax rate represents a rate driven system over the last 20 years where the tax rate is hypothetically held constant and changes in property tax revenues are based solely on property market value changes. It is important to note that in this example when the tax rate was frozen at the 2000 levels,<sup>4</sup> the overall tax revenue collected was higher in the years where assessment values increased and lower in years when assessment values drop. As a result of the chosen tax rate it is also possible, that the rate driven system would result in higher tax revenues collected than what was required by the municipality. In this illustration, if The City had maintained the 2000 tax rates for the last 20 years, the total tax levy would have been almost \$8 billion dollars more despite the recent downturn. The property tax volatility would have been significantly higher for both The City and taxpayers which would have included a 47 per cent property tax increase in 2007 followed by a 30 per cent increase in 2008.

The revenue neutral system ensures that a municipality can meet its budgetary requirements each year and does not directly tie the volatility of the real estate market to the revenues collected. In this way, property owners are ensured of a fair and transparent system and that the municipality only collects what it needs each year.

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<sup>4</sup> It is noteworthy that the year 2000 marked the second year of the use of Market Value Assessment, as well as the first year of the annual reassessment cycle.




Table 1. Revenue Neutral: Visual Explanation



\* Table 1 visual sourced from Assessment's COVID-19 Webpage: [www.calgary.ca/pda/assessment/preparing-2021-property-assessments-during-covid-19.html](http://www.calgary.ca/pda/assessment/preparing-2021-property-assessments-during-covid-19.html)

**Table 2: How Revenue Neutral Works – A Typical Cycle**

The figures below are hypothetical and are intended for illustration purposes.

<b>Year 1 Tax Rate Calculation</b>	House 1 	House 2 	House 3 	
Budget ÷ Assessment Base = Tax Rate \$8,000 ÷ \$800,000 = 0.01				
Assessed Value x Tax Rate = Year 1 Taxes Payable	\$150,000 x 0.010000 = \$1,500	\$250,000 x 0.010000 = \$2,500	\$400,000 x 0.010000 = \$4,000	= \$800,000 Assessment Base = \$8,000 Budget Requirement
<b>Year 2 Reassessment</b> Assessment Change (per cent)	\$165,000 +10 per cent	\$275,000 +10 per cent	\$440,000 +10 per cent	= \$880,000 Total = +10 per cent overall increase
<b>Year 2 Revenue Neutral Tax Calculation with No Budget Change</b> Budget ÷ Assessment Base = Tax Rate \$8,000 ÷ \$880,000 = 0.009091				
Assessed Value x Tax Rate = Year 2 Taxes Payable	\$165,000 x 0.009091 = \$1,500	\$275,000 x 0.009091 = \$2,500	\$440,000 x 0.009091 = \$4,000	= \$880,000 Assessment Base = \$8,000 Budget Requirement
Year over Year Tax Change (per cent)	0 per cent	0 per cent	0 per cent	
<b>Year 3 Reassessment</b> Assessment Change (per cent)	\$165,000 0 per cent	\$269,500 -2 per cent	\$418,000 -5 per cent	= \$852,500 Total = -3.125 per cent overall increase
<b>Year 3 Revenue Neutral Tax Calculation with No Budget Change</b> Budget ÷ Assessment Base = Tax Rate \$8,000 ÷ \$852,500 = 0.009384				
Assessed Value x Tax Rate = Year 3 Taxes Payable	\$165,000 x 0.009384 = \$1,548	\$269,500 x 0.009384 = \$2,529	\$418,000 x 0.009384 = \$3,922	= \$852,500 Assessment Base = \$8,000 Budget Requirement
Year over Year Tax Change (per cent)	+3 per cent	+1 per cent	-2 per cent	

**Table 3: Rate-Driven Tax Example**

The figures below are hypothetical and intended for illustration purposes only.




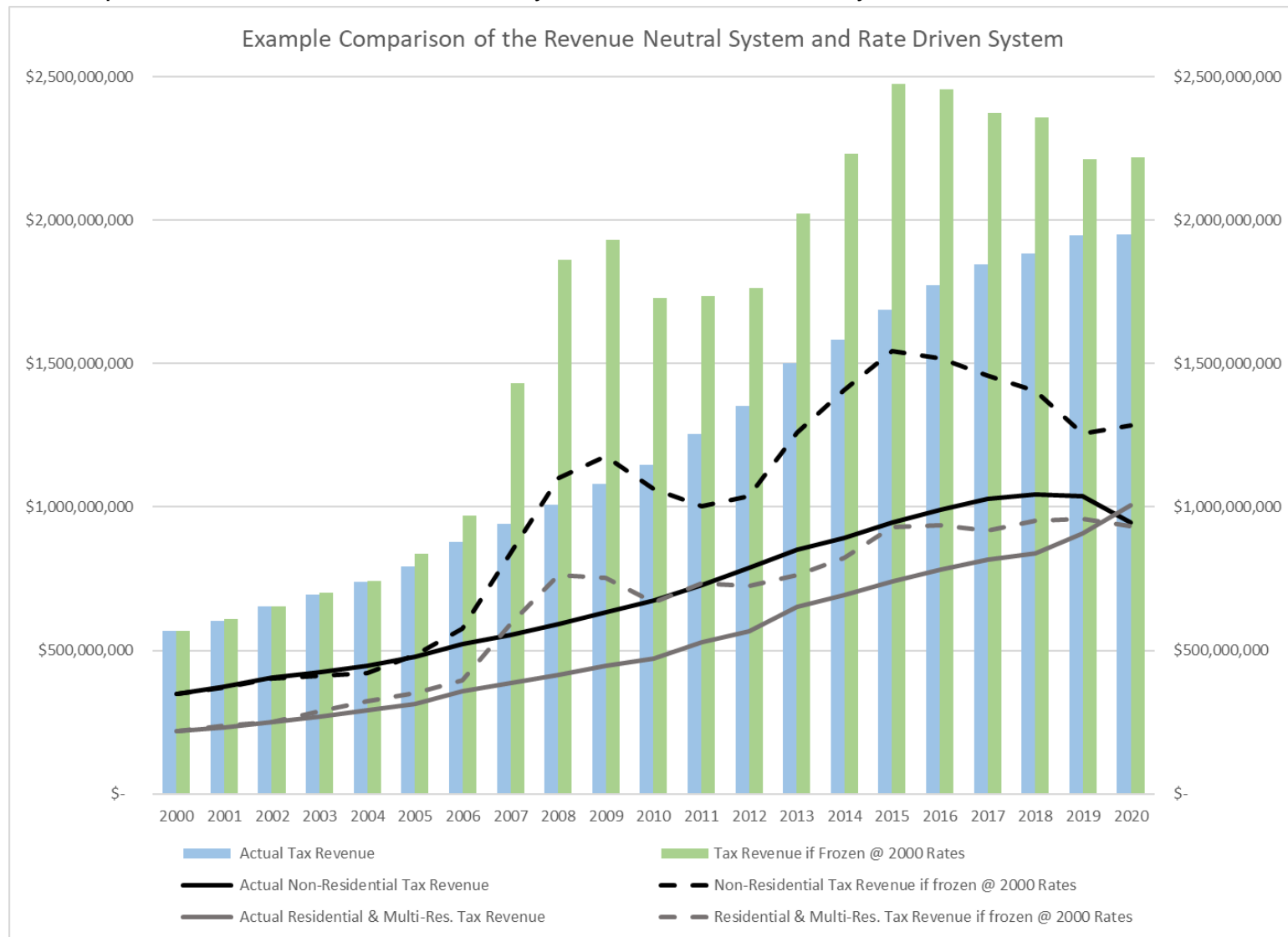
<b>Year 1 Tax Rate Calculation</b>	House 1 	House 2 	House 3 	
Budget ÷ Assessment Base = Tax Rate \$8,000 ÷ \$800,000 = 0.01				
Assessed Value x Tax Rate = Year 1 Taxes Payable	\$150,000 x 0.01 = \$1,500	\$250,000 x 0.01 = \$2,500	\$400,000 x 0.01 = \$4,000	= \$800,000 Assessment Base  = \$8,000 Property Tax Revenue
<b>Year 2 Reassessment</b>				
Assessment Change (per cent)	\$165,000 +10 per cent	\$275,000 +10 per cent	\$440,000 +10 per cent	= \$880,000 Total = +10 per cent overall increase
Assessed Value x Tax Rate = Year 2 Taxes Payable	\$165,000 x 0.01 = \$1,650	\$275,000 x 0.01 = \$2,750	\$440,000 x 0.01 = \$4,400	= \$880,000 Assessment Base  = \$8,800 Property Tax Revenue +10 per cent
Year over Year Tax Change (per cent)	+10 per cent	+10 per cent	+10 per cent	
<b>Year 3 Reassessment</b>				
Assessment Change (per cent)	\$165,000 0 per cent	\$269,500 -2 per cent	\$418,000 -5 per cent	= \$852,500 Total = -3.125 per cent overall increase
Assessed Value x Tax Rate = Year 3 Taxes Payable	\$165,000 x 0.01 = \$1,650	\$269,500 x 0.01 = \$2,529	\$418,000 x 0.01 = \$3,922	= \$852,500 Assessment Base  = \$8,525 Property Tax Revenue -3.125 per cent
Year over Year Tax Change (per cent)	0 per cent	-2 per cent	-5 per cent	

Table 4: Comparison of the Revenue Neutral System and Rate Driven System Over 20 Years





## Attachment 3 - Illustrative Examples

*\*2021 Municipal Tax Rate is the Revenue Neutral Estimated Rate*

*\*2021 Provincial Tax Rate estimated using 2020 requisition and is subject to change*

*Note all 2021 values are estimates and subject to change*

<b>Typical Single Residential Home</b>	<b>2020</b>	<b>2021</b>	<b>Year-over-Year Change</b>
Assessment	\$455,000	\$446,000	-1.98%
Municipal Tax Rate*	0.0047795	0.0049084	
Estimated Municipal Taxes	\$2,175	\$2,189	0.67%
Provincial Tax Rate**	0.0027428	0.0026978	
Estimated Provincial Taxes	\$1,248	\$1,203	-3.59%
Total Taxes	\$3,423	\$3,392	-0.88%

<b>Typical Single Residential Condo</b>	<b>2020</b>	<b>2021</b>	<b>Year-over-Year Change</b>
Assessment	\$245,000	\$235,000	-4.08%
Municipal Tax Rate*	0.0047795	0.0049084	
Estimated Municipal Taxes	\$1,171	\$1,153	-1.49%
Provincial Tax Rate**	0.0027428	0.0026978	
Estimated Provincial Taxes	\$672	\$634	-5.66%
Total Taxes	\$1,843	\$1,787	-3.01%

<b>Multi-Residential - Low-Rise Apartment</b>	<b>2020</b>	<b>2021</b>	<b>Year-over-Year Change</b>
Assessment	\$11,650,000	\$10,990,000	-5.67%
Municipal Tax Rate*	0.0047795	0.0049084	
Estimated Municipal Taxes	\$55,681	\$53,943	-3.12%
Provincial Tax Rate**	0.0027428	0.0026978	
Estimated Provincial Taxes	\$31,954	\$29,649	-7.21%
Total Taxes	\$87,635	\$83,592	-4.61%

<b>Multi-Residential - High-Rise Apartment</b>	<b>2020</b>	<b>2021</b>	<b>Year-over-Year Change</b>
Assessment	\$16,470,000	\$18,190,000	10.44%
Municipal Tax Rate*	0.0047795	0.0049084	
Estimated Municipal Taxes	\$78,718	\$89,284	13.42%
Provincial Tax Rate**	0.0027428	0.0026978	
Estimated Provincial Taxes	\$45,174	\$49,073	8.63%
Total Taxes	\$123,892	\$138,357	11.68%

<b>Non-Residential \$5M Property</b>	<b>2020</b>	<b>2021</b>	<b>Year-over-Year Change</b>
Assessment	\$5,000,000	\$5,000,000	0.00%
Municipal Tax Rate*	0.0158278	0.0166688	
Estimated Municipal Taxes	\$79,139	\$83,344	5.31%
Less PTP			
Municipal Taxes After PTP	\$79,139	\$83,344	5.31%
Provincial Tax Rate**	0.0035795	0.0039633	
Estimated Provincial Taxes	\$17,898	\$19,817	10.72%
Total Taxes	\$97,037	\$103,161	6.31%

**Examples maintain Council direction that tax responsibility is shared 48% non-residential and 52% residential**

**\*2021 Municipal Tax Rate is the Revenue Neutral Estimated Rate**

**\*2021 Provincial Tax Rate estimated using 2020 requisition and is subject to change**

**Note all 2021 values are preliminary and subject to change**

<b>Retail - Strip Mall</b>	<b>2020</b>	<b>2021</b>	<b>Year-over-Year Change</b>
Assessment	\$3,440,000	\$3,160,000	-8.14%
Municipal Tax Rate*	0.0158278	0.0166688	
Estimated Municipal Taxes	\$54,448	\$52,673	-3.26%
Less PTP	\$3,166		
Municipal Taxes After PTP	\$51,282	\$52,673	2.71%
Provincial Tax Rate**	0.0035795	0.0039633	
Estimated Provincial Taxes	\$12,313	\$12,524	1.71%
Total Taxes	\$63,595	\$65,197	2.52%

<b>Retail - 17th Avenue SW</b>	<b>2020</b>	<b>2021</b>	<b>Year-over-Year Change</b>
Assessment	\$2,170,000	\$1,910,000	-11.98%
Municipal Tax Rate*	0.0158278	0.0166688	
Estimated Municipal Taxes	\$34,346	\$31,837	-7.30%
Less PTP	\$7,165		
Municipal Taxes After PTP	\$27,181	\$31,837	17.13%
Provincial Tax Rate**	0.0035795	0.0039633	
Estimated Provincial Taxes	\$7,768	\$7,570	-2.54%
Total Taxes	\$34,949	\$39,407	12.76%

<b>Retail - Neighbourhood Shopping Centre</b>	<b>2020</b>	<b>2021</b>	<b>Year-over-Year Change</b>
Assessment	\$44,470,000	\$45,420,000	2.14%
Municipal Tax Rate*	0.0158278	0.0166688	
Estimated Municipal Taxes	\$703,862	\$757,097	7.56%
Less PTP	\$57,469		
Municipal Taxes After PTP	\$646,393	\$757,097	17.13%
Provincial Tax Rate**	0.0035795	0.0039633	
Estimated Provincial Taxes	\$159,180	\$180,013	13.09%
Total Taxes	\$805,574	\$937,110	16.33%

<b>Typical Industrial - Warehouse</b>	<b>2020</b>	<b>2021</b>	<b>Year-over-Year Change</b>
Assessment	\$2,770,000	\$2,830,000	2.17%
Municipal Tax Rate*	0.0158278	0.0166688	
Estimated Municipal Taxes	\$43,843	\$47,173	7.59%
Less PTP			
Municipal Taxes After PTP	\$43,843	\$47,173	7.59%
Provincial Tax Rate**	0.0035795	0.0039633	
Estimated Provincial Taxes	\$9,915	\$11,216	13.12%
Total Taxes	\$53,758	\$58,389	8.61%

<b>Large Format Industrial - Warehouse</b>	<b>2020</b>	<b>2021</b>	<b>Year-over-Year Change</b>
Assessment	\$48,990,000	\$55,970,000	14.25%
Municipal Tax Rate*	0.0158278	0.0166688	
Estimated Municipal Taxes	\$775,404	\$932,953	20.32%
Less PTP	\$29,704		
Municipal Taxes After PTP	\$745,700	\$932,953	25.11%
Provincial Tax Rate**	0.0035795	0.0039633	
Estimated Provincial Taxes	\$175,360	\$221,826	26.50%
Total Taxes	\$921,060	\$1,154,779	25.38%

**Examples maintain Council direction that tax responsibility is shared 48% non-residential and 52% residential**



**\*2021 Municipal Tax Rate is the Revenue Neutral Estimated Rate**

**\*2021 Provincial Tax Rate estimated using 2020 requisition and is subject to change**

**Note all 2021 values are preliminary and subject to change**

<b>Suburban Office</b>	<b>2020</b>	<b>2021</b>	<b>Year-over-Year Change</b>
Assessment	\$13,100,000	\$12,430,000	-5.11%
Municipal Tax Rate*	0.0158278	0.0166688	
Estimated Municipal Taxes	\$207,344	\$207,193	-0.07%
Less PTP			
Municipal Taxes After PTP	\$207,344	\$207,193	-0.07%
Provincial Tax Rate**	0.0035795	0.0039633	
Estimated Provincial Taxes	\$46,891	\$49,264	5.06%
Total Taxes	\$254,236	\$256,457	0.87%

<b>Office - Downtown AA Class</b>	<b>2020</b>	<b>2021</b>	<b>Year-over-Year Change</b>
Assessment	\$315,370,000	\$287,180,000	-8.94%
Municipal Tax Rate*	0.0158278	0.0166688	
Estimated Municipal Taxes	\$4,991,613	\$4,786,946	-4.10%
Less PTP			
Municipal Taxes After PTP	\$4,991,613	\$4,786,946	-4.10%
Provincial Tax Rate**	0.0035795	0.0039633	
Estimated Provincial Taxes	\$1,128,867	\$1,138,180	0.83%
Total Taxes	\$6,120,480	\$5,925,126	-3.19%

<b>Hotel/Accommodation</b>	<b>2020</b>	<b>2021</b>	<b>Year-over-Year Change</b>
Assessment	\$111,170,000	\$76,480,000	-31.20%
Municipal Tax Rate*	0.0158278	0.0166688	
Estimated Municipal Taxes	\$1,759,577	\$1,274,830	-27.55%
Less PTP			
Municipal Taxes After PTP	\$1,759,577	\$1,274,830	-27.55%
Provincial Tax Rate**	0.0035795	0.0039633	
Estimated Provincial Taxes	\$397,933	\$303,113	-23.83%
Total Taxes	\$2,157,510	\$1,577,943	-26.86%

**Examples maintain Council direction that tax responsibility is shared 48% non-residential and 52% residential**



## Risk Analysis

Though the 2021 preliminary assessment roll in itself presents little risk to The City, the resulting tax implications associated with the changes in the roll will, anticipating Council will approve a 0 per cent tax rate change during budget deliberations. There are 3 risks that have been highlighted within the report and a further analysis of them can be found below.

<b>1. Property tax shifts are expected to result from 2021 assessment changes.</b>		
<b>Analysis:</b> It is established that 2021 will see tax shifts as a result of certain property sectors remaining stable (or in some cases, increasing in assessed value) when compared to other sectors that have decreased in assessed value by varying degrees. See Attachment 3 for specific examples.		
<b>Risk Rating</b>	<b>Likelihood</b>	<b>Impact</b>
High	Likely	Significant
<b>Mitigation Tools:</b> Promote Council, public and CFO awareness for budget planning purposes and tax distribution contemplation, promote public awareness of impacts.		

<b>2. Assessment tribunal activity is expected to increase resulting in potential increased tax loss and decreased roll stability.</b>		
<b>Analysis:</b> Increased Assessment Complaints are expected due to: <ul style="list-style-type: none"> <li>• financial hardship;</li> <li>• assessment shifts and expected tax shifts; and</li> <li>• new market information unknown to Assessment.</li> </ul>		
<b>Risk Rating</b>	<b>Likelihood</b>	<b>Impact</b>
Medium	Possible	Moderate
<b>Mitigation Tools:</b> Assessment agreements, stakeholder engagement, promote public understanding of shifts, promoting awareness to Council, the public and CFO to support planning.		

<b>3. Foreseeable stakeholder advocacy for tax relief.</b>		
<b>Analysis:</b> In response to property tax shifts, two separate groups have expressed their opposition. Due to risk #1 above combined with the economic impacts of the pandemic, it is possible that this will occur again in 2021 with the groups experiencing the greatest tax shifts. Also, due to the bow wave effect of previous Phased Tax Programs (PTP) some property owners may experience a greater shift in their taxes and will call for additional tax relief.		
<b>Risk Rating</b>	<b>Likelihood</b>	<b>Impact</b>
High	Possible	Significant
<b>Mitigation Tools:</b> Assessment agreements, stakeholder engagement, promote public understanding of shifts, promoting awareness to Council and CFO to support planning.		



## Stakeholder Engagement and Communications

Table 1. Assessment Efforts Already Made re: Communication and Engagement

Date	Tactic	Purpose – Main Audience
14 July 2020	News Release	Communication - Public
22 July 2020	Assessment Lunch & Learn with Council	Communication - Council
3 September 2020	Assessment COVID-19 Website Launched: <a href="https://www.calgary.ca/pda/assessment/preparing-2021-property-assessments-during-covid-19.html">https://www.calgary.ca/pda/assessment/preparing-2021-property-assessments-during-covid-19.html</a>	Communication - Public
30 September 2020	Council Memo – Preliminary 2021 Assessment Roll Information with 2020 Tax Rates	Communication - Council
1 October 2020	Pre-Roll Consultation Period Press Release	Communication - Public
1 October – 27 November 2020	Pre-Roll Consultation Period (Extended By 3 Weeks)	Engagement - Stakeholder
Ongoing	Informal Correspondence with Stakeholders	Engagement - Stakeholder
Ongoing	Third Party Outreach Initiative to groups such as BOMA, CRRA etc.	Engagement - Stakeholder
Ongoing	Customer Service & Communications (CSC) Assessment Plan Advancement (See Tables 2, 3 and 4 below)	Communication - Public

**Table 2. General Assessment Communications Plan**

<b>Date</b>	<b>Tactic</b>	<b>Purpose – Main Audience</b>
Quarterly: October/November 2020, January 2021, May, September	Opt-in electronic Assessment and Tax Newsletter	Communication - Public
Quarterly: October 2020, January 2021, May, July	Social Media Posts	Communication - Public
October 2020, November, January 2021, May, June, July	Video Series on Budget, Assessment and Tax	Communication - Public
Ongoing effort	Financial focused website between Finance and Assessment	Communication - Public
1 May – 30 June 2021	Online ads promoting the Assessment Request for Information (ARFI) Process	Communication - Public

**Table 3. Pre-Roll Consultation Period Communications Plan**

<b>Date</b>	<b>Tactic</b>	<b>Purpose – Main Audience</b>
1 October 2020	Pre-Roll Consultation Period News Release; web update to Calgary.ca/assessment; and Pre-Roll Tax Calculator Launch	Communication - Public
1 October – 27 November 2020	Online Banner Ads Promoting Pre-Roll	Communication - Public
Mid-October 2020	myCity article	Communication – Internal
2 November 2020	Preliminary Values News Release	Communication - Public
17 December 2020	Council Memo – Summarizing Pre-Roll	Communication – Council

Table 4. Customer Review Period Communications Plan

Date	Tactic	Purpose – Main Audience
October – December 2020	Online & social media ads promoting Assessment e-Notices	Communication - Public
Ongoing	Revision of Assessment Notice (Back)	Communication - Public
12 December 2020 – 14 January 2021	Web changes to calgary.ca/assessment, specific for CRP Communications	Communication - Public
21 January – 23 March 2021	Online Banner Ads Promoting Customer Review Period	Communication - Public
14 January 2021	Mailing of Assessment Notices accompanied with explanatory paper insert	Communication – Property Owners
14 January 2021	Calgary Herald Ad to discharge obligation in s. 311 of the <i>Municipal Government Act</i>	Communication - Public
14 January 2021	Media Launch, Media Information Session, and Social Media posts to kick off Assessment Notice Mail Date	Communication – Public
14 January 2021	Briefing note to City staff	Communication - Internal
January 2021	Assessment briefing memo and presentation to Council and Executive Advisors	Communication – Council
14 January 2021	Market Trends released	Communication – Public
20 January – 23 March 2021	Social media monitoring and response support	Communication – Public
28 January 2021	Explanatory videos hosted by City Assessor to be posted on social media	Communication – Public
4 February 2021	Participation in “Transparency Thursday”	Communication – Public
30 March 2021	Council Memo – Summarizing Customer Review Period	Communication – Council





**Chief Financial Officer's Report to  
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2020 October 13**

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## **Assessment and Tax Circumstances Report**

### **RECOMMENDATIONS:**

That the Priorities and Finance Committee recommend that Council, under the authority of section 347 of the *Municipal Government Act (MGA)*:

1. Cancel property taxes for the amounts listed in the Attachment 2.
2. Cancel municipal property taxes for the qualifying non-profit organizations for the amounts listed in Attachment 3.

### **HIGHLIGHTS**

- Council approval is required to cancel taxes accrued on individual tax accounts.
- What does this mean for Calgarians? It ensures that property taxes are cancelled if they were levied incorrectly.
- Why does it matter? This report cancels \$19,898.07 in property taxes overall.
- This overall total includes \$3,663.45 in tax cancellations related to prior years' assessment rolls and \$16,234.62 due to the *Non-Profit Tax Mitigation Policy*.
- This report includes the applicable 2018-2019 taxes accrued on property accounts that meet Administration's criteria for prior year tax cancellation.
- In some cases, these tax cancellations address properties that were taxed in error due to issues that arose such as the timing of when information was received, incorrect data, and technical/human error.
- This report also includes the applicable 2016-2019 municipal property taxes for non-profit organizations that applied and qualified for tax cancellations under the *Non-Profit Tax Mitigation Policy*.
- This report is presented to Council twice annually, most recently at the 2020 May 25 Combined Meeting of Council.
- Strategic Alignment to Council's Citizen Priorities: A well-run city
- Background and Previous Council Direction is included as Attachment 1.

### **DISCUSSION**

The Assessment and Tax Circumstances Report is separated into two sections:

#### Tax Cancellations Related to Prior Years' Assessment Rolls (Attachment 2)

Administration cannot amend the assessment roll or cancel taxes for previous years. The Assessment and Tax Circumstances Report is used to bring previous year's taxes to Council that Administration recommends should be cancelled.

The recommended adjustments to the property tax accounts due to assessment roll corrections would cancel or reduce both the municipal and provincial property taxes. Upon cancellation, the provincial portion of the property tax is a cost to The City as the provincial government does not refund its portion.

Any tax cancellations in this report supported by Council will be funded through the tax cancellation budget. If Council chooses not to support the recommendation, the tax liabilities and amounts owed will remain as originally billed.

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## **Assessment and Tax Circumstances Report**

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### Exempt Organizations and the *Non-Profit Tax Mitigation Policy (Attachment 3)*

Non-profit organizations that provide public facilities are generally exempt from property tax through the *Municipal Government Act* (MGA) and the *Community Organization Property Tax Exemption Regulation* (COPTER). These property tax exemptions require that the property and/or facility is actually used for an exempt purpose. Exemptions based on use do not apply to properties and/or facilities while under construction. To address this issue Council adopted the *Non-Profit Tax Mitigation Policy (Policy)* to cancel the property taxes of non-profit organizations that paid tax during the construction period of their facility and whose subsequent use of the property met the criteria for property tax exemption. The *Policy* is administered using the Assessment and Tax Circumstances Report for administrative efficiency. The recommended adjustments due to the *Policy* would cancel or reduce only the municipal property taxes in each organization's account. If Council chooses not to support the recommendation, the tax liabilities and amounts paid will remain as originally billed.

## **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

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

This report is a collaborative effort between Assessment and Finance. Throughout the Assessment and Tax Circumstances Report process, the business units are in communication, ensuring appropriate investigation and analyses are conducted for an accurate reflection of the tax cancellations proposed. To assist non-profit organizations in applying for prior year tax-relief under the *Policy*, Administration provides information about the *Policy*, how to qualify and the application process on Calgary.ca, via email and by phone year-round. After initial customer inquiries are received, taxpayers and non-profits are contacted by City staff if additional information is needed to establish whether individual circumstances meet the tax cancellation criteria.

For tax cancellation requests related to prior years' assessment rolls, Assessment advises property owners listed in Attachment 2 that their requests are included in the report. A second letter advises them of Council's decision. For tax cancellations related to the *Non-Profit Tax Mitigation Policy*, non-profits are advised of eligibility during the application or circumstance report process and those listed in Attachment 3 will be advised of Council's decision. The accounts of approved tax cancellations are then adjusted by Finance and a refund is issued when necessary.

## **IMPLICATIONS**

### **Social**

The non-profit organizations who own or hold the properties listed in Attachment 3 will receive tax cancellations or refunds if Council approves the recommendations in this report.

### **Environmental**

Not applicable.

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**Assessment and Tax Circumstances Report**

**Economic**

The taxpayers who own or hold the properties listed in Attachment 2 will receive tax cancellations or refunds if Council approves the recommendations in this report.

**Service and Financial Implications**

The total taxes recommended for cancellation are \$19,898.07. Finance has confirmed that there are sufficient funds to accommodate the tax cancellations for the accounts proposed in Attachment 2 and 3. The total budget for the prior years' property tax cancellations is \$1,000,000. The total budget for municipal tax cancellations proposed 3 under the *Non-Profit Tax Mitigation Policy* is an additional \$1,000,000. At this time, no adjustments to future budget allocations are required to meet the tax cancellation requests set out in this report.

<b>Tax Cancellation Breakdown</b>	<b>2020 #2-This Report</b>	<b>2020 #1</b>	<b>2020 Total</b>
Property Tax - <i>Non-NPTM Related</i>	\$3,663.45	\$48,959.77	\$52,623.22
Property Tax - <i>NPTM Related</i>	\$16,234.62	\$567,664.48	\$583,899.10
<b>Total</b>	<b>\$19,898.07</b>	<b>\$616,624.25</b>	<b>\$636,522.32</b>

**Existing operating funding - one-time**

\$19,898.07

There is no identified opportunity cost of pursuing the recommendation. The timing of cash flows/expenditures is not expected to be an issue.

**RISK**

There were no risks identified.

**ATTACHMENT(S)**

1. Previous Council Direction, Background
2. List of Tax Cancellations Related to Prior Years' Assessment Rolls
3. List of Tax Cancellations Related to the *Non-Profit Tax Mitigation Policy*

**Department Circulation**

General Manager (Name)	Department	Approve/Consult/Inform (Pick-one)
Carla Male	Chief Financial Officer's	Approve
Katie Black	Community Services	Inform



## Background

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### **Tax Cancellations Related to Prior Years' Assessment Rolls**

Section 305 of the MGA allows corrections or amendments to the property assessment roll during the current tax year. A current year amendment to an individual assessment triggers a corresponding adjustment to the current year taxes for that account.

Property owners have a responsibility to inform the municipality of assessment errors or changes to their property in a timely manner in order for Administration to make the relevant changes to the property assessment accounts within the current taxation year. This self-reporting is encouraged every year before the end of the 67-day Customer Review Period that follows each assessment notice mailing although self-reporting is accepted year-round. Administration does not have the ability to alter property assessment rolls of prior years.

Inaccuracies in assessment rolls may result from a number of factors, including but not limited to operational considerations associated with year-end assessment roll production, timing of communication between business units, and incorrect data or mailing address information.

Generally, valid cancellation requests are for tax amounts that were levied as a result of the following circumstances:

- an incorrect issuance of a property assessment
- a property assessment correction error
- a tax exemption processing error
- year-end timing and/or systems issues

Administration uses the following criteria to determine if the circumstances and corresponding property or business tax amounts should be brought forward to Council in this biannual report:

- typically, the inaccuracy was reported within two years of the occurrence; and
- Assessment was advised of the inaccuracy within the year the inaccuracy occurred, but the correction was either not processed or incorrectly processed; or,
- the taxpayer was not aware and/or was not notified of the change in assessment and was unable to bring the inaccuracy to the assessor's attention within the Customer Review Period; or,
- the property or business assessment account was set up in error, and the assessment notice was sent to the wrong party; or,
- another City department(s) was notified by the taxpayer of a change to the business and Assessment was not notified during the applicable taxation year.

The recommended adjustments to the property tax accounts due to assessment roll corrections would cancel or reduce both the municipal and provincial property taxes. Upon cancellation, the provincial portion of the property tax is a cost to The City as the provincial government does not refund its portion.

Any tax cancellations in this report supported by Council will be funded through the tax cancellation budget. If Council chooses not to support the recommendation, the tax liabilities and amounts owed will remain as originally billed.

Individual requests for prior years' tax cancellation that met these criteria are listed in Attachment 2.

### **Exempt Organizations and the Non-Profit Tax Mitigation Policy**

At the 2014 December 15 Regular Meeting of Council, through C2014-0919, Council adopted the *Non-Profit Tax Mitigation Policy* to cancel the property taxes of non-profit organizations that paid tax during the

construction period of their facility and whose subsequent use of the property met the criteria for property tax exemption. The *Policy* is administered using the Assessment and Tax Circumstances Report for administrative efficiency.

Property tax exemptions are governed by the MGA and the *Community Organization Property Tax Exemption Regulation* (COPTER). Provisions in the legislation differ based on the use of the property and the nature of the organization which holds it. One of the differences is the tax treatment of non-profit-held property that is not in use because of construction or renovation. Property held by specific entities such as public institutions (e.g. hospitals, public colleges and universities) is exempt from property tax when it is under construction/renovation. Property that is held by non-profit organizations and societies and is to be used for an approved activity (e.g. places of worship, chambers of commerce, food banks, and under certain conditions, arts and cultural activities) is not property tax exempt until it is actually in use for these purposes. To be considered for municipal property tax cancellation under the *Policy*, organizations must attain property tax exemption for the property under the provincial legislation. Until the property is completed and occupied, and being used for the exempt purpose, applicants pay municipal and provincial property taxes.

The *Policy* ensures that tax cancellations for properties and/or facilities that are under construction are conducted in an equitable and consistent manner through an open and transparent process. The following criteria are used to determine if the circumstances and corresponding municipal property tax amounts should be brought forward to Council:

- a building permit for the site was issued after 2013 January 01, the date established in the *Policy*; and
- the organization has filed the necessary application form to request tax cancellation under the *Policy* to Assessment; and
- the property and/or facility construction has been completed; and
- the property and/or facility is occupied by the organization and is being used for an exemptible purpose; and
- upon completion and occupancy, the organization has filed an application for property tax exemption under the MGA or COPTER to Assessment and the application has been approved.

The non-profit organization must meet all the above criteria to qualify for a tax cancellation under the *Policy*. Then up to four years of the municipal taxes paid over the construction period are subject to retroactive cancellation.

The value of the cancellation amount is based on the municipal tax levied during the eligible period the property was under construction and is retroactive to the organization attaining property tax exemption under provincial legislation. The eligible period begins the year that the required application is submitted to Assessment. If the application is submitted the same year the building permit is issued, the period begins as of the date the permit is issued. If the application is submitted at any point thereafter, the eligible period begins January 01 of the year in which the application is received by Assessment. The period ends either four years from the date that the eligible period begins or when the property becomes exempt from taxation, whichever is earlier. The recommended adjustments due to the *Policy* would cancel or reduce only the municipal property taxes in each organization's account. If Council chooses not to support the recommendation, the tax liabilities and amounts paid will remain as originally billed. The individual tax amounts to be cancelled for each of the qualifying Non-Profit Tax Mitigation applicants are listed in Attachment 2.

## Previous Council Direction

This is a routine report that is presented to Council twice per year.

### Assessment and Tax Circumstances Report Timeline

DATE	DIRECTION	DESCRIPTION
11/2/2020	Forthcoming	2020 Assessment and Tax Circumstances Report #2 Combined Meeting of Council
10/13/2020	Forthcoming	2020 Assessment and Tax Circumstances Report #2 Priorities and Finance Committee
5/25/2020	Motion Carried	2020 Assessment and Tax Circumstances Report #1 Combined Meeting of Council
5/5/2020	Motion Carried	2020 Assessment and Tax Circumstances Report #1 Priorities and Finance Committee
10/21/2019	Motion Carried	2019 Assessment and Tax Circumstances Report #2 Combined Meeting of Council
10/8/2019	Motion Carried	2019 Assessment and Tax Circumstances Report #2 Priorities and Finance Committee
Numerous	NA	Multiple Assessment and Tax Circumstances Reports Throughout the years many Assessment and Tax Circumstances Reports have gone to Council and Committee.
12/15/2014	Motion Carried	Non-Profit Tax Mitigation Policy At the 2014 December 15 Regular Meeting of Council, through C2014-0919, Council adopted the Non-Profit Tax Mitigation Policy to cancel the property taxes of non-profit organizations that paid tax during the construction period of their facility and whose subsequent use of the property met the criteria for property tax exemption.

## Bylaws, Regulations, Council Policies

The following are excerpts of the relevant Bylaws, Regulations, and Council Policies

### Community Organization Property Tax Exemption Regulation (COPTER) Excerpt of Section 15

#### Day cares, museums and other facilities

**15** A non-profit organization that holds property on which any of the following facilities are operated may apply to the municipality within whose area the property is located for an exemption from taxation:

- (a) a facility used for sports or recreation to the extent that the facility is not used in the operation of a professional sports franchise;
- (b) a facility used for fairs or exhibitions, including agricultural exhibitions;
- (c) a facility used for the arts or a museum;
- ...
- (e) a facility used by a linguistic organization if
  - (i) the use of the property by the general public is actively encouraged, and
  - (ii) a sign is prominently posted in the facility indicating the hours that the whole or part of the facility is accessible to the public;
- (f) a facility used by an ethno-cultural association for sports, recreation or education or for charitable or other benevolent purposes if
  - (i) the use of the property by the general public is actively encouraged, and
  - (ii) a sign is prominently posted in the facility indicating the hours that the whole or part of the facility is accessible to the public;
- (g) a facility in a municipality operated and used by an organization for a charitable or benevolent purpose where the majority of the organization's beneficiaries do not reside in the municipality;
- (h) a facility used as a thrift shop;
- (i) a facility used as a sheltered workshop;
- (j) a facility operated and used by a chamber of commerce;
- (k) a facility used for a charitable or benevolent purpose that is for the benefit of the general public if
  - (i) the charitable or benevolent purpose for which the facility is primarily used is a purpose that benefits the general public in the municipality in which the facility is located, and
  - (ii) the resources of the non-profit organization that holds the facility are devoted chiefly to the charitable or benevolent purpose for which the facility is used.

AR 281/98 s15;283/2003;182/2008;77/2010

### Municipal Government Act (MGA) Excerpt of Section 305



**Correction of roll**

**305(1)** If it is discovered that there is an error, omission or misdescription in any of the information shown on the assessment roll,

- (a) the assessor may correct the assessment roll for the current year only, and
- (b) on correcting the roll, an amended assessment notice must be prepared and sent to the assessed person.

**(1.1)** Where an assessor corrects the assessment roll in respect of an assessment about which a complaint has been made, the assessor must send to the assessment review board or the Municipal Government Board, as the case may be, no later than the time required by the regulations,

- (a) a copy of the amended assessment notice, and
- (b) a statement containing the following information:
  - (i) the reason for which the assessment roll was corrected;
  - (ii) what correction was made;
  - (iii) how the correction affected the amount of the assessment.

**(1.2)** Where the assessor sends a copy of an amended assessment notice under subsection (1.1) before the date of the hearing in respect of the complaint,

- (a) the complaint is cancelled,
- (b) the complainant's complaint fees must be returned, and
- (c) the complainant has a new right of complaint in respect of the amended assessment notice.

**(2)** If it is discovered that no assessment has been prepared for a property and the property is not listed in section 298, an assessment for the current year only must be prepared and an assessment notice must be prepared and sent to the assessed person.

**(3)** If exempt property becomes taxable or taxable property becomes exempt under section 364.1, 364.2 or 368, the assessment roll must be corrected for the current year only and an amended assessment notice must be prepared and sent to the assessed person.

**(3.1)** If the collection of tax on property is deferred under section 364.1 or 364.2 or a deferral under one of those sections is cancelled, the assessment roll must be corrected and an amended assessment notice must be prepared and sent to the assessed person.

**(4)** The date of every entry made on the assessment roll under this section or section 477 or 517 must be shown on the roll.

**(5), (6)** Repealed 2016 c24 s37.

RSA 2000 cM- 26 s305;2002 c19 s8;2009 c29 s7;  
2015 c8 s43;2016 c24 s37;2017 c13 s1(24);2019 c6 s

**Report to Minister**

**305.1** If an assessment roll is corrected under section 305 or changed under section 477 or 517, the municipality must, in the form and within the time prescribed by the regulations, report the correction or change, as the case may be, to the Minister.

2002 c19 s9

***Municipal Government Act (MGA) Excerpt of Section 347*****Cancellation, reduction, refund or deferral of taxes**

**347(1)** If a council considers it equitable to do so, it may, generally or with respect to a particular taxable property or business or a class of taxable property or business, do one or more of the following, with or without conditions:

- (a) cancel or reduce tax arrears;
- (b) cancel or refund all or part of a tax;
- (c) defer the collection of a tax.

**(2)** A council may phase in a tax increase or decrease resulting from the preparation of any new assessment.

1994 cM 26.1 s347

***Municipal Government Act (MGA) Excerpt of Section 362***

**Exemptions for Government, churches and other bodies**

**362(1)** The following are exempt from taxation under this Division:

- ...
  - (k) property held by a religious body and used chiefly for divine service, public worship or religious education and any parcel of land that is held by the religious body and used only as a parking area in connection with those purposes;
  - (l) property consisting of any of the following:
    - (i) a parcel of land, to a maximum of 10 hectares, that is used as a cemetery as defined in the Cemeteries Act;
    - (ii) any additional land that has been conveyed by the owner of the cemetery to individuals to be used as burial sites;
    - (iii) any improvement on land described in subclause (i) or (ii) that is used for burial purposes;
  - (m) property held by
    - (i) a foundation constituted under the Senior Citizens Housing Act, RSA 1980 cS-13, before July 1, 1994, or
    - (ii) a management body established under the Alberta Housing Act, and used to provide senior citizens with lodge accommodation as defined in the Alberta Housing Act;
  - (n) property that is
    - ...
      - (ii) held by a non-profit organization and used solely for community games, sports, athletics or recreation for the benefit of the general public,
      - (iii) used for a charitable or benevolent purpose that is for the benefit of the general public, and owned by
        - (A) the Crown in right of Alberta or Canada, a municipality or any other body that is exempt from taxation under this Division and held by a non-profit organization, or
        - (B) by a non-profit organization,
      - (iv) held by a non-profit organization and used to provide senior citizens with lodge accommodation as defined in the Alberta Housing Act, or
      - (v) held by and used in connection with a society as defined in the Agricultural Societies Act or with a community association as defined in the regulations, and that meets the qualifications and conditions in the regulations and any other property that is described and that meets the qualifications and conditions in the regulations;
  - (o) property

- (i) owned by a municipality and used solely for the operation of an airport by the municipality, or
- (ii) held under a lease, licence or permit from a municipality and used solely for the operation of an airport by the lessee, licensee or permittee;

...

RSA 2000 cM- 26 s362;2003 cP- 19.5 s142;2012 cE- 0.3 s279;  
2017 c13 s1(35);2018 c19 s71

### ***Non-Profit Tax Mitigation Policy***

**Policy Title:** Non-Profit Tax Mitigation

**Policy Number:** PDA002

**Report Number:** C2014-0919

**Approved by:** Council

**Effective Date:** 2014 December 15

**Business Unit:** Assessment

## **COUNCIL POLICY**

### **BACKGROUND**

1. Non-profit organizations that provide public facilities are generally exempt from property tax through the Municipal Government Act (RSA 2000, c M-26) (MGA) and the Community Organization Property Tax Exemption Regulation (AR281/98) (COPTER). These property tax exemptions require that property and/or facility is actually used for an exempt purpose. Taking direction from a 2008 Court of Queen's Bench decision (Edmonton (City) v. North Pointe Community Church, 2008 ABQB 110), exemptions based on use do not generally apply to properties and/or facilities that are under construction and not actually in use for an exempt purpose.
2. Prior to this policy, Council provided tax relief for the affected non-profit organizations through its tax cancellation powers under section 347 of the MGA on a case by case basis.

### **PURPOSE**

3. This policy will ensure that tax cancellations for properties and/or facilities that are under construction in Calgary are conducted in an equitable and consistent manner through an open and transparent process.
4. This policy will:
  - a. guide how Council addresses the issue of property taxes for a non- profit organization that holds a property and/or facility under construction in Calgary and is not exempt from taxation by using its tax cancellation powers in section 347 of the MGA;
  - b. set out the eligibility criteria that qualifies a non-profit organization for a tax cancellation under the policy; and,
  - c. set out the procedure through which tax cancellations are administered.
5. The policy does not limit Council's discretion in exercising its section 347 powers under the MGA.

### **APPLICABILITY**

6. This policy applies to properties and/or facilities that qualify under the following sections in the MGA and COPTER, where "use" has been interpreted by the Court of Queen's Bench not to include the construction period of the property and/or facility:
  - a. Sections 362(1)(k-m), 362(1)(n)(ii)-(iv), and 362(o) of the MGA, and
  - b. Sections 15(a)-(c) and 15(e)-(k) of the COPTER

### **DEFINITIONS**

7. In this Council Policy:

- a. "Building Permit" means a permit issued under the Calgary Building Permit Bylaw 64M94 and defined in the Alberta Building Code 2014.

**POLICY**

8. For up to four years, Council will consider cancelling the municipal taxes for non-profit organizations that hold a property and/or facility that is under construction in Calgary when all of the following criteria have been met:
  - a. A building permit for the site has been issued;
  - b. The non-profit organization has filed the necessary application forms to qualify for the tax cancellation under this policy to Assessment; and,
  - c. Upon completion and occupancy of the facility, the organization has filed an application for property tax exemption under the MGA or COPTER to Assessment and the application has been approved.
9. Transition Program
  - a. Notwithstanding section 11(a)(iii), to aid with transition, this policy will apply to projects that would have qualified had the program been in place on 2013 January 01, so long as an application for cancellation under this section is filed by 2015 December 31.

**PROCEDURE**

10. Applications for tax cancellation and property and business tax exemption are available directly from Assessment and from calgary.ca and must be submitted to Assessment for consideration.
11. Timing
  - a. Cancellation Period
    - i. The cancellation period begins when a building permit has been issued so long as an application for cancellation has been filed within the same calendar year.
    - ii. The cancellation period ends either 4 years from the date of that the cancellation period begins or when the subject property becomes exempt from taxation, whichever is earlier.
    - iii. If an application is filed in a calendar year following the issuance of a building permit, then the cancellation period will begin on January 1 of the year in which an application is submitted.
  - b. Cancellation Timing
    - i. Applications will be reviewed by Assessment and those properties and/or facilities that qualify for tax cancellation under this policy will be placed on the semi-annual Assessment and Tax Circumstances Report as soon as possible after qualification.

**AMENDMENTS**

2016 October 13 - Minor revision relates to the update of Alberta Building Code 2006 to Alberta Building Code 2014, which defines "Building Permit" for the purposes of this Council policy

## List of Tax Cancellations Related to Prior Years' Assessment Rolls

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Issue #	Roll Number	Account Address	Tax Cancellation (\$)	Reason
<b>2019</b>				
<b>1</b>	130000151	121 SOUTHLAND DR SE	\$3,663.45	Category I: The property owner was not aware and/or was not notified of the change in assessment and so was unable to bring the error to the assessor's attention within the Customer Review Period.
			<b>\$3,663.45</b>	<b>Total Property Tax Cancellation</b>



## List of Tax Cancellations Related to Non-Profit Tax Mitigation Policy

Issue #	Roll Number	Account Address	Tax Cancellation (\$)	Reason
<b><u>PROPERTY TAX CANCELLATIONS</u></b>				
<b>2019</b>				
<b>1</b>	202651220	108 Savanna AV NE	\$8,317.28	<p>The municipal property tax cancellation is for Muslim Community Foundation of Calgary – Al-Hedaya Islamic Centre of NE Calgary, which meets the criteria for property tax exemption under section 362(1)(k) - used for divine worship or education by a religious body.</p> <p>The cancellation is from January 1, 2019 to December 31, 2019.</p>
<b>2</b>	202651238	112 Savanna AV NE	\$7,917.34	<p>The municipal property tax cancellation is for Muslim Community Foundation of Calgary – Al-Hedaya Islamic Centre of NE Calgary, which meets the criteria for property tax exemption under section 362(1)(k) - used for divine worship or education by a religious body.</p> <p>The cancellation is from January 1, 2019 to December 31, 2019.</p>
			<b>\$16,234.62</b>	<b>Total Property Tax Cancellation</b>





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## 2020 Mid-year Capital and Operating Budget Revisions Report

### RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council receive this report for the Corporate Record, and subsequent Council discussion.

### HIGHLIGHTS

- A revision report provides Council a summary of operating and capital budget changes that have occurred over a particular period of time. These changes can be approved through Council reports or by Administration if within the authorization limits outlined in Budget Reporting Policy CFO006.
- The revision process allows Administration to adapt to changes in economic conditions and the external environment, incorporate additional information that is available, and allow long term objectives to be met.
- Responding to these changes enables the City to better service our citizens, communities and customers.
- On 2020 July 20, Council approved the 2019 Year-end Capital and Operating Budget Revisions Report (PFC2020-0607).
- This mid-year report provides:
  - capital budget revisions for information between 2020 January 1 and 2020 June 30;
  - operating budget revisions for information between 2020 January 1 and 2020 June 30.
- Strategic Alignment to Council's Citizen Priorities: A well-run city and A prosperous city

### DISCUSSION

- The purpose of the revision report is to provide Council with consolidated information on budget changes to maintain continuity and transparency with both the operating and capital budgets. Attachment 1-3 are for Council's collective awareness and all changes are a result of previously approved Council direction or are within Administration's discretion to approve under the Budget Reporting Policy CFO006.
- To meet the requirement of NM2008-53 to track Council decisions and referrals that have an actual or potential future year budget impact, Administration reviewed Council minutes between 2020 January 1 and 2020 June 30 and noted no further items aside from those identified in Attachments 1-3.

#### **Capital**

- **Attachment 1** contains the budget revisions that have been approved by Administration within their authority (revisions with a net budget impact under \$400,000 and transfers to capital budget savings) or by Council through separate reports.
  - For the period from 2020 January 1 to 2020 June 30, Administration and Council approvals included relinquishments, increases and net zero transfers required to reflect updated capital plans resulting in an increase of \$98.8 million to the 2020 capital budget and \$4,653.7 million in 2021-2024+.
  - The increase in the capital budget is primarily due to Council's approval of the Green Line budget, along with the budget for the Established Area Growth and Change Strategy Phase 1, offset by relinquishments, predominantly for savings redirected from the Recreation Centres to the Event Centre project.
- **Attachment 2** provides a summary by service of the budget continuity between 2020 January 1 to 2020 June 30.
  - The revised budget is \$2.1 billion in 2020 and \$7.7 billion in 2021-2024+.

## **2020 Mid-year Capital and Operating Budget Revisions Report**

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### ***Operating***

- **Attachment 3** shows the changes to the 2020 net operating service budget that have either been previously approved by Council or are within the scope of Administration to authorize as per Council Policy CFO006. During this period, there was no change to the total City net budget. The main changes to service budgets were:
  - Transfers of \$8.5 million from corporate to service budgets for wage settlements net of the fringe rate reduction;
  - Transfers of \$1.6 million from corporate to service budgets through the Corporate Work Force Planning process; and
  - Net zero transfers between services.

## **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

- ☒ Public Communication or Engagement was not required

The One Calgary 2019-2022 business plans and budgets were developed through engagement with various internal and external stakeholders. Revision reports brought forward throughout the cycle reflect the operating and capital budget changes that are driven by actual experiences and/or new Council direction.

## **IMPLICATIONS**

### **Social, Environmental, Economic (External)**

The social, environmental and economic landscape impacts business units in various ways. Revisions to the operating and capital budgets reflect changes that have been made to respond to these factors.

### **Service and Financial Implications**

#### **Existing operating funding**

There is no net impact to the operating budget. Operating budget revisions reflect recommended changes based on Council and Administrative approvals and are already included in the approved operating budgets.

#### **New capital funding requests**

The previously approved capital budget revisions resulted in a net increase of \$98.8 million in 2020 and \$4,653.7 million in 2021-2024+.

## **RISK**

The risk associated with the revisions for information would have been identified at the time of approval.

## **ATTACHMENT(S)**

1. Capital Budget Revisions – Previously Approved
2. Capital Budget Continuity Schedule
3. Operating Budget Continuity Schedule

**Capital Budget Revisions - Previously Approved  
(\$000s)**

**For the period 2020 January 1 to June 30**

**Purpose:** To provide capital budget changes previously approved by Administration and Council from 2020 January 1 to June 30

Citizen Priority	Service	Budget ID	Budget ID Name		2020 Increase/ (Decrease)	2021 Increase/ (Decrease)	2022 Increase/ (Decrease)	2023 Increase/ (Decrease)	2024+ Increase/ (Decrease)	TOTAL Increase/ (Decrease)
Previously Approved by Administration										
Relinquishments										
A Healthy & Green City	Recreation Opportunities	519_002	Needs and Preferences	Previously Approved Budget Remaining	422	-	-	-	-	422
				Relinquishment	(99)	-	-	-	-	(99)
				Revised Budget	323	-	-	-	-	323
				Budget relinquishment of \$99 thousand, funded by the Artificial Turf Field Lifecycle Reserve, due to reserve funding no longer available.						
Enabling Services	Facility Management	937_001	2013 Flood Recovery	Previously Approved Budget Remaining	139	-	-	-	-	139
				Relinquishment	(139)	-	-	-	-	(139)
				Revised Budget	-	-	-	-	-	-
				Budget relinquishment of \$139 thousand, funded by the Disaster Recovery Program (2013 Flood), due to project completion.						
	Facility Management	937_002	Key Buildings Analysis and Phase 1	Previously Approved Budget Remaining	178	-	-	-	-	178
				Relinquishment	(178)	-	-	-	-	(178)
				Revised Budget	-	-	-	-	-	-
				Budget relinquishment of \$178 thousand, funded by the Disaster Recovery Program (2013 Flood), due to project completion.						
				Total Relinquishment			(416)	-	-	-
Transfers										
A City That Moves	Public Transit	655_13W	Bus Rapid Transit Service		(368)	-	-	-	-	(368)
	Public Transit	665_02W	Big Buses/Community Shuttle Buses		368	-	-	-	-	368
	Total				-	-	-	-	-	-
	Budget transfer of \$368 thousand, funded by the Building Canada Fund (Federal Grants), to fully utilize unused grant funding.									
A Well-Run City	Corporate Governance	873_001	Investment Optimization Program		(1,360)	-	-	-	-	(1,360)
	Corporate Programs	888_001	Capital Corporate Programs		1,360	-	-	-	-	1,360
	Total				-	-	-	-	-	-
	Budget transfer of \$1,360 thousand to capital budget savings, funded by the Pay-As-You-Go Reserve, due to project completion.									
	City Auditor's Office	481150	Upgrade Meeting Rooms		(5)	-	-	-	-	(5)
	Corporate Programs	888_001	Capital Corporate Programs		5	-	-	-	-	5
	Total				-	-	-	-	-	-
	Budget transfer of \$5 thousand to capital budget savings, funded by the Lifecycle Maintenance & Upgrade Reserve, due to project completion.									
	Total Transfers				-	-	-	-	-	-
Total Previously Approved by Administration					(416)	-	-	-	-	(416)

**Capital Budget Revisions - Previously Approved  
(\$000s)**

**For the period 2020 January 1 to June 30**

**Purpose:** To provide capital budget changes previously approved by Administration and Council from 2020 January 1 to June 30

Citizen Priority	Service	Budget ID	Budget ID Name		2020 Increase/ (Decrease)	2021 Increase/ (Decrease)	2022 Increase/ (Decrease)	2023 Increase/ (Decrease)	2024+ Increase/ (Decrease)	TOTAL Increase/ (Decrease)
Previously Approved by Council										
Relinquishments										
A Healthy & Green City	Recreation Opportunities	506_693	Seton Recreation Facility	Previously Approved Budget Remaining	5,660	11,300	-	-	-	16,960
				Relinquishment	-	(11,000)	-	-	-	(11,000)
				Revised Budget	5,660	300	-	-	-	5,960
				Council report C2019-0964 approved a budget relinquishment of \$11,000 thousand, funded by the Municipal Sustainability Initiative, to generate savings to be optimized for the Event Centre project.						
	Recreation Opportunities	506_694	Rocky Ridge Rec Facility	Previously Approved Budget Remaining	11,064	12,500	-	-	-	23,564
				Relinquishment	-	(9,000)	-	-	-	(9,000)
				Revised Budget	11,064	3,500	-	-	-	14,564
				Council report C2019-0964 approved a budget relinquishment of \$9,000 thousand, funded by the Municipal Sustainability Initiative, to generate savings to be optimized for the Event Centre project.						
	Total Relinquishment				-	(20,000)	-	-	-	(20,000)
	Increases									
A City of Safe & Inspiring Neighbourhoods	City Planning & Policy	481650	Public Realm (EAGCS)	Previously Approved Budget Remaining	-	-	-	-	-	-
				Increase	-	11,700	18,300	-	-	30,000
				Revised Budget	-	11,700	18,300	-	-	30,000
				Council report PFC2020-0381 approved an increase of \$30,000 thousand, funded by the Established Area Investment Fund, for the public realm and utility investments in Phase 1 growth areas in line with Established Area Growth and Change Strategy.						
A City That Moves	Public Transit	869_000	Green Line Transitway	Previously Approved Budget Remaining	71,160	52,000	52,000	52,000	52,000	279,160
				Increase	96,200	312,900	238,100	382,400	3,710,300	4,739,900
				Revised Budget	167,360	364,900	290,100	434,400	3,762,300	5,019,060
				Council report GC2020-0616 approved an increase of \$4,739,900 thousand, funded by Other Federal Grants, Provincial Grants and the Lifecycle Maintenance & Upgrade Reserve, for Green Line Stage 1 Program.						
	Streets	147_148	Local Improvement - Paving, Sidewalk C&G	Previously Approved Budget Remaining	1,016	-	-	-	-	1,016
				Increase	2,778	-	-	-	-	2,778
				Revised Budget	3,794	-	-	-	-	3,794
				Council report C2020-0238 approved an increase of \$2,778 thousand, funded by Self-supported Debt, for Local Improvements Paving.						
Total Increase				98,978	324,600	256,400	382,400	3,710,300	4,772,678	
Transfers										
A Healthy & Green City	Recreation Opportunities	447999	Foothills Fieldhouse Redevelopment		(775)	-	-	-	-	(775)
A Prosperous City	Land Development & Sales	403783	Foothills Athletic Park Redevelopment		775	-	-	-	-	775
Total					-	-	-	-	-	-
Council report FRA2020-0606 approved a transfer of \$775 thousand, funded by the Pay-As-You-Go Reserve, for Foothills Athletic Park Redevelopment Program.										
Total Transfers					-	-	-	-	-	-

**Capital Budget Revisions - Previously Approved  
(\$000s)**

**For the period 2020 January 1 to June 30**

**Purpose:** To provide capital budget changes previously approved by Administration and Council from 2020 January 1 to June 30

Citizen Priority	Service	Budget ID	Budget ID Name		2020 Increase/ (Decrease)	2021 Increase/ (Decrease)	2022 Increase/ (Decrease)	2023 Increase/ (Decrease)	2024+ Increase/ (Decrease)	TOTAL Increase/ (Decrease)					
Confidentiality Lifted															
A City That Moves	Public Transit	659_01W	Stoney Transit Facility												
				Previously Approved Budget Remaining	13,120	5,500	5,500	23,000	-	47,120					
				Confidentiality lifted	280	-	-	-	-	280					
				Revised Budget	13,400	5,500	5,500	23,000	-	47,400					
				Confidentiality of Council approved report C2015-0502 was partially lifted for an increase of \$280 thousand, funded by Other Federal Grants, for the P3 Stoney Transit Facility project.											
				Total Confidentiality Lifted							280	-	-	-	280
				Total Previously Approved by Council							99,258	304,600	256,400	382,400	3,710,300
Total Previously Approved by Administration & Council							98,842	304,600	256,400	382,400	3,710,300	4,752,542			



**Capital Budget Continuity Schedule  
By Citizen Priority and Service  
(\$000s)**

**Purpose:** To provide continuity of capital budget changes from 2020 January 1 to June 30.

	As at 2020 January 1 (PFC2020-0607) <sup>1</sup>		Revisions (2020 January to June 30) <sup>1</sup>		As at 2020 June 30 <sup>1</sup>	
<u>Citizen Priority/Service</u>	2020 Budget	2021-2024 Budget	2020 Revisions for Information (Att 1)	2021-2024+ Revisions for Information (Att 1)	2020 Revised Budget	2021-2024+ Revised Budget
<b>A Prosperous City</b>						
Affordable Housing	24,710	149,450	-	-	24,710	149,450
Arts & Culture	7,954	17,659	-	-	7,954	17,659
Business Licensing	1,028	200	-	-	1,028	200
Community Strategies	-	-	-	-	-	-
Economic Development & Tourism	29,906	324,727	-	-	29,906	324,727
Land Development & Sales	44,124	211,158	775	-	44,899	211,158
Library Services	3,180	5,972	-	-	3,180	5,972
Social Programs	-	-	-	-	-	-
<b>TOTAL - A Prosperous City</b>	<b>110,901</b>	<b>709,166</b>	<b>775</b>	<b>-</b>	<b>111,676</b>	<b>709,166</b>
<b>A City of Safe &amp; Inspiring Neighbourhoods</b>						
Building Safety	5,220	16,195	-	-	5,220	16,195
Bylaw Education & Compliance	492	410	-	-	492	410
Calgary 9-1-1	6,563	5,400	-	-	6,563	5,400
City Cemeteries	1,601	7,281	-	-	1,601	7,281
City Planning & Policy	2,094	2,000	-	30,000	2,094	32,000
Development Approvals	7,918	5,420	-	-	7,918	5,420
Emergency Management & Business Continuity	5,198	3,171	-	-	5,198	3,171
Fire & Emergency Response	35,773	96,544	-	-	35,773	96,544
Fire Inspection & Enforcement	-	-	-	-	-	-
Fire Safety Education	-	-	-	-	-	-
Neighbourhood Support	-	-	-	-	-	-
Pet Ownership & Licensing	541	349	-	-	541	349
Police Services	32,437	68,125	-	-	32,437	68,125
<b>TOTAL - A City of Safe &amp; Inspiring Neighbourhoods</b>	<b>97,836</b>	<b>204,894</b>	<b>-</b>	<b>30,000</b>	<b>97,836</b>	<b>234,894</b>
<b>A City That Moves</b>						
Parking	84,212	23,750	-	-	84,212	23,750
Public Transit	292,940	339,543	96,480	4,643,700	389,420	4,983,243
Sidewalks & Pathways	68,079	78,515	-	-	68,079	78,515
Specialized Transit	3,003	180	-	-	3,003	180
Streets	300,183	387,712	2,778	-	302,960	387,712
Taxi, Limousine & Vehicles-for-Hire	494	560	-	-	494	560
<b>TOTAL - A City That Moves</b>	<b>748,909</b>	<b>830,260</b>	<b>99,258</b>	<b>4,643,700</b>	<b>848,167</b>	<b>5,473,960</b>
<b>A Healthy &amp; Green City</b>						
Environmental Management	589	580	-	-	589	580
Parks & Open Spaces	25,578	64,046	-	-	25,578	64,046
Recreation Opportunities	61,528	114,419	(874)	(20,000)	60,654	94,419
Stormwater Management	121,031	143,067	-	-	121,031	143,067
Urban Forestry	3,494	6,243	-	-	3,494	6,243
Waste & Recycling	33,641	70,140	-	-	33,641	70,140
Wastewater Collection & Treatment	334,875	343,570	-	-	334,875	343,570
Water Treatment & Supply	174,751	237,176	-	-	174,751	237,176
<b>TOTAL - A Healthy &amp; Green City</b>	<b>755,487</b>	<b>979,240</b>	<b>(874)</b>	<b>(20,000)</b>	<b>754,613</b>	<b>959,240</b>

**Capital Budget Continuity Schedule  
By Citizen Priority and Service  
(\$000s)**

**Purpose:** To provide continuity of capital budget changes from 2020 January 1 to June 30.

	As at 2020 January 1 (PFC2020-0607) <sup>1</sup>		Revisions (2020 January to June 30) <sup>1</sup>		As at 2020 June 30 <sup>1</sup>	
<u>Citizen Priority/Service</u>	2020 Budget	2021-2024 Budget	2020 Revisions for Information (Att 1)	2021-2024+ Revisions for Information (Att 1)	2020 Revised Budget	2021-2024+ Revised Budget
<b>A Well-Run City</b>						
Appeals & Tribunals	113	-	-	-	113	-
Citizen Engagement & Insights	319	287	-	-	319	287
Citizen Information & Services	4,241	3,860	-	-	4,241	3,860
City Auditor's Office	5	-	(5)	-	-	-
Corporate Governance	1,370	-	(1,360)	-	11	-
Council & Committee Support	24	-	-	-	24	-
Executive Leadership	-	-	-	-	-	-
Mayor & Council	276	-	-	-	276	-
Municipal Elections	2,829	380	-	-	2,829	380
Property Assessment	4,951	8,600	-	-	4,951	8,600
Records Management, Access & Privacy	1,595	779	-	-	1,595	779
Taxation	650	1,100	-	-	650	1,100
<b>TOTAL - A Well-Run City</b>	<b>16,375</b>	<b>15,005</b>	<b>(1,365)</b>	<b>-</b>	<b>15,010</b>	<b>15,005</b>
<b>Enabling Services</b>						
Corporate Security	2,844	6,123	-	-	2,844	6,123
Data Analytics & Information Access	3,253	4,686	(0)	-	3,253	4,686
Facility Management	71,581	113,558	(317)	-	71,263	113,558
Financial Support	1,549	628	-	-	1,549	628
Fleet Management	90,811	104,634	-	-	90,811	104,634
Human Resources Support	819	-	-	-	819	-
Infrastructure Support	1,269	4,294	0	-	1,269	4,294
Insurance & Claims	96	-	-	-	96	-
IT Solutions & Support	40,383	54,162	-	-	40,383	54,162
Legal Counsel & Advocacy	67	389	-	-	67	389
Organizational Health, Safety & Wellness	360	214	-	-	360	214
Procurement & Warehousing	4,260	1,524	-	-	4,260	1,524
Real Estate	34,901	16,773	-	-	34,901	16,773
Strategic Marketing & Communications	257	9	-	-	257	9
<b>TOTAL - Enabling Services</b>	<b>252,449</b>	<b>306,993</b>	<b>(317)</b>	<b>-</b>	<b>252,132</b>	<b>306,993</b>
<b>CORPORATE CAPITAL PROGRAMS</b>	<b>6,327</b>	<b>-</b>	<b>1,365</b>	<b>-</b>	<b>7,692</b>	<b>-</b>
<b>TOTAL CITY<sup>2</sup></b>	<b>1,988,285</b>	<b>3,045,559</b>	<b>98,842</b>	<b>4,653,700</b>	<b>2,087,127</b>	<b>7,699,259</b>

**Notes:**

- Figures may not add due to rounding
- Excludes confidential budget remaining from previously approved reports (\$87.948 million), which will be allocated to services as confidentiality is lifted.



**Operating Budget Continuity Schedule  
By Citizen Priority and Service  
(\$000s)**

**Purpose:** The purpose of this schedule is to provide a summary of operating changes from 2020 January 1 to June 30 to maintain continuity and transparency.

**Explanation for common types of changes in the schedule:**

Fringe rate reductions and union settlements relate to revised 2020 benefit rates and 2020 settlements awarded for the following unions: Local 37, 38, 254, 583, 709, Carpenter's Union, and Calgary Police Association.

Corporate Workforce Planning (CWP) revisions are to intentionally manage staffing resources. Staffing resources are centralized in Corporate Programs and redistributed to services as required.

Net zero transfers between services are due to reorganizations or to refine the operating budget to align with business needs and service requirements.

	2020 Budget (2020 January 1)	2020 Change (Incremental)	2020 Budget (2020 June 30)	2021 Budget (2020 January 1)	2021 Change (Incremental)	2021 Budget (2020 June 30)	2022 Budget (2020 January 1)	2022 Change (Incremental)	2022 Budget (2020 June 30)	Comments
<b>A PROSPEROUS CITY</b>										
<b>Affordable Housing</b>										Net budget change of \$96 in 2020, \$119 in 2021, and \$2 in 2022 due to:
Expenditures	23,488	40	23,528	20,217	63	20,280	20,992	(54)	20,938	-Fringe rate reduction of (\$25) in 2020 to 2022
Recoveries	(47)	(140)	(187)	(47)	(140)	(187)	(47)	(140)	(187)	-Union settlement of \$4 in 2020 to 2022
Revenues	(9,442)	196	(9,246)	(7,697)	196	(7,501)	(7,697)	196	(7,501)	-CWP return of centralized budget of \$117 in 2020, \$140 in 2021, and \$23 in 2022
<b>Net budget</b>	<b>13,999</b>	<b>96</b>	<b>14,095</b>	<b>12,473</b>	<b>119</b>	<b>12,592</b>	<b>13,248</b>	<b>2</b>	<b>13,250</b>	
<b>Arts &amp; Culture</b>										Net base budget change of (\$36) in 2020 to 2022 due to:
Expenditures	26,267	(36)	26,231	27,927	(36)	27,891	29,482	(36)	29,446	-Fringe rate reduction of (\$68) in 2020 to 2022
Recoveries	(864)	-	(864)	(864)	-	(864)	(864)	-	(864)	-Union settlement of \$56 in 2020 to 2022
Revenues	(1,669)	-	(1,669)	(1,669)	-	(1,669)	(1,669)	-	(1,669)	-Net zero transfer of (\$24) in 2020 to 2022 to Facility Management
<b>Net budget</b>	<b>23,734</b>	<b>(36)</b>	<b>23,697</b>	<b>25,394</b>	<b>(36)</b>	<b>25,357</b>	<b>26,949</b>	<b>(36)</b>	<b>26,912</b>	
<b>Business Licensing</b>										
Expenditures	11,122	(375)	10,747	11,388	(376)	11,012	11,647	(377)	11,271	
Recoveries	(3,017)	28	(2,989)	(3,088)	28	(3,059)	(3,160)	29	(3,130)	
Revenues	(8,106)	348	(7,758)	(8,301)	348	(7,953)	(8,488)	348	(8,140)	
<b>Net budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	
<b>Community Strategies</b>										Net base budget change of \$126 in 2020 to 2022 due to:
Expenditures	3,510	126	3,636	3,514	126	3,640	3,518	126	3,644	-Fringe rate reduction of (\$31) in 2020 to 2022
Recoveries	(744)	-	(744)	(744)	-	(744)	(744)	-	(744)	-Union settlement of \$7 in 2020 to 2022
Revenues	-	-	-	-	-	-	-	-	-	-CWP return of centralized budget of \$150 from 2020 to 2022
<b>Net budget</b>	<b>2,767</b>	<b>126</b>	<b>2,892</b>	<b>2,771</b>	<b>126</b>	<b>2,896</b>	<b>2,775</b>	<b>126</b>	<b>2,900</b>	
<b>Economic Development &amp; Tourism</b>										Net base budget change of (\$7) in 2020 to 2022 due to:
Expenditures	37,639	(7)	37,632	39,403	(7)	39,396	43,045	(7)	43,038	-Fringe rate reduction of (\$8) in 2020 to 2022
Recoveries	-	-	-	-	-	-	-	-	-	-Union settlement of \$1 in 2020 to 2022
Revenues	-	-	-	-	-	-	-	-	-	
<b>Net budget</b>	<b>37,639</b>	<b>(7)</b>	<b>37,632</b>	<b>39,403</b>	<b>(7)</b>	<b>39,396</b>	<b>43,045</b>	<b>(7)</b>	<b>43,038</b>	
<b>Land Development &amp; Sales</b>										Net base budget change of (\$45) in 2020 to 2022 due to:
Expenditures	52,616	(45)	52,571	53,646	(45)	53,601	56,221	(45)	56,176	-Fringe rate reduction of (\$63) in 2020 to 2022
Recoveries	(7,782)	-	(7,782)	(7,782)	-	(7,782)	(7,782)	-	(7,782)	-Union settlement of \$18 in 2020 to 2022
Revenues	(44,392)	-	(44,392)	(45,422)	-	(45,422)	(47,997)	-	(47,997)	
<b>Net budget</b>	<b>442</b>	<b>(45)</b>	<b>397</b>	<b>442</b>	<b>(45)</b>	<b>397</b>	<b>442</b>	<b>(45)</b>	<b>397</b>	
<b>Library Services</b>										Net base budget change of \$517 in 2020 to 2022 due to:
Expenditures	53,176	517	53,693	53,476	517	53,993	53,726	517	54,243	-Fringe rate reduction of (\$4) in 2020 to 2022
Recoveries	-	-	-	-	-	-	-	-	-	-Union settlement of \$520 in 2020 to 2022
Revenues	-	-	-	-	-	-	-	-	-	
<b>Net budget</b>	<b>53,176</b>	<b>517</b>	<b>53,693</b>	<b>53,476</b>	<b>517</b>	<b>53,993</b>	<b>53,726</b>	<b>517</b>	<b>54,243</b>	

	2020 Budget (2020 January 1)	2020 Change (Incremental)	2020 Budget (2020 June 30)	2021 Budget (2020 January 1)	2021 Change (Incremental)	2021 Budget (2020 June 30)	2022 Budget (2020 January 1)	2022 Change (Incremental)	2022 Budget (2020 June 30)	Comments
<b>Social Programs</b>										Net base budget change of (\$3) in 2020 and \$7 in 2022 due to: -Fringe rate reduction of (\$226) in 2020, (\$223) in 2021, and (\$217) in 2022 -Union settlement of \$223 in 2020 to 2022
Expenditures	65,521	(3)	65,518	64,871	0	64,871	63,981	7	63,987	
Recoveries	(2,971)	-	(2,971)	(2,971)	-	(2,971)	(2,971)	-	(2,971)	
Revenues	(34,261)	-	(34,261)	(34,261)	-	(34,261)	(34,261)	-	(34,261)	
<b>Net budget</b>	<b>28,289</b>	<b>(3)</b>	<b>28,286</b>	<b>27,639</b>	<b>0</b>	<b>27,639</b>	<b>26,749</b>	<b>7</b>	<b>26,755</b>	
<b>TOTAL - A PROSPEROUS CITY</b>										
Expenditures	273,339	216	273,556	274,443	241	274,684	282,612	130	282,743	
Recoveries	(15,424)	(112)	(15,537)	(15,495)	(112)	(15,607)	(15,567)	(111)	(15,678)	
Revenues	(97,869)	543	(97,326)	(97,349)	543	(96,806)	(100,111)	543	(99,568)	
<b>Net budget</b>	<b>160,046</b>	<b>647</b>	<b>160,693</b>	<b>161,598</b>	<b>673</b>	<b>162,271</b>	<b>166,934</b>	<b>563</b>	<b>167,496</b>	
<b>A CITY OF SAFE &amp; INSPIRING NEIGHBOURHOODS</b>										
<b>Building Safety</b>										
Expenditures	82,990	(682)	82,308	81,512	(683)	80,829	82,670	(683)	81,987	
Recoveries	(2,472)	(0)	(2,472)	(2,472)	(0)	(2,472)	(2,472)	(0)	(2,472)	
Revenues	(77,893)	682	(77,210)	(79,040)	683	(78,357)	(80,198)	683	(79,515)	
<b>Net budget</b>	<b>2,625</b>	<b>0</b>	<b>2,625</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	
<b>Bylaw Education &amp; Compliance</b>										
Expenditures	12,833	(200)	12,633	11,871	(200)	11,671	11,908	(200)	11,708	Net base budget change of (\$200) in 2020 to 2022 due to: -Fringe rate reduction of (\$114) in 2020 to 2022 -Union settlement of \$109 in 2020 to 2022 -Net zero transfer of (\$195) in 2020 to 2022 to Pet Ownership & Licensing
Recoveries	(1,250)	-	(1,250)	(1,250)	-	(1,250)	(1,250)	-	(1,250)	
Revenues	(435)	-	(435)	(435)	-	(435)	(435)	-	(435)	
<b>Net budget</b>	<b>11,148</b>	<b>(200)</b>	<b>10,948</b>	<b>10,186</b>	<b>(200)</b>	<b>9,986</b>	<b>10,223</b>	<b>(200)</b>	<b>10,023</b>	
<b>Calgary 9-1-1</b>										
Expenditures	47,681	2	47,683	47,471	2	47,472	47,446	2	47,447	Net base budget change of \$2 in 2020 to 2022 due to: -Fringe rate reduction of (\$531) in 2020 to 2022 -Union settlement of \$559 in 2020 to 2022 -Net zero transfer of (\$26) in 2020 to 2022 to Pet Ownership & Licensing
Recoveries	(715)	-	(715)	(715)	-	(715)	(715)	-	(715)	
Revenues	(13,812)	-	(13,812)	(13,812)	-	(13,812)	(13,812)	-	(13,812)	
<b>Net budget</b>	<b>33,154</b>	<b>2</b>	<b>33,156</b>	<b>32,944</b>	<b>2</b>	<b>32,946</b>	<b>32,919</b>	<b>2</b>	<b>32,921</b>	
<b>City Cemeteries</b>										
Expenditures	8,625	51	8,675	8,626	51	8,676	8,627	51	8,677	Net base budget change of \$24 in 2020 to 2022 due to: -Fringe rate reduction of (\$42) in 2020 to 2022 -Union settlement of \$44 in 2020 to 2022 -Net zero transfer of \$22 in 2020 to 2022 from Parks & Open Spaces
Recoveries	-	-	-	-	-	-	-	-	-	
Revenues	(7,331)	(26)	(7,358)	(7,331)	(26)	(7,358)	(7,331)	(26)	(7,358)	
<b>Net budget</b>	<b>1,293</b>	<b>24</b>	<b>1,318</b>	<b>1,294</b>	<b>24</b>	<b>1,319</b>	<b>1,295</b>	<b>24</b>	<b>1,319</b>	
<b>City Planning &amp; Policy</b>										
Expenditures	26,299	(408)	25,891	26,100	(482)	25,618	26,013	(482)	25,531	Net base budget change of (\$254) in 2020 to 2022 due to: -Fringe rate reduction of (\$197) in 2020 to 2022 -Union settlement of \$78 in 2020 to 2022 -Net zero transfer of (\$135) in 2020 to 2022 to Executive Leadership
Recoveries	(547)	229	(318)	(547)	229	(318)	(547)	229	(318)	
Revenues	(2,887)	(74)	(2,961)	(2,727)	(0)	(2,727)	(2,724)	(0)	(2,724)	
<b>Net budget</b>	<b>22,865</b>	<b>(254)</b>	<b>22,611</b>	<b>22,827</b>	<b>(254)</b>	<b>22,573</b>	<b>22,742</b>	<b>(254)</b>	<b>22,489</b>	
<b>Development Approvals</b>										
Expenditures	42,348	(4,453)	37,895	43,436	(4,463)	38,973	44,449	(4,472)	39,978	
Recoveries	(161)	-	(161)	(161)	-	(161)	(161)	-	(161)	
Revenues	(42,187)	4,453	(37,734)	(43,275)	4,463	(38,812)	(44,288)	4,472	(39,817)	
<b>Net budget</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	
<b>Emergency Management &amp; Business Continuity</b>										
Expenditures	4,903	19	4,922	4,904	19	4,923	4,905	19	4,924	Net base budget change of \$19 in 2020 to 2022 due to: -Union settlement of \$19 in 2020 to 2022
Recoveries	(85)	-	(85)	(85)	-	(85)	(85)	-	(85)	
Revenues	-	-	-	-	-	-	-	-	-	
<b>Net budget</b>	<b>4,818</b>	<b>19</b>	<b>4,837</b>	<b>4,819</b>	<b>19</b>	<b>4,838</b>	<b>4,820</b>	<b>19</b>	<b>4,839</b>	

	2020 Budget (2020 January 1)	2020 Change (Incremental)	2020 Budget (2020 June 30)	2021 Budget (2020 January 1)	2021 Change (Incremental)	2021 Budget (2020 June 30)	2022 Budget (2020 January 1)	2022 Change (Incremental)	2022 Budget (2020 June 30)	Comments
<b>Fire &amp; Emergency Response</b>										Net base budget change of \$3,182 in 2020 to 2022 due to: -Union settlement of \$2,909 in 2020 to 2022 -Net zero transfer of \$273 in 2020 to 2022 from Facility Management, Fire Inspection & Enforcement, and Fire Safety Education
Expenditures	222,069	3,182	225,251	222,154	3,182	225,336	222,344	3,182	225,527	
Recoveries	(780)	-	(780)	(780)	-	(780)	(780)	-	(780)	
Revenues	(3,628)	0	(3,628)	(3,628)	-	(3,628)	(3,628)	-	(3,628)	
<b>Net budget</b>	<b>217,660</b>	<b>3,182</b>	<b>220,843</b>	<b>217,745</b>	<b>3,182</b>	<b>220,927</b>	<b>217,936</b>	<b>3,182</b>	<b>221,118</b>	
<b>Fire Inspection &amp; Enforcement</b>										Net base budget change of \$94 in 2020, \$96 in 2021, and \$99 in 2022 due to: -Union settlement of \$120 in 2020, \$123 in 2021, and \$125 in 2022 -Net zero transfer of (\$26) in 2020 to 2022 to Fire & Emergency Response
Expenditures	10,051	94	10,145	9,934	96	10,030	10,117	99	10,216	
Recoveries	(63)	-	(63)	(63)	-	(63)	(63)	-	(63)	
Revenues	(3,041)	-	(3,041)	(3,201)	-	(3,201)	(3,361)	-	(3,361)	
<b>Net budget</b>	<b>6,947</b>	<b>94</b>	<b>7,041</b>	<b>6,670</b>	<b>96</b>	<b>6,767</b>	<b>6,693</b>	<b>99</b>	<b>6,792</b>	
<b>Fire Safety Education</b>										Net base budget change of (\$81) in 2020 to 2022 due to: -Union settlement of \$13 in 2020 to 2022 -Net zero transfer of (\$93) in 2020 to 2022 to Fire & Emergency Response
Expenditures	1,261	(81)	1,180	1,263	(81)	1,182	1,265	(81)	1,185	
Recoveries	-	-	-	-	-	-	-	-	-	
Revenues	-	-	-	-	-	-	-	-	-	
<b>Net budget</b>	<b>1,261</b>	<b>(81)</b>	<b>1,180</b>	<b>1,263</b>	<b>(81)</b>	<b>1,182</b>	<b>1,265</b>	<b>(81)</b>	<b>1,185</b>	
<b>Neighbourhood Support</b>										Net base budget change of (\$1) in 2020 to 2022 due to: -Fringe rate reduction of (\$94) in 2020 to 2022 -Union settlement of \$93 in 2020 to 2022
Expenditures	9,232	(1)	9,230	10,812	(1)	10,810	10,812	(1)	10,810	
Recoveries	(3,001)	-	(3,001)	(3,001)	-	(3,001)	(3,001)	-	(3,001)	
Revenues	-	-	-	-	-	-	-	-	-	
<b>Net budget</b>	<b>6,230</b>	<b>(1)</b>	<b>6,229</b>	<b>7,810</b>	<b>(1)</b>	<b>7,809</b>	<b>7,810</b>	<b>(1)</b>	<b>7,809</b>	
<b>Pet Ownership &amp; Licensing</b>										Net base budget change of \$211 in 2020 to 2022 due to: -Fringe rate reduction of (\$100) in 2020 to 2022 -Union settlement of \$90 in 2020 to 2022 -Net zero transfer of \$221 in 2020 to 2022 from Calgary 9-1-1 and Bylaw Education & Compliance
Expenditures	9,944	211	10,155	9,661	211	9,872	9,678	211	9,889	
Recoveries	-	-	-	-	-	-	-	-	-	
Revenues	(5,670)	-	(5,670)	(5,687)	-	(5,687)	(5,704)	-	(5,704)	
<b>Net budget</b>	<b>4,275</b>	<b>211</b>	<b>4,485</b>	<b>3,975</b>	<b>211</b>	<b>4,185</b>	<b>3,975</b>	<b>211</b>	<b>4,185</b>	
<b>Police Services</b>										Net base budget change of \$6,916 in 2020, \$7,175 in 2021 to 2022 due to: -Fringe rate reduction of (\$3,911) in 2020 and (\$3,974) in 2021 to 2022 -Union settlement of \$10,827 in 2020 and \$11,149 in 2021 to 2022
Expenditures	510,654	6,916	517,570	520,437	7,175	527,612	520,620	7,175	527,795	
Recoveries	(2,600)	-	(2,600)	(2,600)	-	(2,600)	(2,600)	-	(2,600)	
Revenues	(100,618)	(0)	(100,618)	(100,618)	-	(100,618)	(100,618)	-	(100,618)	
<b>Net budget</b>	<b>407,436</b>	<b>6,916</b>	<b>414,352</b>	<b>417,219</b>	<b>7,175</b>	<b>424,394</b>	<b>417,402</b>	<b>7,175</b>	<b>424,577</b>	
<b>TOTAL - A CITY OF SAFE &amp; INSPIRING NEIGHBOURHOODS</b>										
Expenditures	988,889	4,649	993,538	998,180	4,826	1,003,006	1,000,855	4,819	1,005,674	
Recoveries	(11,674)	229	(11,445)	(11,674)	229	(11,445)	(11,674)	229	(11,445)	
Revenues	(257,502)	5,035	(252,468)	(259,754)	5,119	(254,635)	(262,101)	5,129	(256,972)	
<b>Net budget</b>	<b>719,713</b>	<b>9,913</b>	<b>729,625</b>	<b>726,752</b>	<b>10,174</b>	<b>736,925</b>	<b>727,080</b>	<b>10,176</b>	<b>737,256</b>	
<b>A CITY THAT MOVES</b>										
<b>Parking</b>										
Expenditures	2,968	0	2,968	2,970	-	2,970	2,972	-	2,972	
Recoveries	(1,362)	-	(1,362)	(1,362)	-	(1,362)	(1,362)	-	(1,362)	
Revenues	(1,605)	-	(1,605)	(1,605)	-	(1,605)	(1,605)	-	(1,605)	
<b>Net budget</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>5</b>	<b>-</b>	<b>5</b>	

	2020 Budget (2020 January 1)	2020 Change (Incremental)	2020 Budget (2020 June 30)	2021 Budget (2020 January 1)	2021 Change (Incremental)	2021 Budget (2020 June 30)	2022 Budget (2020 January 1)	2022 Change (Incremental)	2022 Budget (2020 June 30)	Comments
<b>Public Transit</b>										Net base budget change of (\$21) in 2020, (\$16) in 2021, and (\$11) in 2022 due to: -Fringe rate reduction of (\$3,676) in 2020, (\$3,671) in 2021, and (\$3,667) in 2022 -Union settlement of \$3,516 in 2020 to 2022 -CWP return of centralized budget of \$128 from 2020 to 2022 -Net zero transfer of \$11 from 2020 to 2022 from Sidewalks & Pathways
Expenditures	444,136	(28)	444,109	450,137	(23)	450,114	456,187	(18)	456,169	
Recoveries	(12,829)	7	(12,822)	(12,829)	7	(12,822)	(12,829)	7	(12,822)	
Revenues	(189,674)	0	(189,674)	(193,253)	0	(193,253)	(197,072)	0	(197,072)	
<b>Net budget</b>	<b>241,633</b>	<b>(21)</b>	<b>241,613</b>	<b>244,055</b>	<b>(16)</b>	<b>244,039</b>	<b>246,286</b>	<b>(11)</b>	<b>246,275</b>	
<b>Sidewalks &amp; Pathways</b>										Net base budget change of \$108 in 2020 to 2022 due to: -Fringe rate reduction of (\$257) in 2020 to 2022 -Union settlement of \$213 in 2020 to 2022 -CWP return of centralized budgets of \$231 from 2020 to 2022 -Net zero transfer of (\$80) from 2020 to 2022 to various services
Expenditures	61,718	818	62,535	54,171	818	54,989	54,993	818	55,811	
Recoveries	(5,894)	(677)	(6,571)	(5,894)	(677)	(6,571)	(5,894)	(677)	(6,571)	
Revenues	(3,566)	(34)	(3,599)	(3,637)	(34)	(3,670)	(3,686)	(34)	(3,719)	
<b>Net budget</b>	<b>52,257</b>	<b>108</b>	<b>52,365</b>	<b>44,640</b>	<b>108</b>	<b>44,747</b>	<b>45,413</b>	<b>108</b>	<b>45,521</b>	
<b>Specialized Transit</b>										Net base budget change of (\$46) in 2020 to 2022 due to: -Fringe rate reduction of (\$191) in 2020 to 2022 -Union settlement of \$145 in 2020 to 2022
Expenditures	43,587	(46)	43,541	45,255	(46)	45,209	46,931	(46)	46,885	
Recoveries	-	-	-	-	-	-	-	-	-	
Revenues	(2,395)	(0)	(2,395)	(2,671)	-	(2,671)	(2,947)	-	(2,947)	
<b>Net budget</b>	<b>41,192</b>	<b>(46)</b>	<b>41,146</b>	<b>42,584</b>	<b>(46)</b>	<b>42,538</b>	<b>43,984</b>	<b>(46)</b>	<b>43,938</b>	
<b>Streets</b>										Net base budget change of \$525 in 2020 to 2022 due to: -Fringe rate reduction of (\$1,069) in 2020 to 2022 -Union settlement of \$1,016 in 2020 to 2022 -CWP return of centralized budget of \$500 from 2020 to 2022 -Net zero transfer of \$78 in 2020 to 2022 from Sidewalks & Pathways
Expenditures	207,028	482	207,510	211,417	482	211,899	214,870	482	215,352	
Recoveries	(45,680)	43	(45,637)	(45,680)	43	(45,637)	(45,680)	43	(45,637)	
Revenues	(31,501)	-	(31,501)	(32,098)	-	(32,098)	(32,613)	-	(32,613)	
<b>Net budget</b>	<b>129,847</b>	<b>525</b>	<b>130,372</b>	<b>133,639</b>	<b>525</b>	<b>134,164</b>	<b>136,576</b>	<b>525</b>	<b>137,102</b>	
<b>Taxi, Limousine &amp; Vehicles-for-Hire</b>										
Expenditures	5,021	-	5,021	4,595	(0)	4,595	4,680	(0)	4,680	
Recoveries	-	-	-	-	-	-	-	-	-	
Revenues	(4,503)	-	(4,503)	(4,595)	-	(4,595)	(4,680)	-	(4,680)	
<b>Net budget</b>	<b>517</b>	<b>-</b>	<b>517</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	
<b>TOTAL - A CITY THAT MOVES</b>										
Expenditures	764,457	1,226	765,683	768,545	1,231	769,776	780,634	1,235	781,869	
Recoveries	(65,767)	(627)	(66,393)	(65,767)	(627)	(66,393)	(65,767)	(627)	(66,393)	
Revenues	(233,244)	(34)	(233,277)	(237,859)	(34)	(237,892)	(242,603)	(34)	(242,636)	
<b>Net budget</b>	<b>465,447</b>	<b>566</b>	<b>466,013</b>	<b>464,920</b>	<b>571</b>	<b>465,491</b>	<b>472,264</b>	<b>575</b>	<b>472,839</b>	
<b>A HEALTHY &amp; GREEN CITY</b>										Net base budget change of \$201 in 2020, and \$237 in 2021 to 2022 due to: -Fringe rate reduction of (\$58) in 2020 to 2022 -Union settlement of \$43 in 2020 to 2022 -CWP return of centralized budget of \$254 in 2020 and \$290 in 2021 to 2022 -Net zero transfer of (\$39) in 2020 to 2022 to Organizational Health, Safety & Wellness
<b>Environmental Management</b>										
Expenditures	7,573	490	8,063	7,573	526	8,099	7,573	526	8,099	
Recoveries	(1,848)	(289)	(2,138)	(1,848)	(289)	(2,138)	(1,848)	(289)	(2,138)	
Revenues	(108)	-	(108)	(108)	-	(108)	(108)	-	(108)	
<b>Net budget</b>	<b>5,616</b>	<b>201</b>	<b>5,818</b>	<b>5,616</b>	<b>237</b>	<b>5,853</b>	<b>5,616</b>	<b>237</b>	<b>5,853</b>	
<b>Parks &amp; Open Spaces</b>										Net base budget change of (\$408) in 2020, and (\$411) in 2021 to 2022 due to: -Fringe rate reduction of (\$513) in 2020 to 2022 -Union settlement of \$601 in 2020, and \$599 in 2021 to 2022 -Net zero transfer of (\$497) from 2020 to 2022 to Facility Management, City Cemeteries, Sidewalks & Pathways, and Urban Forestry
Expenditures	75,527	1,693	77,220	76,275	1,691	77,966	76,897	1,691	78,588	
Recoveries	(3,009)	(1,343)	(4,352)	(3,009)	(1,343)	(4,352)	(3,009)	(1,343)	(4,352)	
Revenues	(3,770)	(758)	(4,528)	(3,806)	(758)	(4,564)	(3,839)	(758)	(4,597)	
<b>Net budget</b>	<b>68,748</b>	<b>(408)</b>	<b>68,340</b>	<b>69,461</b>	<b>(411)</b>	<b>69,050</b>	<b>70,049</b>	<b>(411)</b>	<b>69,638</b>	

	2020 Budget (2020 January 1)	2020 Change (Incremental)	2020 Budget (2020 June 30)	2021 Budget (2020 January 1)	2021 Change (Incremental)	2021 Budget (2020 June 30)	2022 Budget (2020 January 1)	2022 Change (Incremental)	2022 Budget (2020 June 30)	Comments
<b>Recreation Opportunities</b>										Net base budget change of (\$4,198) in 2020, and (\$4,275) in 2021, and (\$4,353) in 2022 due to:
Expenditures	93,794	(4,198)	89,596	94,648	(4,275)	90,373	94,312	(4,353)	89,959	-Fringe rate reduction of (\$687) in 2020 to 2022
Recoveries	(2,294)	-	(2,294)	(2,294)	-	(2,294)	(2,288)	-	(2,288)	-Union settlement of \$613 in 2020 to 2022
Revenues	(45,931)	-	(45,931)	(45,931)	-	(45,931)	(45,456)	-	(45,456)	-Net zero transfer of (\$4,123) in 2020, (\$4,200) in 2021, and (\$4,279) in 2022 to Facility Management
<b>Net budget</b>	<b>45,570</b>	<b>(4,198)</b>	<b>41,372</b>	<b>46,423</b>	<b>(4,275)</b>	<b>42,148</b>	<b>46,569</b>	<b>(4,353)</b>	<b>42,215</b>	
<b>Stormwater Management</b>										
Expenditures	78,497	0	78,497	81,470	(0)	81,470	83,714	-	83,714	
Recoveries	(3,487)	-	(3,487)	(3,487)	-	(3,487)	(3,487)	-	(3,487)	
Revenues	(75,011)	-	(75,011)	(77,983)	-	(77,983)	(80,227)	-	(80,227)	
<b>Net budget</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Urban Forestry</b>										Net base budget change of \$72 in 2020 to 2022 due to:
Expenditures	13,704	825	14,530	14,209	825	15,035	14,713	825	15,539	-Fringe rate reduction of (\$101) in 2020 to 2022
Recoveries	(130)	130	-	(130)	130	-	(130)	130	-	-Union settlement of \$103 in 2020 to 2022
Revenues	-	(883)	(883)	-	(883)	(883)	-	(883)	(883)	-Net zero transfer of \$70 in 2020 to 2022 from Parks & Open Spaces
<b>Net budget</b>	<b>13,574</b>	<b>72</b>	<b>13,646</b>	<b>14,079</b>	<b>72</b>	<b>14,151</b>	<b>14,583</b>	<b>72</b>	<b>14,655</b>	
<b>Waste &amp; Recycling</b>										Net base budget change of (\$61) in 2020 to 2022 due to:
Expenditures	168,822	(61)	168,760	169,950	(61)	169,888	172,068	(61)	172,006	-Fringe rate reduction of (\$172) in 2020 to 2022
Recoveries	(14,217)	(0)	(14,217)	(14,234)	-	(14,234)	(14,252)	-	(14,252)	-Union settlement of \$110 in 2020 to 2022
Revenues	(135,820)	-	(135,820)	(137,311)	-	(137,311)	(139,791)	-	(139,791)	
<b>Net budget</b>	<b>18,785</b>	<b>(61)</b>	<b>18,724</b>	<b>18,405</b>	<b>(61)</b>	<b>18,344</b>	<b>18,025</b>	<b>(61)</b>	<b>17,964</b>	
<b>Wastewater Collection &amp; Treatment</b>										
Expenditures	434,072	(0)	434,072	469,079	-	469,079	494,082	-	494,082	
Recoveries	(10,057)	-	(10,057)	(10,057)	-	(10,057)	(10,057)	-	(10,057)	
Revenues	(424,015)	0	(424,015)	(459,022)	-	(459,022)	(484,025)	-	(484,025)	
<b>Net budget</b>	<b>-</b>	<b>(0)</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Water Treatment &amp; Supply</b>										
Expenditures	319,073	0	319,073	322,385	0	322,385	323,030	-	323,030	
Recoveries	(10,304)	-	(10,304)	(10,304)	-	(10,304)	(10,304)	-	(10,304)	
Revenues	(308,769)	0	(308,769)	(312,081)	-	(312,081)	(312,726)	-	(312,726)	
<b>Net budget</b>	<b>-</b>	<b>0</b>	<b>(0)</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL - A HEALTHY &amp; GREEN CITY</b>										
Expenditures	1,191,062	(1,250)	1,189,812	1,235,589	(1,293)	1,234,295	1,266,389	(1,372)	1,265,017	
Recoveries	(45,346)	(1,503)	(46,848)	(45,363)	(1,503)	(46,865)	(45,375)	(1,503)	(46,877)	
Revenues	(993,423)	(1,642)	(995,065)	(1,036,242)	(1,642)	(1,037,883)	(1,066,172)	(1,642)	(1,067,814)	
<b>Net budget</b>	<b>152,294</b>	<b>(4,395)</b>	<b>147,899</b>	<b>153,985</b>	<b>(4,438)</b>	<b>149,547</b>	<b>154,842</b>	<b>(4,516)</b>	<b>150,326</b>	
<b>A WELL-RUN CITY</b>										Net base budget change of (\$86) in 2020 to 2022 due to:
<b>Appeals &amp; Tribunals</b>										-Fringe rate reduction of (\$22) in 2020 to 2022
Expenditures	4,858	(86)	4,773	4,858	(86)	4,773	4,858	(86)	4,773	-Union settlement of \$17 in 2020 to 2022
Recoveries	(5)	-	(5)	(5)	-	(5)	(5)	-	(5)	-Net zero transfer of (\$81) in 2020 to 2022 to Municipal Elections and Records Management, Access & Privacy
Revenues	(667)	(0)	(668)	(668)	-	(668)	(668)	-	(668)	
<b>Net budget</b>	<b>4,185</b>	<b>(86)</b>	<b>4,100</b>	<b>4,185</b>	<b>(86)</b>	<b>4,100</b>	<b>4,185</b>	<b>(86)</b>	<b>4,100</b>	
<b>Citizen Engagement &amp; Insights</b>										Net base budget change of (\$404) in 2020, and (\$403) in 2021 to 2022 due to:
Expenditures	5,292	78	5,371	4,969	80	5,049	4,918	80	4,998	-Fringe rate reduction of (\$53) in 2020, and (\$52) in 2021 to 2022
Recoveries	(520)	(482)	(1,002)	(520)	(482)	(1,002)	(520)	(482)	(1,002)	-Union settlement of \$46 in 2020 to 2022
Revenues	-	-	-	-	-	-	-	-	-	-Net zero transfer of (\$397) in 2020 to 2022 to Citizen Information & Services
<b>Net budget</b>	<b>4,773</b>	<b>(404)</b>	<b>4,368</b>	<b>4,450</b>	<b>(403)</b>	<b>4,047</b>	<b>4,399</b>	<b>(403)</b>	<b>3,996</b>	

	2020 Budget (2020 January 1)	2020 Change (Incremental)	2020 Budget (2020 June 30)	2021 Budget (2020 January 1)	2021 Change (Incremental)	2021 Budget (2020 June 30)	2022 Budget (2020 January 1)	2022 Change (Incremental)	2022 Budget (2020 June 30)	Comments
<b>Citizen Information &amp; Services</b>										Net base budget change of \$924 in 2020 to 2022 due to: -Fringe rate reduction of (\$151) in 2020 to 2022 -Union settlement of \$189 in 2020 to 2022 -Net zero transfer of \$886 in 2020 to 2022 from Citizen Engagement & Insights and Strategic Marketing & Communications
Expenditures	13,461	(489)	12,972	13,462	(489)	12,973	13,413	(489)	12,924	
Recoveries	(1,651)	1,412	(239)	(1,651)	1,412	(239)	(1,651)	1,412	(239)	
Revenues	-	-	-	-	-	-	-	-	-	
<b>Net budget</b>	<b>11,809</b>	<b>924</b>	<b>12,733</b>	<b>11,810</b>	<b>924</b>	<b>12,734</b>	<b>11,761</b>	<b>924</b>	<b>12,685</b>	
<b>City Auditor's Office</b>										Net base budget change of \$85 in 2020, and \$116 in 2021 to 2022 due to: -Fringe rate reduction of (\$34) in 2020 to 2022 -CWP distribution of centralized budget of \$119 in 2020 and \$150 in 2021 to 2022
Expenditures	2,939	85	3,024	2,940	116	3,056	2,941	116	3,057	
Recoveries	-	-	-	-	-	-	-	-	-	
Revenues	-	-	-	-	-	-	-	-	-	
<b>Net budget</b>	<b>2,939</b>	<b>85</b>	<b>3,024</b>	<b>2,940</b>	<b>116</b>	<b>3,056</b>	<b>2,941</b>	<b>116</b>	<b>3,057</b>	
<b>Corporate Governance</b>										Net base budget change of (\$252) in 2020 to 2022 due to: -Fringe rate reduction of (\$159) in 2020 to 2022 -Union settlement of \$58 in 2020 to 2022 -Net zero transfer of (\$151) in 2020 to 2022 to Organizational Health, Safety & Wellness and Environmental Management
Expenditures	16,466	(402)	16,064	16,468	(402)	16,066	16,470	(252)	16,218	
Recoveries	(4,528)	0	(4,528)	(4,528)	-	(4,528)	(4,528)	-	(4,528)	
Revenues	(215)	150	(65)	(215)	150	(65)	(215)	-	(215)	
<b>Net budget</b>	<b>11,723</b>	<b>(252)</b>	<b>11,471</b>	<b>11,725</b>	<b>(252)</b>	<b>11,473</b>	<b>11,727</b>	<b>(252)</b>	<b>11,475</b>	
<b>Council &amp; Committee Support</b>										Net base budget change of (\$71) in 2020 to 2022 due to: -Fringe rate reduction of (\$30) in 2020 to 2022 -Union settlement of \$14 in 2020 to 2022 -Net zero transfer of (\$55) in 2020 to 2022 to Records Management, Access & Privacy and Municipal Elections
Expenditures	4,458	(77)	4,381	3,807	(77)	3,730	3,856	(77)	3,779	
Recoveries	(55)	0	(55)	(55)	-	(55)	(55)	-	(55)	
Revenues	(26)	7	(19)	(26)	7	(19)	(26)	7	(19)	
<b>Net budget</b>	<b>4,378</b>	<b>(71)</b>	<b>4,307</b>	<b>3,727</b>	<b>(71)</b>	<b>3,656</b>	<b>3,776</b>	<b>(71)</b>	<b>3,705</b>	
<b>Executive Leadership</b>										Net base budget change of \$147 in 2020 to 2022 due to: -Fringe rate reduction of (\$123) in 2020 to 2022 -Union settlement of \$2 in 2020 to 2022 -Net zero transfer of \$268 in 2020 to 2022 from City Planning & Policy and Corporate Costs & Debt Servicing
Expenditures	11,639	(265)	11,374	11,641	(265)	11,376	11,643	(265)	11,378	
Recoveries	(863)	412	(451)	(863)	412	(451)	(863)	412	(451)	
Revenues	-	-	-	-	-	-	-	-	-	
<b>Net budget</b>	<b>10,776</b>	<b>147</b>	<b>10,923</b>	<b>10,778</b>	<b>147</b>	<b>10,925</b>	<b>10,780</b>	<b>147</b>	<b>10,927</b>	
<b>Mayor &amp; Council</b>										Net base budget change of (\$33) in 2020 to 2022 due to: -Fringe rate reduction of (\$33) in 2020 to 2022
Expenditures	11,618	(33)	11,585	11,582	(33)	11,549	11,538	(33)	11,505	
Recoveries	-	-	-	-	-	-	-	-	-	
Revenues	-	-	-	-	-	-	-	-	-	
<b>Net budget</b>	<b>11,618</b>	<b>(33)</b>	<b>11,585</b>	<b>11,582</b>	<b>(33)</b>	<b>11,549</b>	<b>11,538</b>	<b>(33)</b>	<b>11,505</b>	
<b>Municipal Elections</b>										Net base budget change of \$33 in 2020 to 2022 due to: -Fringe rate reduction of (\$11) in 2020 to 2022 -Union settlement of \$3 in 2020 to 2022 -Net zero transfer of \$41 in 2020 to 2022 from Appeals & Tribunals and Council & Committee Support
Expenditures	1,920	41	1,960	4,620	41	4,660	1,920	41	1,960	
Recoveries	(5)	-	(5)	(5)	-	(5)	(5)	-	(5)	
Revenues	(331)	(7)	(339)	(331)	(7)	(339)	(331)	(7)	(339)	
<b>Net budget</b>	<b>1,583</b>	<b>33</b>	<b>1,616</b>	<b>4,283</b>	<b>33</b>	<b>4,316</b>	<b>1,583</b>	<b>33</b>	<b>1,616</b>	
<b>Property Assessment</b>										Net base budget change of (\$20) in 2020 to 2022 due to: -Fringe rate reduction of (\$233) in 2020 to 2022 -Union settlement of \$213 in 2020 to 2022
Expenditures	20,591	(20)	20,571	20,592	(20)	20,572	20,593	(20)	20,573	
Recoveries	-	-	-	-	-	-	-	-	-	
Revenues	(50)	-	(50)	(50)	-	(50)	(50)	-	(50)	
<b>Net budget</b>	<b>20,541</b>	<b>(20)</b>	<b>20,521</b>	<b>20,542</b>	<b>(20)</b>	<b>20,522</b>	<b>20,543</b>	<b>(20)</b>	<b>20,523</b>	
<b>Records Management, Access &amp; Privacy</b>										Net base budget change of \$82 in 2020, and \$81 2021 to 2022 due to: -Fringe rate reduction of (\$35) in 2020 to 2022 -Union settlement of \$23 in 2020, and \$21 in 2021 to 2022 -Net zero transfer of \$95 in 2020 to 2022 from Appeals & Tribunals and Council & Committee Support
Expenditures	3,700	82	3,781	3,833	80	3,913	3,878	80	3,958	
Recoveries	(5)	-	(5)	(5)	-	(5)	(5)	-	(5)	
Revenues	(4)	1	(3)	(4)	1	(3)	(4)	1	(3)	
<b>Net budget</b>	<b>3,691</b>	<b>82</b>	<b>3,773</b>	<b>3,824</b>	<b>81</b>	<b>3,904</b>	<b>3,869</b>	<b>81</b>	<b>3,949</b>	
<b>Taxation</b>										Net base budget change of (\$5) in 2020 to 2022 due to: -Fringe rate reduction of (\$57) in 2020 to 2022 -Union settlement of \$53 in 2020 to 2022
Expenditures	6,777	(5)	6,772	6,757	(5)	6,752	6,757	(5)	6,752	
Recoveries	-	-	-	-	-	-	-	-	-	
Revenues	(342)	-	(342)	(342)	-	(342)	(342)	-	(342)	
<b>Net budget</b>	<b>6,434</b>	<b>(5)</b>	<b>6,430</b>	<b>6,414</b>	<b>(5)</b>	<b>6,410</b>	<b>6,414</b>	<b>(5)</b>	<b>6,410</b>	

	2020 Budget (2020 January 1)	2020 Change (Incremental)	2020 Budget (2020 June 30)	2021 Budget (2020 January 1)	2021 Change (Incremental)	2021 Budget (2020 June 30)	2022 Budget (2020 January 1)	2022 Change (Incremental)	2022 Budget (2020 June 30)	Comments
<b>TOTAL - A WELL-RUN CITY</b>										
Expenditures	103,720	(1,090)	102,629	105,530	(1,060)	104,470	102,786	(910)	101,876	
Recoveries	(7,633)	1,342	(6,291)	(7,633)	1,342	(6,291)	(7,633)	1,342	(6,291)	
Revenues	(1,635)	150	(1,485)	(1,635)	150	(1,485)	(1,635)	0	(1,635)	
<b>Net budget</b>	<b>94,451</b>	<b>402</b>	<b>94,853</b>	<b>96,261</b>	<b>432</b>	<b>96,693</b>	<b>93,517</b>	<b>432</b>	<b>93,949</b>	
<b>ENABLING SERVICES</b>										
<b>Corporate Security</b>										Net base budget change of \$27 in 2020, \$15 in 2021, and \$8 in 2022 due to: -Fringe rate reduction of (\$171) in 2020, (\$181) in 2021, and (\$187) in 2022 -Union settlement of \$63 in 2020, \$61 in 2021, and \$60 in 2022 -CWP distribution of centralized budget of \$135 for 2020 to 2022
Expenditures	23,786	27	23,814	24,018	15	24,033	24,153	8	24,162	
Recoveries	(14,744)	-	(14,744)	(14,744)	(0)	(14,744)	(14,744)	(0)	(14,744)	
Revenues	(130)	(0)	(130)	(130)	-	(130)	(130)	-	(130)	
<b>Net budget</b>	<b>8,912</b>	<b>27</b>	<b>8,939</b>	<b>9,144</b>	<b>15</b>	<b>9,159</b>	<b>9,279</b>	<b>8</b>	<b>9,287</b>	
<b>Data Analytics &amp; Information Access</b>										Net base budget change of (\$40) in 2020 to 2022 due to: -Fringe rate reduction of (\$104) in 2020 to 2022 -Union settlement of \$64 in 2020 to 2022
Expenditures	9,712	(40)	9,671	9,712	(40)	9,671	9,712	(40)	9,671	
Recoveries	(1,298)	-	(1,298)	(1,298)	-	(1,298)	(1,298)	-	(1,298)	
Revenues	(12)	-	(12)	(12)	-	(12)	(12)	-	(12)	
<b>Net budget</b>	<b>8,401</b>	<b>(40)</b>	<b>8,361</b>	<b>8,401</b>	<b>(40)</b>	<b>8,361</b>	<b>8,401</b>	<b>(40)</b>	<b>8,361</b>	
<b>Facility Management</b>										Net base budget change of \$4,302 in 2020, \$4,378 in 2021, and \$4,457 in 2022 due to: -Fringe rate reduction of (\$295) in 2020 to 2022 -Union settlement of \$206 in 2020 to 2022 -Net zero transfer of \$4,390 in 2020, \$4,467 in 2021, and \$4,547 in 2022 from Parks & Open Spaces, Recreation Opportunities, and Arts & Culture
Expenditures	78,395	4,302	82,697	79,053	4,378	83,432	79,413	4,457	83,870	
Recoveries	(22,263)	(0)	(22,263)	(22,263)	-	(22,263)	(22,263)	-	(22,263)	
Revenues	(2,195)	-	(2,195)	(2,195)	-	(2,195)	(2,195)	-	(2,195)	
<b>Net budget</b>	<b>53,937</b>	<b>4,302</b>	<b>58,239</b>	<b>54,595</b>	<b>4,378</b>	<b>58,973</b>	<b>54,955</b>	<b>4,457</b>	<b>59,412</b>	
<b>Financial Support</b>										Net base budget change of (\$212) in 2020 to 2022 due to: -Fringe rate reduction of (\$437) in 2020 to 2022 -Union settlement of \$235 in 2020 to 2022 -Net zero transfer of (\$9) in 2020 to 2022 to Corporate Governance
Expenditures	38,443	(212)	38,231	38,244	(212)	38,032	38,220	(212)	38,008	
Recoveries	(14,822)	-	(14,822)	(14,822)	-	(14,822)	(14,822)	-	(14,822)	
Revenues	(102)	-	(102)	(102)	-	(102)	(102)	-	(102)	
<b>Net budget</b>	<b>23,518</b>	<b>(212)</b>	<b>23,307</b>	<b>23,319</b>	<b>(212)</b>	<b>23,108</b>	<b>23,295</b>	<b>(212)</b>	<b>23,084</b>	
<b>Fleet Management</b>										
Expenditures	93,147	1	93,148	92,747	(20)	92,727	92,234	(20)	92,214	
Recoveries	(90,813)	(1)	(90,814)	(90,367)	20	(90,347)	(89,807)	20	(89,787)	
Revenues	(2,334)	-	(2,334)	(2,380)	-	(2,380)	(2,427)	-	(2,427)	
<b>Net budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	
<b>Human Resources Support</b>										Net base budget change of (\$218) in 2020 to 2022 due to: -Fringe rate reduction of (\$348) in 2020 to 2022 -Union settlement of \$130 in 2020 to 2022
Expenditures	34,007	(218)	33,789	34,008	(218)	33,790	33,809	(218)	33,591	
Recoveries	(9,482)	(0)	(9,482)	(9,482)	-	(9,482)	(9,482)	-	(9,482)	
Revenues	-	-	-	-	-	-	-	-	-	
<b>Net budget</b>	<b>24,525</b>	<b>(218)</b>	<b>24,307</b>	<b>24,526</b>	<b>(218)</b>	<b>24,308</b>	<b>24,327</b>	<b>(218)</b>	<b>24,109</b>	
<b>Infrastructure Support</b>										Net base budget change of (\$58) in 2020, and (\$57) in 2021 to 2022 due to: -Fringe rate reduction of (\$252) in 2020, (\$251) in 2021, and (\$249) in 2022 -Union settlement of \$194 in 2020 to 2021 and \$192 in 2022
Expenditures	25,552	(58)	25,494	24,926	(57)	24,870	24,667	(57)	24,610	
Recoveries	(13,967)	(0)	(13,967)	(13,967)	-	(13,967)	(13,967)	-	(13,967)	
Revenues	(1,501)	-	(1,501)	(1,501)	-	(1,501)	(1,501)	-	(1,501)	
<b>Net budget</b>	<b>10,084</b>	<b>(58)</b>	<b>10,025</b>	<b>9,458</b>	<b>(57)</b>	<b>9,401</b>	<b>9,199</b>	<b>(57)</b>	<b>9,142</b>	
<b>Insurance &amp; Claims</b>										Net base budget change of (\$18) in 2020 to 2022 due to: -Fringe rate reduction of (\$36) in 2020 to 2022 -Union settlement of \$18 in 2020 to 2022
Expenditures	34,003	(18)	33,984	35,635	(18)	35,617	37,349	(18)	37,331	
Recoveries	(27,909)	0	(27,909)	(29,462)	-	(29,462)	(31,086)	-	(31,086)	
Revenues	(4,938)	(0)	(4,938)	(5,018)	(0)	(5,018)	(5,108)	(0)	(5,108)	
<b>Net budget</b>	<b>1,156</b>	<b>(18)</b>	<b>1,138</b>	<b>1,156</b>	<b>(18)</b>	<b>1,138</b>	<b>1,156</b>	<b>(18)</b>	<b>1,138</b>	

	2020 Budget (2020 January 1)	2020 Change (Incremental)	2020 Budget (2020 June 30)	2021 Budget (2020 January 1)	2021 Change (Incremental)	2021 Budget (2020 June 30)	2022 Budget (2020 January 1)	2022 Change (Incremental)	2022 Budget (2020 June 30)	Comments
<b>IT Solutions &amp; Support</b>										Net base budget change of (\$118) in 2020, and (\$115) in 2021, and (\$113) in 2022 due to: -Fringe rate reduction of (\$825) in 2020, (\$822) in 2021, and (\$820) in 2022 -Union settlement of \$707 in 2020 to 2022
Expenditures	122,449	(118)	122,331	120,356	(115)	120,241	120,626	(113)	120,513	
Recoveries	(58,980)	-	(58,980)	(59,536)	-	(59,536)	(60,105)	-	(60,105)	
Revenues	(1,107)	-	(1,107)	(1,107)	-	(1,107)	(1,107)	-	(1,107)	
<b>Net budget</b>	<b>62,362</b>	<b>(118)</b>	<b>62,244</b>	<b>59,713</b>	<b>(115)</b>	<b>59,598</b>	<b>59,414</b>	<b>(113)</b>	<b>59,301</b>	
<b>Legal Counsel &amp; Advocacy</b>										Net base budget change of (\$153) in 2020 to 2022 due to: -Fringe rate reduction of (\$184) in 2020 to 2022 -Union settlement of \$31 in 2020 to 2022
Expenditures	14,441	(153)	14,289	14,442	(153)	14,290	14,443	(153)	14,291	
Recoveries	(4,664)	-	(4,664)	(4,664)	-	(4,664)	(4,664)	-	(4,664)	
Revenues	(17)	-	(17)	(17)	-	(17)	(17)	-	(17)	
<b>Net budget</b>	<b>9,760</b>	<b>(153)</b>	<b>9,607</b>	<b>9,761</b>	<b>(153)</b>	<b>9,608</b>	<b>9,762</b>	<b>(153)</b>	<b>9,609</b>	
<b>Organizational Health, Safety &amp; Wellness</b>										Net base budget change of \$175 in 2020 to 2022 due to: -Fringe rate reduction of (\$96) in 2020 to 2022 -Union settlement of \$72 in 2020 to 2022 -Net zero transfer of \$199 in 2020 to 2022 from Corporate Governance and Environmental Management
Expenditures	12,368	36	12,404	12,433	36	12,469	12,648	(114)	12,534	
Recoveries	(2,277)	289	(1,988)	(2,277)	289	(1,988)	(2,277)	289	(1,988)	
Revenues	(2,385)	(150)	(2,535)	(2,385)	(150)	(2,535)	(2,535)	-	(2,535)	
<b>Net budget</b>	<b>7,706</b>	<b>175</b>	<b>7,881</b>	<b>7,771</b>	<b>175</b>	<b>7,946</b>	<b>7,836</b>	<b>175</b>	<b>8,011</b>	
<b>Procurement &amp; Warehousing</b>										Net base budget change of \$6 in 2020 to 2022 due to: -Fringe rate reduction of (\$220) in 2020 to 2022 -Union settlement of \$226 in 2020 to 2022
Expenditures	24,791	6	24,797	24,788	6	24,794	24,635	6	24,641	
Recoveries	(11,364)	0	(11,364)	(11,364)	-	(11,364)	(11,364)	-	(11,364)	
Revenues	(5,490)	(0)	(5,490)	(5,490)	-	(5,490)	(5,490)	-	(5,490)	
<b>Net budget</b>	<b>7,937</b>	<b>6</b>	<b>7,943</b>	<b>7,934</b>	<b>6</b>	<b>7,940</b>	<b>7,781</b>	<b>6</b>	<b>7,787</b>	
<b>Real Estate</b>										Net base budget change of (\$40) in 2020 to 2022 due to: -Fringe rate reduction of (\$97) in 2020 to 2022 -Union settlement of \$57 in 2020 to 2022
Expenditures	54,626	(40)	54,587	64,329	(40)	64,290	69,032	(40)	68,993	
Recoveries	(6,473)	0	(6,473)	(5,473)	-	(5,473)	(5,473)	-	(5,473)	
Revenues	(45,362)	-	(45,362)	(56,062)	-	(56,062)	(60,762)	-	(60,762)	
<b>Net budget</b>	<b>2,792</b>	<b>(40)</b>	<b>2,752</b>	<b>2,795</b>	<b>(40)</b>	<b>2,755</b>	<b>2,798</b>	<b>(40)</b>	<b>2,758</b>	
<b>Strategic Marketing &amp; Communications</b>										Net base budget change of (\$430) in 2020, and (\$371) in 2021 to 2022 due to: -Fringe rate reduction of (\$305) in 2020 to 2022 -Union settlement of \$244 in 2020 to 2022 -Net zero transfer of (\$369) in 2020 and (\$310) in 2021 to 2022 between various services
Expenditures	31,487	500	31,987	31,556	559	32,115	31,627	559	32,186	
Recoveries	(23,039)	(930)	(23,969)	(23,108)	(930)	(24,038)	(23,179)	(930)	(24,109)	
Revenues	-	-	-	-	-	-	-	-	-	
<b>Net budget</b>	<b>8,448</b>	<b>(430)</b>	<b>8,018</b>	<b>8,448</b>	<b>(371)</b>	<b>8,077</b>	<b>8,448</b>	<b>(371)</b>	<b>8,077</b>	
<b>TOTAL - ENABLING SERVICES</b>										
Expenditures	597,206	4,015	601,221	606,247	4,123	610,370	612,568	4,047	616,615	
Recoveries	(302,096)	(642)	(302,737)	(302,828)	(621)	(303,449)	(304,532)	(621)	(305,153)	
Revenues	(65,573)	(150)	(65,723)	(76,399)	(150)	(76,549)	(81,386)	(0)	(81,386)	
<b>Net budget</b>	<b>229,537</b>	<b>3,224</b>	<b>232,761</b>	<b>227,020</b>	<b>3,352</b>	<b>230,372</b>	<b>226,650</b>	<b>3,426</b>	<b>230,076</b>	



	2020 Budget (2020 January 1)	2020 Change (Incremental)	2020 Budget (2020 June 30)	2021 Budget (2020 January 1)	2021 Change (Incremental)	2021 Budget (2020 June 30)	2022 Budget (2020 January 1)	2022 Change (Incremental)	2022 Budget (2020 June 30)	Comments
<b>Corporate Programs - Common Revenues</b>										
Expenditures	78,440	(0)	78,440	79,068	-	79,068	79,480	-	79,480	
Recoveries	(2,000)	0	(2,000)	(2,000)	-	(2,000)	(2,000)	-	(2,000)	
Revenues	(2,449,864)	0	(2,449,864)	(2,514,691)	-	(2,514,691)	(2,599,680)	-	(2,599,680)	
<b>Net budget</b>	<b>(2,373,424)</b>	<b>0</b>	<b>(2,373,424)</b>	<b>(2,437,623)</b>	<b>-</b>	<b>(2,437,623)</b>	<b>(2,522,200)</b>	<b>-</b>	<b>(2,522,200)</b>	
<b>Corporate Programs - Corporate Costs &amp; Debt Servicing</b>										Net budget change of (\$10,356) in 2020, (\$10,764) in 2021, and (\$10,656) in 2022 due to:
Expenditures	619,686	(10,356)	609,329	670,619	(10,764)	659,855	743,199	(10,656)	732,543	-Fringe rate reduction of \$16,449 in 2020, \$16,508 in 2021, and \$16,499 in 2022
Recoveries	(1,774)	-	(1,774)	(1,782)	-	(1,782)	(1,791)	-	(1,791)	-Union settlement of (\$24,918) in 2020 and (\$25,235) in 2021 to 2022
Revenues	(65,975)	-	(65,975)	(61,750)	-	(61,750)	(60,496)	-	(60,496)	-CWP distribution of centralized budgets of (\$1,634) in 2020, (\$1,724) in 2021, and (\$1,607) in 2022
<b>Net budget</b>	<b>551,937</b>	<b>(10,356)</b>	<b>541,580</b>	<b>607,087</b>	<b>(10,764)</b>	<b>596,323</b>	<b>680,912</b>	<b>(10,656)</b>	<b>670,256</b>	-Net zero transfer of (\$253) in 2020 and (\$313) in 2021 to 2022 to Executive Leadership and Strategic Marketing & Communications
<b>TOTAL CITY</b>										
Expenditures	4,616,801	(2,590)	4,614,210	4,738,222	(2,696)	4,735,525	4,868,524	(2,707)	4,865,817	
Recoveries	(451,714)	(1,312)	(453,026)	(452,542)	(1,291)	(453,833)	(454,339)	(1,290)	(455,629)	
Revenues	(4,165,086)	3,903	(4,161,183)	(4,285,679)	3,987	(4,281,692)	(4,414,184)	3,997	(4,410,188)	
<b>Net budget</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Parking - Calgary Parking Authority</b>										
Expenditures	63,421	-	63,421	60,986	-	60,986	61,773	-	61,773	
Recoveries	(50)	-	(50)	(50)	-	(50)	(50)	-	(50)	
Revenues	(91,945)	-	(91,945)	(91,686)	-	(91,686)	(92,995)	-	(92,995)	
<b>Net budget</b>	<b>(28,574)</b>	<b>-</b>	<b>(28,574)</b>	<b>(30,750)</b>	<b>-</b>	<b>(30,750)</b>	<b>(31,272)</b>	<b>-</b>	<b>(31,272)</b>	
<b>TOTAL CITY (with CPA)</b>										
Expenditures	4,680,222	(2,590)	4,677,631	4,799,208	(2,696)	4,796,511	4,930,297	(2,707)	4,927,590	
Recoveries	(451,764)	(1,312)	(453,076)	(452,592)	(1,291)	(453,883)	(454,389)	(1,290)	(455,679)	
Revenues	(4,257,031)	3,903	(4,253,128)	(4,377,365)	3,987	(4,373,378)	(4,507,179)	3,997	(4,503,183)	
<b>Net budget</b>	<b>(28,574)</b>	<b>(0)</b>	<b>(28,574)</b>	<b>(30,750)</b>	<b>-</b>	<b>(30,750)</b>	<b>(31,272)</b>	<b>-</b>	<b>(31,272)</b>	



## **Golf Course Operations Expression of Interest and Real Estate Assessment**

### **RECOMMENDATIONS:**

That the Priorities and Finance Committee recommend that Council receive for the Corporate record the results of the assessment of market interest in a long-term contract to provide public golf service, and direct Administration to:

1. Complete a review of City land at Richmond Green by proceeding with Stage 2 of the real estate feasibility assessment and an internal planning review cataloguing Corporate needs and existing on-site restrictions to inform future redevelopment and public engagement.
2. Report back to the Priorities and Finance Committee on the results of the real estate feasibility assessment and planning review on or before 2021 May.
3. Direct that Attachment 4 remain confidential pursuant to Section 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed 2025 October 01.

### **HIGHLIGHTS**

- The expression of interest (EOI) assessing market interest in a long-term contract to provide public golf service received limited interest.
- A preliminary real estate review indicated a five-acre parcel of land at Richmond Green holds redevelopment potential, warranting a full scope feasibility assessment and planning review to determine the full value of the land.
- What does this mean to Calgarians?
  - Further due diligence on an appropriate contract structure and procurement process will be carried out to ensure quality service to Calgarians while mitigating serious risk to The City in changing the operating model for publicly accessible golf.
  - A planning review of Richmond Green would evaluate redevelopment potential, explore optimized uses and consider revenue generation opportunities so a future decision on use of the land provides maximum benefit and value for Calgarians.
- Why does this matter?
  - Ensuring ongoing benefit to Calgarians while reducing risk to The City is critical to providing sustainable services.
  - A planning review of Richmond Green would provide a full picture of opportunities for future land use at the site while demonstrating effective use of public resources.
- A clearly defined contract structure is required to proceed to a Request For Proposal (RFP) per Council Direction (C2019-1468) to mitigate legal risks.
- Real Estate and Development Services' (RE&DS) preliminary review of the Richmond Green site found that a portion of the site has potential for redevelopment and disposition, and identified next steps in exploring that potential.
- The closure of Richmond Green Golf Course saved \$150 thousand in budgeted Golf Course Operations.
- On 2020 March 16 (PFC2020-0251), Council directed Administration:
  - to investigate a shorter time frame option and expression of interest from the marketplace;
  - to prepare a financial report on the closure of Richmond Green and options for stage 2 assessment.

## **Golf Course Operations Expression of Interest and Real Estate Assessment**

- Strategic Alignment to Council's Citizen Priorities: A well-run city
- Previous Council Direction and Background is included as Attachment 1.

### **DISCUSSION**

#### **Assessing Market Interest and Completing Required Due Diligence**

Administration assessed interest from the market to enter into a long-term contract for the provision of public golf service to Calgarians. A summary of the scope and results of the EOI can be found in Attachment 2.

Originally scheduled to report back to the Standing Policy Committee on Community and Protective Services in 2020 April after investigating a shorter time frame option, the investigation and posting were delayed to ensure organizations impacted by COVID-19 had the opportunity to submit.

The EOI had reasonable public exposure but generated a low level of interest. Submissions acknowledged the EOI was not designed to provide a defined contract structure nor delineate the benefits and risks for both the proponent and The City. Submissions identified the need to review such contract terms before committing to investigating this opportunity further.

Next steps in fulfilling Council's direction will be to undertake the required due diligence of identifying legal pathways to addressing successor rights, developing an optimal contract structure, creating an RFP document and developing comprehensive evaluation criteria. Contractual and procurement due diligence will be initiated with support from Supply Management, Labour Relations, Facility Management, Finance and Real Estate and Development Services with a report back to Council by Q3 2021.

#### **Real Estate and Planning Review of Richmond Green**

In Q2 2020, Real Estate and Development Services' (RE&DS) preliminary review of the site found that a portion of the site has potential for redevelopment and disposition. If approved to proceed, Administration will launch two concurrent projects beginning in Q4 2020: (1) RE&DS Stage 2 assessment of a five-acre parcel for disposition and (2) an internal planning review to catalog Corporate needs, evaluate current uses and define existing on-site restrictions.

Administration will report back to Council by 2021 May with the findings of these two projects and seek direction from Council to include the five-acre parcel in planning for future City services from the Richmond Site or to dispose of the parcel through a land sale. With direction from Council, Administration would proceed with a long-term planning project for the subject lands and conduct public engagement. Attachment 3 summarizes planned activities for the two workstreams. Confidential Attachment 4 provides a preliminary financial analysis for the parcel.

#### **Financial Report on the Closure of Richmond Green Golf Course**

Richmond Green Golf Course was closed at the end of the 2019 golf season. Financial details are summarized below.

Revenue	(188,000)	Annual revenue based on historical averages
Expenses	338,000	Annual expenditures based on historical averages
<b>Net</b>	<b>150,000</b>	<b>Cost Savings</b>

## **Golf Course Operations Expression of Interest and Real Estate Assessment**

### **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

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

The EOI was broadly communicated to the golf industry and sport and recreation sector through current partnerships, Council members, industry associations and network groups.

### **IMPLICATIONS**

#### **Social**

Well planned public spaces support the diverse needs of Calgarians. Reviewing the uses and opportunities at Richmond Green will ensure this site continues to support Calgarians' needs for open park space and recreational opportunities for years to come.

#### **Environmental**

Golf courses and park spaces are natural areas providing open green space relief in an urban environment. They accommodate critical stormwater infrastructure, contribute to the urban forest footprint, support diverse habitat and ecosystems and act as wildlife corridors. They play a role in Calgary's environmental sustainability efforts; contributing to climate change mitigation through expansive urban vegetation.

#### **Economic**

The EOI process was not designed to analyze the economic benefits of changing the service model for golf. Further contractual and procurement due diligence will provide this insight.

A planning and real estate review of City lands at Richmond Green would allow Administration to fully understand the economic and community benefits of repurposing the land.

The Golf Sustainability Framework promotes fiscal responsibility and the effective use of resources for maximizing the economic benefit of golf courses. A net tax support reduction of \$150 thousand from closing Richmond Green Golf Course contributed to Golf sustainability.

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

##### **Existing operating funding - one-time: up to \$300 thousand**

RE&DS anticipates the Stage 2 assessment of the five-acre parcel at Richmond Green will require a budget of up to \$300 thousand and will utilize funds available in the Real Estate Reserve. Funds would be used to procure external consultants to ensure the land is suitable for redevelopment. This one-time funding requirement will not carry forward as an ongoing operational expense.

This assessment by RE&DS has potential to create revenue for The City and a future one-time funding source to sustain Golf Course Operations after the Real Estate Reserve is reimbursed.

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**Golf Course Operations Expression of Interest and Real Estate Assessment**

Revenue could be used to relocate any displaced amenities if required to maintain service levels. The potential revenue could be realized in 12-24 months.

**RISK**

Expediting a procurement solution without completing due diligence on the contract format has been identified as a significant risk. Without due diligence to mitigate the risk, The City will be unable to determine impacts to current operations and finances, an optimized contract structure for City and public benefit, legal pathways to address successor rights and the risk of placing a vulnerable procurement opportunity on the market. This exposes the Corporation to potential legal action and extended or failed contract negotiations. Thus, the mitigation to this risk is to proceed to complete due diligence to identify a legal contract structure.

Considering the limited EOI response, there is a risk that a future RFP may not receive increased interest. Completing the due diligence requires staff time and will remove resources from the ongoing provision of Golf services and support for Labour Relations. To mitigate this risk, golf sustainability initiatives will be delayed to allocate staff to this project and external counsel may be engaged to add resources to the Labour Relations team.

Cost obligations and financial exposure of Stage 2 of the real estate feasibility assessment have been mitigated through use of the Real Estate Reserve. Additional financial risk is mitigated through effective project management using a stage-gated approach providing off ramps if land redevelopment is found to be unfeasible.

**ATTACHMENTS**

1. Previous Council Direction, Background
2. Expression of Interest (EOI) Overview
3. Richmond Green Stage Two Site Assessment and Planning Review
4. CONFIDENTIAL – Richmond Green Assessment Value

**Department Circulation**

General Manager /Designate	Department	Approve/Consult/Inform
Campbell Berry	RE&DS	Approve
Sarah Aspinall	Supply Management	Inform
Duncan Hamilton	Labour Relations	Inform

# Background

## Context

The City operates seven municipal golf courses with 90 holes and three driving ranges at five locations. These golf courses provide \$10 to \$11 million in direct economic activity each year, requiring an average annual tax-support of \$700 thousand.

From 1995 to 2012, The City's golf courses were self-supporting, funding both their operational and capital requirements. Over this 17-year period, golf revenues contributed an additional \$3.6 million to Corporate general revenues and funded \$14 million in golf course capital projects; contributing to the quality and longevity of these assets.

In 2013, with consideration given to Golf's increasing expenses, constrained revenue growth in an increasingly congested market and capital funding challenges, Council removed Calgary Recreation's requirement to provide \$200 thousand annually in golf revenues to Corporate general revenues and allowed City golf courses to receive operating tax support. Between 2013 and 2019, tax support for City golf courses has averaged seven per cent or \$700 thousand annually.

Through the Golf Sustainability Framework, Administration and Council are identifying opportunities to improve golf course operations on City lands with the target of reaching net zero operating support by the end of 2022.

## Previous Council Direction

On 2020 March 16, Council directed Administration to (PFC2020-0251):

1. To investigate a shorter time frame option and expression of interest from the marketplace;
2. To prepare a financial report on the closure of Richmond Green and options for stage 2 assessment; and
3. Discontinue further investigation of Shaganappi Point golf course.
4. That Recommendations 1 and 2 return to the April 21 Priorities and Finance Committee Meeting.

On 2019 November 18, Council approved the Golf Course Operations Request For Proposal Notice of Motion (C2019-1468) which provided the following instructions:

1. Direct Administration to develop a Request For Proposal (RFP) and go to market to secure a long-term management contract for the operations and service provision of all City of Calgary golf courses.
2. Direct Administration to develop a scope of work to deliver an RFP to the market and report back to Council through the SPC on Community and Protective Services no later than early Q1 2020 with a timeline and funding recommendation required to create, administer and evaluate and RFP process.

On 2019 November 12, the results of Golf Programs and Activities' Sub-Service Review were delivered to Council in Attachment 10 of the 2020 Adjustments to the One Calgary Service Plans and Budgets (C2019-1052).

On 2019 October 08, a Golf Sustainability Framework briefing note (PFC2019-1227) was provided to the Priorities and Finance Committee (PFC). The briefing note contained:

- a. An interim update on the Golf Course Sustainability Strategy;
- b. An interim update on the Golf Course Real Estate and Development Assessment; and,
- c. Options for future use of the Richmond Green land.

On 2019 July 16, Council approved the recommendation below regarding a sub-service review, of which Golf Programs and Activities was one of six sub-services initially approved for review. That with respect to Recommendation 1 of Report C2019-0883, the following be adopted:

That Council:

1. Approve the sub-service reviews contained in Table 1 of Attachment 3, released to the public during the presentation at the 2019 July 16 Strategic Meeting of Council, to be completed for the November 2019 adjustments to the One Calgary 2019 – 2022 Service Plans and Budgets.

On 2019 June 17, the Richmond Green Golf Course Closure notice of motion (C2019-0790) which was approved by Council. It stated that Council:

1. Direct Administration, as part of its Golf Course Sustainability Strategy, to proceed to close the Richmond Green Golf Course after the end of the 2019 golf season.
2. Direct Administration to return to Priorities and Finance Committee (PFC) in October 2019 with:
  - a. An interim update on the Golf Course Sustainability Strategy;
  - b. An interim update on the Golf Course Real Estate and Development Assessment; and,
  - c. Options for future use of the Richmond Green land, considering the utilities and road requirements, as well as the Currie Barracks Master Plan.

On 2019 May 27, with respect to report CPS2019-0475, the following was adopted:

That Council:

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; and
2. Not include McCall Lake Golf Course in any development assessments given a Redevelopment Feasibility Study was completed on McCall Lake Golf Course in 2014, and the recent investment and improvements to the course in 2018-2019.

On 2018 November 30, through a motion arising at the One Calgary budget discussions (C2018-1158), Council directed Administration to:

1. Bring forward a plan for a real estate and redevelopment assessment (including costs) which may include decommissioning, repurposing, and/or divesting of public golf course(s) for reinvestment in the remaining amenities to sustain the overall operations of public golf courses in Calgary. And



further, report back directly through the SPC on Community and Protective Services no later than May 2019.

On 2018 November 19, per CPS2018-1256 Golf Course Operations Update, Council directed Administration to report back to Council through the SPC on CPS by Q2 2021 with an update on progress toward the options outlined in the report, which were the break even options of the Sustainability Work Plan.

On 2018 June 25, Council adopted CSP2018-0349 Golf Course Sustainability Work Plan Update:

1. Direct that Administration report back to Council on results, indicators and performance measures by Q2 of the final year of each planning cycle to inform a plan for the next cycle;
2. Direct that Attachment 6 remain confidential pursuant to Sections 23(1)(b), 24(1), and 25(1) of the Freedom of Information and Protection of Privacy Act (and that Council consider content therein in camera if requested by Council).
3. Direct that Administration report back to Council through the One Calgary budget process with options that reflect the overall Golf Course Operations to break even in terms of revenue and operating expenses.

On 2017 November 27, at the 2018 budget adjustment deliberations:

With respect to report CPS2017-0539 Review of Golf Courses Planning Considerations and Taxation Implications, and the Motion Arising for Report CPS2017-0539 contained in the 2017 July 24 Minutes of the Regular Meeting of Council,

Council directed Administration to come forward to the SPC on Community and Protective Services no later than 2018 June with an update on the Golf Course Operations Sustainability Workplan and a status report on the direction from the Motion Arising from CPS2017-0539.

On 2017 July 24, in response to NM2017-04 Administration delivered to Council report CPS2017-0539 Review of Golf Courses Planning Considerations and Taxation Implications.

With respect to report CPS2017-0539, Council requests Administration to consider the content of Councillor Colley-Urquhart's proposed Motion Arising document (contained in the 2017 July 24 Minutes of the Regular Meeting of Council) and return to Council at the 2018 budget adjustment process with options on how to move forward with City-owned golf course operations.

On 2017 February 27, Council referred Notice of Motion NM2017-04 Tax Burden of Calgary Golf Courses to the Administration and that in advance of executing the resolution contained in NM2017-04, Council directs Administration to review the state of golf and golf courses within The City of Calgary and propose a framework for addressing golf course retention and redevelopment and report back to Council through the SPC on Community and Protective Services and/or the SPC on Planning and Urban Development by Q3 2017.

On 2015 December 14, Council adopted CPS2015-0947 Golf Course Operations Sustainability Work Plan Update:

1. Direct Administration to continue providing municipal golf services with a City operated service model, inclusive of contracting out select services where efficiencies can be realized; and

2. Direct that Attachment 2 remain confidential pursuant to Sections 23(1)(b), 24(1) (c),24(1)(g) and 2S(1)(c) of the Freedom of Information and Protection of Privacy Act, until Administration fully implements Council's decision(s) with regard to Attachment 2 content.

On 2015 June 29, Council adopted CPS 2015-0492 Golf Course Capital Update:

That Council receive this update report for information.

On 2014 July 21, Council adopted recommendations contained in Report CPS2014-0398 McCall Lake Redevelopment Feasibility Study:

1. Direct Administration to discontinue McCall Lake redevelopment planning and Outline Plan preparation;
2. Direct Administration to implement the Updated Golf Course Operations Sustainability Work Plan as outlined in Attachment 2, after amendment to the Targeted Completion Date for the Item "Service Model Analysis", contained on Page 1 of 2, by deleting the date "Q1 2016", and by substituting with the date "Q4 2015"; and
3. Direct that Attachments 6 and 7 remain confidential pursuant to Sections 23(1)(b), 24(1)(c), 24(1)(g), 25(1)(a), 25(1)(b), and 25(1)(c) of the Freedom of Information and Protection of Privacy Act.

On 2013 May 27, Council adopted CPS2013-0410 Golf Course Operations Guiding Principles:

1. Approve the guiding principles as a framework for Golf Course Operations revised fee structure decision making; and
2. Direct Administration to bring a revised fee structure to Council during the 2014 budget adjustment process (2013 November) for consideration.

On 2012 October 15, Council adopted CPS2012-0702 Golf Course Operations Operational Business Review & Update:

1. Approve, in principle, the elimination of the \$200,000 annual contribution to general revenues from the Business Unit Recreation – Golf, Operating Budget Program 426 and refer this recommendation to the 2013 budget adjustment process in 2012 November for consideration;
2. Approve, in principle, the change of Golf Course Operations mandate from "fully self-sufficient" to "tax supported" to align with the mandate of the rest of the Recreation Business Unit and refer this recommendation to the 2013 budget adjustment process in 2012 November for consideration;
3. Approve the recommendations outlined in Attachment 2, Appendix 4 to develop a revised golf course fee structure and report back through SPC on Community and Protective Services by 2013 May with recommendations on golf fee structure.
4. Approve Administration Recommendation 4 and that Recommendation 4 remain confidential under Sections 23(1)(b), 24(1)(a), 24(1)(g), 25(1)(b) and 25(1)(c)(ii) of the Freedom of Information and Protection of Privacy Act; and
5. Direct Administration Recommendation 4, as amended, and the Report and Attachments, remain confidential pursuant to Sections 23(1)(b), 24(1)(a), 24(1)(g), 25(1)(b) and 25(1)(c)(ii) of the Freedom of Information and Protection of Privacy Act.

## Strategic Alignment to Council's Citizen Priorities and Policies

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Initiatives within the scope of the Golf Sustainability Framework align with Council's priorities to build:

- A City of Inspiring Neighbourhoods,
- A Healthy and Green City and
- A Well-Run City.

### **Golf Sustainability Framework**

The Golf Sustainability Framework is a mechanism for responding to Council direction in a diligent, expedient and transparent way.

### **Sport for Life Policy**

The Sport for Life Policy defines The City's commitment to Calgarians to support and develop sport, including golf, through the implementation of four key pillars: Delivering Sport Programs and Initiatives; Building Infrastructure; Allocating Infrastructure; and Prioritizing Investment.

### **The Recreation Master Plan**

The Recreation Master Plan describes a comprehensive recreation service delivery continuum for providing Calgarians with affordable, accessible and relevant recreation opportunities.

### **The Municipal Development Plan**

The Municipal Development Plan acknowledges that Calgary Recreation, which includes sport, plays an important role in: building complete, strong and great communities; adding to the cultural vitality of The City; contributing to economic development and prosperity; fostering active and vibrant neighbourhoods; and sustaining healthy communities by promoting active living.



## Expression of Interest (EOI) Overview

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### Results of the Golf Course Operations and Service Management EOI

#### Overview of EOI Actions

Administration assessed market interest in entering into a long-term contract for the provision of public golf service through an EOI. The EOI gathered information on interested parties' qualifications, experience and ability to provide service under City access conditions, priorities, policies and guidelines consistent with publicly accessible golf services.

Calgary Recreation consulted with internal corporate stakeholders from Waste & Recycling, Calgary Parks, Supply Management, Labour Relations, and Council in the development of the EOI.

The EOI included instructions for submitting proposals, an explanation of the intent of the EOI, background information, principal operating conditions for submissions and information on:

- context of the operations
- sites and amenities
- current staffing structure
- equipment and vehicles
- point of sale and booking systems
- tax implications
- service provision
- pricing and fee structures
- programs and services
- clubhouse facilities
- food and beverage services
- janitorial, health and safety
- City contract structures

Per previous Council direction the opportunity did not:

- include transfer of ownership or sale of the lands, amenities or facilities, or development/redevelopment of lands for uses other than to support publicly accessible golf opportunities;
- propose a specific contract structure nor determine revenue potential;
- resolve previous risks identified in **Error! Use the Home tab to apply Report Number to the text that you want to appear here.** with respect to Labour Relations and legal implications.

Proponents were asked to submit the following information:

- Profile: organizational history, date of incorporation and confirmation of any previous bankruptcy reports, legal actions or investigations against the company or executive leadership, or liens against the company or executive leadership
- Type: profit or non-profit
- Previous Experience: experience with golf course operations and maintenance or comparable business experience, as well as experience with capital and lifecycle projects and maintenance
- Intended Use and Operation: outlining products and services

- Operational Funding: detailing anticipated support required
- Contract Structure: detailing proposed management structure
- Programs, Services and Community Benefit Overview
- Staffing and Contract Services Structure

The EOI was broadly communicated to the golf industry and sport and recreation sector through the following channels and networks:

- Posted to MERX and Alberta Purchasing Connection sites (open 26 days from 2020 September 3 to September 28)
- Shared with Mayor and Councillors for further distribution and communication
- Distributed directly to potential proponents in Canada and the USA. (The posting was circulated to industry associations for further communication and distribution within their networks and membership.)

### **Overview of Responses**

In total, there were 21 downloads, including seven complete and 14 partial. The EOI was downloaded by a wide variety of organizations, including golf course, golf management, construction, landscape, building maintenance and numbered companies, as well as equipment retailers.

The EOI received a limited number of submissions. Each organization has previous experience with golf course operations and maintenance. Not all submissions were detailed. Some submissions provided high-level insight into the organization's potential and demonstrated ability to provide service to Calgarians.

- All submissions were from for-profit companies.
- Some submissions demonstrated capability with golf course operations, maintenance, capital and lifecycle projects.
- Submissions demonstrated intent to maintain current service levels, priorities, community support, programs and supporting services. They demonstrated an interest in expanding upon current service offerings, such as events, tournaments and weddings.
- The submissions suggested openness to multiple contract structures (e.g. Fee for Service/Percentage of Revenue, Management Fee/Profit Share, Commercial Lease).
- The submissions indicated potential compensation paid to The City and that no municipal tax support would be required.
- The submissions presented potential weaknesses and risks. Detailed evaluation of weakness and risks was not in the scope of the EOI.

The submissions did not provide a defined structure or delineate detailed benefits, risks and opportunities of a contract with The City. The responses identified the need to review these components. Further investigation is required to provide The City and interested parties with the required detail on a proposed contract structure in order to have the information needed to assess impacts to operations and finances with respect to both quantitative and qualitative benefits and risks of entering into a contract.

## Richmond Green Stage Two Site Assessment and Planning Review

### Background

In 2018 November, during the *One Calgary* budget discussions, a Motion Arising directed Calgary Recreation to prepare a plan for a real estate and development assessment on all City-owned golf courses for the purposes of decommissioning, repurposing and/or divesting of land for reinvestment back into sustaining the overall operations of Golf. Real Estate and Development Services (RE&DS) developed a two-stage plan to complete this direction. On 2019 May 27, Council approved the two-step work plan for this work.

On 2019 October 08 (PFC2019-1227) and 2020 March 10 (PFC2020-0251), a briefing note and report were provided detailing Stage 1 findings for the six sites. Stage 1 consisted of screening each course through a feasibility assessment matrix to determine if and where land at each course could be considered for repurposing or disposition.

On 16 March 2020, Council directed Administration to remove Shaganappi Golf Course from any further work and bring back options for the five-acre parcel at Richmond Green. This parcel is the only remaining land identified in the real estate assessment as having development potential. The recommended Stage 2 real estate assessment consists of geotechnical analysis, environmental due diligence, conceptual planning and further market research.

Site details and business unit stewardship around identified in Figure 1 below.

### Comprehensive Planning of City Lands at Richmond Green

Several business units steward the lands and provide service at Richmond Green. Additionally, the Currie Barracks development requires a collector-standard access road connecting through these lands. A planning review is required to determine if Corporate and public needs for these lands align with disposition. In conjunction with RE&DS' Stage 2 assessment, Water Services, Facility Management, Transportation, Calgary Recreation and Calgary Parks will undertake a review of The City owned lands at Richmond Green to catalog Corporate needs, evaluate current uses and define existing on-site restrictions.

Upon completion of this work, Administration will report back to Council with recommendations for the lands. With approval from Council, Administration would then proceed with long-term planning for the subject lands, including conducting public engagement. Council's direction on disposition of the five-acre parcel would clarify if this parcel is included in this planning project. The outcome of this planning exercise would ensure Corporate needs are met and revenue opportunities are realized; contributing to the long-term sustainability of service to Calgarians.

### Planning Deliverables

#### RE&DS Stage 2 Assessment

Deliverables for the the five-acre parcel include:

- Determining Opinion of Probable Costs (OPC) for development options;

- Geotechnical and environmental reporting;
- Land valuations for development options;
- Confirming transportation capacity;
- Confirming servicing capacity (storm, sanitary and water);
- Conceptual planning and potential development options;
- Administration's recommendations for repurposing and disposing of land.

#### Planning Review

##### Deliverables for the Planning Review:

- Current uses for the lands by department;
- Future needs for the lands by department;
- Current public utilization rates of amenities currently at site;
- Identification of needs based on current City strategies, priorities and policies;
- List of highest and best uses for public service by BU;
- Identification of restrictions;
- Identification of opportunities.



Figure 1 – Richmond Green Subject Lands





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**2019 Audited Financial Statements for Business Revitalization Zones and Business Improvement Areas (BIA)**

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**RECOMMENDATION(S):**

The Priorities and Finance Committee recommends that Council:

1. Receive this report and Attachments for the 2019 Audited Financial Statements of the listed Business Revitalization Zones and Business Improvement Areas for the Corporate record and discussion:
  - 1) Mainstreet Bowness BIA
  - 2) Calgary Downtown Association
  - 3) Chinatown BIA
  - 4) 4<sup>th</sup> Street South West BIA
  - 5) Greenview Industrial BIA
  - 6) Inglewood BRZ
  - 7) International Avenue BRZ
  - 8) Kensington BRZ
  - 9) Marda Loop BIA
  - 10) Montgomery on the Bow BIA
  - 11) 17<sup>th</sup> Avenue Retail & Entertainment District BIA
  - 12) Victoria Park BIA
2. Direct that Attachments 2 to 15 remain confidential pursuant to Section 16 (Disclosure harmful to business interests of a third party) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed 2035 October 15.

**HIGHLIGHTS**

- The Business Improvement Areas (*BIA Regulation*) requires that each year following its financial year, a BIA board must submit an audited financial statement to council.
- What does this mean to Calgarians? This requirement ensures that how BIAs expend ratepayer funds collected through the BIA Levy is transparent
- Why does this matter? The work of BIAs supports and aligns with *Calgary in the New Economy: an updated economic strategy for Calgary* and benefits all Calgarians by improving, beautifying and maintaining property in the BIA; developing, improving and maintaining public parking; and promoting the BIA as a business or shopping area.
- Eleven of the BIAs received an unqualified audit opinion from their external auditors. The Chinatown BIA received a qualified audit opinion, further details of which can be found in Attachment 4.
- Strategic Alignment to Council's Citizen Priorities: **A prosperous city**

**DISCUSSION**

The Province of Alberta passed enabling legislation in 1983 June to allow municipalities to establish BIAs. The provisions are now contained in section 50 of the *Municipal Government Act* (MGA), as amended, and sections 2 to 7 of the *BIA Regulation*.

The audited financial statements for the BIAs operating in 2019 are attached and have been reviewed by the Finance business unit for content and accuracy. There is no material concern arising from the review. Eleven BIAs received an unqualified audit opinion from their external

## **2019 Audited Financial Statements for Business Revitalization Zones and Business Improvement Areas (BIA)**

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auditors. The Chinatown BIA received a qualified audit opinion, further details of which can be found in Attachment 4. The three new BIAs (Crescent Heights, Beltline and Bridgeland) will be included in next year's report as 2020 is their first year of operations.

A summary of each BIA's Statement of Operations (Attachment 14) and Statement of Financial Position (Attachment 15) are also attached so they can be reviewed in one report. Caution should be exercised when comparing one BIA to another in those statements. Each BIA board maintains their accounting records based on their business needs and accounting practices. What is included in each category may be different from one BIA to another BIA.

In relationship to the impact of COVID-19, the BIAs have been working closely with The City since the beginning of the pandemic. They gave feedback to The City on steps to help businesses, communicated important messaging and continue to support strategies for small businesses in Calgary going forward. The City will continue to work closely with BIAs as things change due to the pandemic and economic recovery.

### **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

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

The Finance business unit and The Office of Partnerships engaged with all BIA boards in Calgary to ensure they meet the legislative requirements to submit their annual audited financial statements. All BIAs have been advised of the 2020 meeting date for the Priorities and Finance Committee Meeting.

### **IMPLICATIONS**

#### **Social**

Under the purposes set out in Section 50 of the Municipal Government Act, BIAs play an important role in supporting neighbourhood revitalization and place-making.

#### **Environmental**

There are no environmental implications anticipated to be associated with implementing these recommendations.

#### **Economic**

The work of BIAs 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.

Council's direction and the work discussed in this report aligns with the Citizen Priority of A Prosperous City in One Calgary 2019 – 2022, "Calgary continues to grow as a magnet for

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**2019 Audited Financial Statements for Business Revitalization Zones and  
Business Improvement Areas (BIA)**

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

**Service and Financial Implications**

The BIA Levy amount is based on BIA budgets approved by council. The revenue raised from the BIA levy is transferred directly to the respective BIA to support their operating expenses including programs, events and services.

There is an annual impact to The City’s operating budget of one full-time employee in Calgary Neighbourhoods and support from multiple business units including Finance, Law, City Clerk’s, Assessment and others; this support is currently absorbed through existing capacity.

**Tax-supported funding**

**RISK**

There are no significant risks associated with this report.

**ATTACHMENT(S)**

1. Previous Council Direction, Background
2. CONFIDENTIAL - Mainstreet Bowness BIA
3. CONFIDENTIAL - Calgary Downtown Association
4. CONFIDENTIAL - Chinatown BIA
5. CONFIDENTIAL - 4<sup>th</sup> Street South West BIA
6. CONFIDENTIAL - Greenview Industrial BIA
7. CONFIDENTIAL - Inglewood BRZ
8. CONFIDENTIAL - International Avenue BRZ
9. CONFIDENTIAL - Kensington BRZ
10. CONFIDENTIAL - Marda Loop BIA
11. CONFIDENTIAL - Montgomery on the Bow BIA
12. CONFIDENTIAL - 17<sup>th</sup> Avenue Retail & Entertainment District BIA
13. CONFIDENTIAL - Victoria Park BIA
14. CONFIDENTIAL - Summary of Statement of Operations
15. CONFIDENTIAL - Summary of Statement of Financial Position

**Department Circulation**

General Manager (Name)	Department	Approve/Consult/Inform (Pick-one)
CFO Carla Male	Chief Financial Officer’s	Approve
GM Black	Community Services	Inform
CM Duckworth	City Manager’s Office and Business Local Economy Team	Inform



# Background

All Calgary Business Improvement Areas (BIAs) must annually submit audited financial statements to Council as required by section 19 of the Business Improvement Area Regulation, AR 93/2016 (the “BIA Regulation”).

## Context

The 2019 BIA Audited Statements are being presented to Committee and Council in satisfaction of legislated requirements..

## Previous Council Direction

On 2019 February 4, Council approved the recommendations of Report PFC2019-0013, including the following:

1. Approve the proposed 2019 BIA budgets (Attachment 1) and authorize each BIA board to amend its respective budget by: (c) transferring amounts to or from a BIA board's reserves, and (d) transferring amounts between expenditures so long as the amount of the total expenditures is not increased; and
2. Give three readings to the proposed 2019 BIA Tax Rates Bylaw 5M2019 (Attachment 2).

**Table Timeline**

<b>DATE</b>	<b>REPORT NUMBER</b>	<b>DIRECTION/DESCRIPTION</b>
2/4/2019	PFC2019-0013	<b>2019 Business Improvement Area Budgets and Enabling Bylaws</b> This report recommended the approval of the 2019 BIA Budgets and Enabling Bylaws to allow the 2019 BIA tax to be levied and collected.

## Bylaws, Regulations, Council Policies

The following enabling legislation governs municipalities' relationships with Business Improvement Areas

**Municipal Government Act**

**Business Improvement Area Regulation**



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## **Real Estate Working Group Terms of Reference**

### **RECOMMENDATION(S):**

That the Priorities and Finance Committee recommends that Council adopt the proposed Terms of Reference for the Real Estate Working Group contained in Attachment 1.

### **HIGHLIGHTS**

Council at its 2020 July 27 Combined Meeting adopted the following:

“That with respect to Report C2020-0815, the following Motion  
 Arising be adopted:

1. To further assist the Chief Finance Officer with recommendation #19 (Distribute tax responsibility appropriately), as well as assisting the Business and Local Economy (BLE) team in tackling recommendation # 33 (*Investigate the crisis level vacancy in the downtown office market and respond with actions*), direct Administration to:
  - a. establish an Administration-led Real Estate Working Group by bringing a mandate and direction for the Real Estate Working Group (similar to the 2019 Tax Shift Assessment Working Group) to the October 2020 meeting of the Priorities and Finance Committee of Council;
  - b. the Real Estate Working Group will liaise directly with the Priorities and Finance Committee of Council through a standing agenda item, until Administration recommends that the working group be disbanded;
  - c. determine composition of the Real Estate Working Group to include but not be limited to interested members of the Real Estate Sector Advisory Committee of Calgary Economic Development, as well as the now disbanded Financial Task Force with real estate experience, and/or other experts within Calgary;
  - d. Direct the City Manager to assign an Administrative Chair for the Real Estate Working Group other than the Chief Financial Officer (who is presently tasked with execution of the Financial Task Force recommendations); and
  - e. As part of the scope of work of the independent consultant for recommendation #19, as led by the Chief Financial Officer, ensure appropriate stakeholder engagement, including the Real Estate Working Group.”

### **DISCUSSION**

The Council policy on governance and Appointments of Boards, Commissions and Committees (BCC), ("CP2016-03") states the following:

“Upon the establishment of a new City BCC, Council shall approve the City BCC's Governance Document(s) that includes:

- a) Mandate;
- b) Composition;
- c) Term lengths and limits of Members”

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**Real Estate Working Group Terms of Reference**

In addition, CP2016-03 provides that "[a] new BCC's Governance Document(s) must be adopted by Council before any Member is recruited and appointed to the City BCC."

Term Length

Initial appointment is at the discretion of the Chair and term of members will coincide with the term of the Working Group.

**STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

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

**IMPLICATIONS**

**Social**

Not Applicable

**Environmental**

Not Applicable

**Economic**

The economic challenges Calgary is facing has been a catalyst for the creation of the Real Estate Working Group.

**Service and Financial Implications**

**No anticipated financial impact**

Current and Future Operating Budget:

There are no current and future operating budget impacts.

Current and Future Capital Budget:

There are no current and future capital budget impacts.

**RISK**

Clearly articulating the mandate of the Real Estate Working Group will assist Council, Working Group members, Administration, and other stakeholders in understanding the roles and responsibilities of the Committee relative to Council and others involved.

**ATTACHMENT**

1. Real Estate Working Group Terms of Reference

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**Real Estate Working Group Terms of Reference**

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Department Circulation

General Manager	Department	Approve/Consult/Inform
Chris Arthurs	Deputy City Manager's Office	Approve





## Real Estate Working Group Terms of Reference

### 1. Authority

The Real Estate Working Group was established by Council on 2020 July 27 (C2020-0815 Motion Arising).

### 2. Mandate

To assist the Chief Finance Officer (CFO) and the Business & Local Economy (BLE) team with tackling recommendations stemming from the Financial Task Force, specifically;

- Recommendation #19 (Distribute tax responsibility appropriately)
- Recommendation #21 (Leverage untapped revenue potential – specifically related to return on Real Estate Assets and Investments)
- Recommendation #33 (Investigate the crisis level vacancy in the downtown office market and respond with actions).

### 3. Responsibilities

Real Estate Working Group responsibilities include:

- Provide insight into the current real estate environment (i.e. economic forces, social impacts, fiscal challenges),
- Identify where current City practices may be a barrier and could be impeding progress or recovery,
- Prioritize identified barriers for immediate action or further investigation,
- Identify, engage and work with relevant key stakeholders as needed; and
- Provide ideas for short, medium- and long-term solutions to the Business & Local Economy (BLE) team and the Chief Financial Officer (CFO)'s delegate as they work towards implementation of the Financial Task Force recommendations.

### 4. Reports To

The Real Estate Working Group reports bi-monthly to the Priorities and Finance Committee of Council through a standing agenda item until such time that Administration recommends the working group be disbanded.

### 5. Composition

The Real Estate Working Group membership is as follows:

- Administrative Chair: Director, Real Estate & Development Services, City of Calgary
- Up to three (3) additional members of Administration appointed by the Chair. In addition, the Working Group will include the following members:
- One (1) representative from the Calgary Economic Development
- Efforts will be made to secure the participation of a minimum of one (1) representative with real estate experience from the now disbanded Financial Task Force.
- Efforts will be made to secure the participation of a minimum of one (1) representative from the previously constituted Calgary Economic Development Real Estate Sector Advisory Committee.
- A maximum of up to eight (8) others with a variety of experience and expertise.

## 6. Sub-Working Group(s)

The Real Estate Working Group may establish further sub-working groups to undertake specific time-limited tasks as required. Membership of these groups may include members of the Real Estate Working Group or other appointees as deemed necessary. The Chair will serve in that position for any additional sub-working groups formed.

## 7. Meeting Support

Administration will be responsible for drafting reports, notes and recommendations on behalf of the Real Estate Working Group.

## 8. Term

The Chair is appointed for the duration of the Real Estate Working Group's mandate.

## 9. Quorum

Quorum is not required for this Working Group.

## 10. Chair and Vice-Chair

At the direction of Council, the City Manager will appoint a delegate to serve as the Chair. The Vice Chair will be appointed by the Chair.

## 11. Meetings

Meetings times and format will be at the discretion of the Chair. Any in person meetings would occur in the Municipal Complex.

## 12. Procedures

1. The Chair will establish the meeting agenda.
2. The Real Estate Working Group must consider items referred to it by Council.
3. The Real Estate Working Group will ensure that there is purposeful dialogue between The City, established entities and key stakeholders to provide information to inform sound decision-making.
4. FOIP: The confidentiality of Real Estate Working Group meetings and of records submitted to the group is governed by the applicable provisions of the *Municipal Government Act* and the *Freedom of Information and Protection of Privacy Act*.

## 13. Governance

- a) The Committee shall act in accordance with Council Policy CP2016-03, *Governance and Appointments of Boards, Commissions and Committees*.
- b) Real Estate Working Group Members will act in accordance with Council Policy CC045, *Code of Conduct for Citizen Members Appointed to Council Established Boards, Commissions and Committees*.
- c) Real Estate Working Group Members will act in accordance with the *Municipal Government Act*, Council's Ethical Conduct Policy and any other relevant Council Policies and in the best interest of The City taking into account The City as a whole, and without regard to the Member's personal interests. They will consider all issues consistently and fairly, and in the light of all relevant facts, opinions and analysis of which the Member should be reasonably aware.
- d) Members will endeavor to incorporate the following Guiding Principles into the oversight and guidance they provide regarding the mandate delivery of the Real Estate Working Group:
  - Accountability
  - Citizen-centric
  - Diversity of Perspectives & Experience
  - Inclusion
  - Objectivity
  - Respect
  - Responsiveness
  - Timeliness
  - Transparency





**Chief Financial Officer's Report to  
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**Council Expense Audit Follow-up**

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**RECOMMENDATION(S):**

That the Priorities and Finance Committee:

1. Determine the eligibility of the amount of airfare upgrades to be recovered. Either that the airfare expenditures :
  - a. are eligible and no recovery is required; or
  - b. are not eligible and
    - i. whether Councillor Magliocca's advice to PWC to pay the difference of the airfare expenses in question from the average expenses of the other Councillors and Officials who attended the various FCM events, which totals a reimbursement in the amount of \$3,294.25; or
    - ii. a different approach to calculating reimbursement should be utilised.
2. Direct the Council Expense Working Group to report back to PFC as soon as possible on the findings related to certain hosting expenses where follow up or location of the named attendees is still outstanding for the PricewaterhouseCoopers (PWC) report.

**HIGHLIGHTS**

- This report supports recommendation 1a) contained in the PWC Forensic Investigation Report for Ward 2 Expenses to enable PFC to determine the amount of airfare upgrades, to be reimbursed by Councillor Magliocca, if any.
- What does this mean to Calgarians? This report supports The City's ongoing efforts to maintain effective accountability and transparency regarding use of Council and Mayor budgets.
- Why does it matter? This report supports ongoing efforts to close governance gaps and improve transparency associated with the management of expenses.
- Strategic Alignment to Council's Citizen Priorities: A well-run city

**DISCUSSION**

In 2020 July, The City received the PWC Forensic Investigation Report for Ward 2 Expenses (Attachment 2). The report identified that PFC is to determine the eligibility of the amount of airfare upgrades and certain hosting expenses to assess the amount to be recovered, if any, from Councillor Magliocca.

PAC007- Councillors' Expenses - Out of Town Travel Policy (Attachment 3) provides guidelines for Councillors when travelling at the expense of the Office of the Councillors' Budget. The policy states that economy fare is normal, unless unavailable.

Administration contacted The City's travel services provider and confirmed it is not possible to determine historical information related to the booking of flights. Many factors may determine flight costs such as time of booking, day of booking, seat options, seat sales, flight times and other specific requests. Administration has been unable to determine whether economy airfare was available at the time the airfares in question were purchased, and what that amount would have been.

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**Council Expense Audit Follow-up**

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Per the PWC Report, Councillor Magliocca advised PWC that he requested the average airfare expenses of other City Councillors and Officials who attended the various FCM events, in order to voluntarily reimburse The City for any difference between his airfare and the average airfare of other officials. In the event PFC finds this to be an acceptable approach, Administration took the liberty of reviewing the airfares of City Councillors and members of Administration who attended the events and travelled on or near the same travel dates, and calculated the average airfare expenses and differences from Councillor Magliocca's airfares, a summary of which is included in Attachment 4.

The PWC Report also addressed the Council Policy requirements (PAC006 and PAC007) for Councillors to provide names of hosting attendees. The Report identified a number of attendees could not be contacted or located in order to substantiate hosting expenses claimed. The PWC Report further recommended that PFC should attempt to locate these attendees and follow-up with them to determine the eligibility of certain hosting expenses. Administration is currently working with PWC to obtain related workpapers which will enable the scope of work to be appropriately assessed and next steps determined. A report will be brought to PFC as soon as possible once the work is complete.

**STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

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

This report was shared with members of the Council Expense Working Group consisting of the City Solicitor, the City Manager's Chief of Staff, Chief Financial Officer, and Ethics Advisor for approval and/or input prior to distribution to PFC. The report was also shared with the City Auditor who provides advisory support to the Council Expense Working Group.

**IMPLICATIONS**

**Social**

The analysis determined that no social implications were applicable.

**Environmental**

The analysis determined that no environmental implications were applicable.

**Economic**

The analysis determined that no economic implications were applicable.

**Service and Financial Implications**

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**Council Expense Audit Follow-up**

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Under the current policies, discretion is with the Office of the Councillors to follow Administrative policies. Inconsistency in the perceived application of policy guidance can contribute to potential financial implications.

**Tax-supported funding**

**RISK**

Council Expense Audit C2020-0658 identified systemic issues specific to expense governance and related policy which if not promptly actioned could increase reputational and financial risk to Council and The City of Calgary.

**ATTACHMENT(S)**

1. Previous Council Direction
2. PWC Forensic Investigation Report
3. PAC007 - Councillors' Expenses - Out of Town Travel Policy
4. Calculation of airfare variance

**Department Circulation**

General Manager	Department	Approve/Consult/Inform
Chief Financial Officer Carla Male	Chief Financial Officer's	Approve
City Manager David Duckworth	City Manager's Office	Approve
City Solicitor Jill Floen	Law	Approve
Emily Laidlaw	Ethics Advisor	Approve
Katharine Palmer	The City Auditor	Consult



# Background

This report is in response to the direction from report C2020-0658 that certain matters be referred to PFC for consideration. This report provides information to support a PFC decision on the eligibility of airfare to be recovered, if any.

## Context

In 2020 July, The City received the PWC Forensic Investigation Report for Ward 2 Expenses (Attachment 2). The report identified that PFC is to determine the eligibility of the amount of airfare upgrades and certain hosting expenses to assess the amount to be recovered, if any, from Councillor Magliocca.

## Previous Council Direction

On 2020 February 24, Council approved the following recommendations contained in Notice of Motion C2020-0263 Closing the Governance Gap in Office of the Councillors Efforts at Public Disclosure:

NOW THEREFORE BE IT RESOLVED THAT:

- In order to address the issue of Ward 2 expense claim discrepancies, Council direct the City Auditor:
- To immediately conduct a forensic investigation into the Ward 2 City Councillor's expenses (including those incurred at FCM) to the beginning of the present Council's term in office,
- To be funded through the Fiscal Stability Reserve (FSR), and
- To be conducted by a specialist (internal or external) under the direct oversight of the City Auditor's Office in order to ensure independence, objectivity and an unbiased result, with recommendations to be presented to Council as soon as possible;
- In order to objectively and cost-effectively demonstrate adherence to expense policies by all members of Council (including the Mayor), Council direct the City Auditor to immediately determine and execute the best way to verify expenses for all ward council offices and Mayor's Office budgets for the present Council's term in office, to identify whether individual or systemic issues exist that require further attention;
- In order to make all event related expenses easily available to the public (similar to the publicly posted Ward Office expenses), Council direct the Chief Financial Officer to immediately determine and execute the best way to make all centrally disclosed expenses for **Members of Council** and Administration (e.g. FCM, AUMA, Grey Cup, etc.) publically accessible going back to the beginning of the present Council's term in office; and
- In order to address the governance gap that exists in some matters of Council oversight, Council direct the City Manager to work with the City Auditor and other appropriate parties to determine a better governance model for Council oversight that either enhances and/or replaces some processes or responsibilities presently

residing with the CCCO to eliminate conflicts of interest for members of Council and ensure that staff within the Office of the Councillors are able to act independently of Council, with recommendations to be presented to Council as soon as possible.

On 2020 July 27 Council received Council Expense Audit C2020-0658 for the Corporate Record.

#### Table Timeline

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2/24/2020	C2020-0263	<b>Closing the Governance Gap in Office of the Councillors Efforts at Public Disclosure</b>  This report directed Administration to undertake a number of initiatives to verify ward council office expenses; support public disclosure of expense data, and determine a governance model for Council oversight.
07/27/2020	C2020-0658	<b>Council Expense Audit</b> This report was provided to Council to be received into the Public Record.

## Bylaws, Regulations, Council Policies

The following bylaws and policies inform Councillors' expenses.

**Bylaw 26M2018 - Code of Conduct for Elected Officials**

**PAC006 - Councillors' Expense/Allowance Policy**

**PAC007 - Councillors' Expenses – Out of Town Travel Policy**

**PAC008 - Office of the Councillors' Expenditure Authorization Policy**

**CC008 - Council to Cover Expenses of Prospective Federation of Canadian Municipalities (FCM) Directors**

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# ***Forensic Investigation Report***

## **Ward 2 Expenses**

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*July 24, 2020*





July 24, 2020

Katherine Palmer  
City Auditor  
City of Calgary  
800 Macleod Trail S.E.  
Calgary AB T2P 2M5

Dear Ms. Palmer:

**Forensic Investigation Report**

We enclose our final report with respect to our forensic investigation conducted, under the oversight of the City Auditor, into the Ward 2 City Councillor's expenses.

Our findings to date are based on procedures completed as described in this report and are subject to the scope, restrictions and qualifications as set out herein.

Should you have any questions or concerns, please do not hesitate to contact us.

Yours truly,

*PricewaterhouseCoopers LLP*

Steven. M. Malette, CPA, CGA, CIRP, LIT, CFE, CFF  
Partner, Forensic Services

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.



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# Introduction

The City of Calgary Council (the “**City**” or “**Council**”) recognizes that business travel has been and continues to be a requirement for Councillors and the Mayor to fulfill certain aspects of their responsibilities. Specifically, in relation to representation at the Federation of Canadian Municipalities (the “**FCM**”).

The FCM has been the national voice of municipal government since 1901. FCM members include more than 2,000 municipalities of all sizes, from Canada's cities and rural communities, to northern communities and 20 provincial and territorial municipal associations. Together, they represent more than 90 percent of all Canadians from coast to coast to coast. Municipal leaders from across Canada assemble each year to set FCM policy on key issues. The FCM advocates for municipalities to be sure their citizens' needs are reflected in federal policies and programs. Work by the FCM benefits every municipal government and taxpayer in Canada, as their programming delivers tools that help municipalities tackle local challenges<sup>1</sup>.

Ward 2 City Councillor, Mr. Joe Magliocca (“**Councillor Magliocca**”), has been Council’s representative on the FCM Board of Directors since October 2017 and held that position until October 2019. During this period of time, Councillor Magliocca was required to travel and attend FCM Board of Director meetings, organized in various cities across the country. In accordance with Council Policy<sup>2</sup>, Councillor Magliocca’s reasonable costs incurred in relation to his attendance at FCM meetings were to be paid. In addition, Councillor Magliocca incurred travel expenses in relation to his attendance at the Quebec Carnival, which is also eligible in accordance with Council policy<sup>3</sup>. The Expense Reports, Corporate Credit Card Expenses and Petty Cash requests submitted by Councillor Magliocca appeared to be compliant with the City’s policies as they were submitted to and approved by the designate(s) of the City’s Coordinating Committee of the Councillors Office (the “**CCCO**”).

In January 2020, following the release of various news articles, the City’s Integrity Commissioner (the “**Commissioner**”) received written complaints with respect to alleged misconduct surrounding Councillor Magliocca’s expense claims. The Commissioner could not undertake nor oversee an investigation as he was required to recuse himself. Councillor Magliocca’s expense claim contained a meal that the Commissioner had attended, that the Commissioner advised was social and expensed without his knowledge.

On March 11, 2020, PricewaterhouseCoopers LLP (“**PwC**” or “**us**” or “**our**”) was contracted by the City, to conduct a forensic investigation (the “**Investigation**”), under the oversight of the City Auditor, into Councillor Magliocca’s expenses. The period of expenses subject to the Investigation commenced from October 23, 2017, the present Council’s term in office, to the start of the Investigation (the “**Review Period**”).

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<sup>1</sup> <https://fcm.ca/en/about-fcm>.

<sup>2</sup> Policy CCo08 - Council to Cover Expenses of Prospective FCM Directors.

<sup>3</sup> Policy PAC007 – Councillors’ Expenses – Out of Town Travel Policy. [Note: Travel to attend Quebec Carnival is not to exceed four nights per representative without the prior approval of the CCCO].

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# *Scope of work*

As outlined in the Contract, we were contracted by the City to perform the following:

- Detailed examination of all expenses submitted by Councillor Magliocca, either through Expense Reports, Corporate Credit Card Statement & Receipt Envelope (the “**CCC Statement**”) or Petty Cash (collectively referred to as the “**Claims**”), during the Review Period;
- Validation of supporting receipts and determination of credibility of the Claims and omissions with respect to the expenses submitted for reimbursement during the Review Period;
- Conduct interviews with involved parties which may include Council members, the CCCO’s Office, Council staff, Councillor Magliocca and the Mayor;
- Evaluation and consideration of related expense complaints brought forward from the Commissioner regarding Councillor Magliocca’s expenses (the “**Complaints**”);
- Based on the investigation findings, assess Councillor Magliocca’s compliance to Council policies (PAC006, PAC007, PAC014) and Code of Conduct for Elected Officials (Bylaw 26M2018);
- Provide detailed findings with respect to Councillor Magliocca’s alleged wrongdoing and recommendation on whether the findings indicate escalation to other authorities are warranted;
- Provide a recommendation to Council on actions to be taken as a result of the forensic investigation; and
- Provide additional recommendations, as applicable, which could include process improvements to deter reoccurrence of any found wrongdoing.

# Approach

Our approach in conducting the Investigation included the following activities:

- Attended a kick-off meeting with the City Auditor to obtain background information;
- Conducted a preliminary conference call with Councillor Magliocca to apprise of the Investigation and the process to be undertaken;
- Reviewed and relied upon documentation provided by the City, as detailed in **Appendix B**;
- Corresponded with Councillor Magliocca to obtain information with respect to the summary of hosting expenses prepared in relation to the Claims submitted during the Review Period;
- Obtained from Councillor Magliocca confirmation of account holder names with respect to expenses incurred on personal credit/debit cards and submitted on Expense Reports;
- Discussions or conducted interviews with the following individuals:
  - Patty Orr, Manager of the CCCO (from approximately April 6, 2020 to June 29, 2020)
  - Councillor Magliocca (from approximately April 7, 2020 to July 23, 2020)
  - Laura Kennedy, City Clerk (from approximately April 27, 2020 to May 20, 2020)
  - Councillor Ray Jones, Chairman of the CCCO (from approximately April 28, 2020 to June 24, 2020)
  - Sal LoVecchio, Commissioner (May 6, 2020)
  - Emily Laidlaw, Ethics Officer (May 8, 2020)
  - Councillor Sean Chu, Vice-Chairman of the CCCO (May 19, 2020)
  - Gordon Ellis, Ward 2 Executive Assistant (May 21, 2020)
  - Cindy Aldous, CCCO Administration Officer (May 25, 2020)
  - Mayor Naheed Nenshi (May 27, 2020)
- Corresponded with various hosting event attendees reported on the Claims;
- Provided periodic status updates to the City Auditor;
- Prepared and issued a copy of this draft report to City Auditor for review and comment;
- Provided a draft copy of the detailed findings section of this Report (the “**Draft**”) to Councillor Magliocca for his review and comment; and
- Issued this final Report.

The findings presented in this Report are based solely on information provided to us by the City, its employees and elected officials. This Report is subject to the restrictions and qualifications set out throughout the Report as well as in the Restrictions and Qualifications, which must be read in conjunction with this Report, attached hereto as **Appendix A**.

# Summary of findings

We set out below under the applicable headings a summary of our findings from the Investigation.

## The City expense policies

Councillors claim their office and travel expenses in accordance with the following policies:

- *PAC007 - Councillor's Expenses-Out of Town Travel Policy ("PAC007")*, pertains to out of town expenses;
- *PAC006 - Councillors' Expenses/Allowances Policy ("PAC006")* and *PAC008 - Office of the Councillors Expenditure Authorization Policy ("PAC008")*, pertains to expenses incurred within the City; and
- *Policy CC008 - Council to Cover Expenses of Prospective FCM Directors ("CC008")*, pertains to reasonable costs of attendance, for Councillors elected to the FCM Board of Directors, to attend meetings of the FCM National Board of Directors.

(Collectively referred to as the "**Policies**")

The Chairman of the CCCO advised that all travel costs incurred and claimed with respect to attending out of town FCM events must comply with PAC007. Councillor Magliocca advised us that he relied on both policies, CC008 and PAC007, with respect to the submission of FCM expenses. Subsequent to Councillor Magliocca's review of the Draft, he advised that it was his understanding that CC008 permitted him to spend in-excess of the amounts specified in PAC007.

## Assessment of the Claims

During the Review Period, Councillor Magliocca submitted Claims for reimbursement/payment in the amount of \$38,358.44. The Net Amount of the Claims, after accounting for Councillor Magliocca's reimbursement of personal expenses incurred on the City's credit card, totals \$36,687.10<sup>4</sup>.

Subsequent to public news articles released in January 2020, with respect to Councillor Magliocca's expenses, he issued \$4,477.38 of voluntary reimbursements to the City with respect to certain of these costs. Subsequent to Councillor Magliocca's review of the Draft, he advised us that he issued an additional voluntary reimbursement to the City in the amount of \$1,743.28. We have summarized our assessment of the Claims in accordance with the three categories set out in the table below:

Expense Details	Net Amount Per Claims (as of December 31, 2019)	Voluntary Reimbursements		PwC Findings		
		For the period of January 2020 – June 2020	Following Review of the Draft	Determined To Be In Accordance with the Policies	Determined Not To Be In Accordance with the Policies	To Be Determined by the Priorities and Finance Committee (the "PFC")
Air Fares	\$9,538.73	\$0.00	\$0.00	\$672.00	\$0.00	\$8,866.73
Taxi Fares	\$1,553.76	\$0.00	\$0.00	\$1,553.76	\$0.00	\$0.00
Car Rental	\$388.05	\$0.00	\$0.00	388.05	\$0.00	\$0.00
Room Accommodation	\$8,024.24	\$0.00	\$1,496.90	\$6,527.34	\$1,496.90	\$0.00
Personal Meals	\$936.79	\$196.65	\$0.00	\$678.06	\$258.73	\$0.00
Hosting	\$8,884.14	\$4,280.73	\$246.38	\$3,601.78	\$3,901.37	\$1,380.99 <sup>5</sup>
Miscellaneous	\$7,361.39 <sup>6</sup>	\$0.00	\$0.00	\$7,361.39	\$0.00	\$0.00
<b>Total</b>	<b>\$36,687.10</b>	<b>\$4,477.38</b>	<b>\$1,743.28</b>	<b>\$20,782.38</b>	<b>\$5,657.00</b>	<b>\$10,247.72</b>

<sup>4</sup> As of December 31, 2019.

<sup>5</sup> Hosting expenses to be determined: No response from attendee(s) \$853.49 + Unable to locate attendee(s) \$527.50.

<sup>6</sup> Miscellaneous expenses reflects: Tickets to official functions - \$183.55; Promotion items - \$6,821.61; Office supplies and equipment - \$356.23.

The amount determined not to be in accordance with the Policies and subject to reimbursement by Councillor Magliocca totals \$5,657.00, subject to the air fare and further hosting expense determination by the PFC. As noted above, Councillor Magliocca did issue voluntary reimbursements to the City totalling \$6,220.66, in relation to certain expenses reflected in the Claims which were previously approved by the CCCO and paid/reimbursed by the City. These voluntary payments need to be taken into consideration as against any reimbursement requests issued by the City to Councillor Magliocca.

## *Amounts subject to reimbursement*

Based on our assessment of the Claims as against the Policies and consideration of all voluntary reimbursements made by Councillor Magliocca, there is no current calculated amount owing with respect to deemed ineligible expenses. There is a calculated overpayment in the amount of \$563.66; however, this amount does not include the PFC's determination of the amount of air fare upgrades and eligibility of certain hosting expenses to be reimbursed, if any.

The City needs to attend to the calculation of the air fare upgrade reimbursement and eligibility of certain hosting expenses to assess the amount to be recovered, if any, from Councillor Magliocca. Our calculated details are as follows:

Details		Amount Deemed Ineligible \$
<b>Air Fares</b>		
i	The PFC should conduct an assessment of Councillor Magliocca's premium/business class air fare charges and determine the cost of the upgrades; and, seek reimbursement if applicable.	TBD
<b>Room Accommodation</b>		
i	FCM event, Halifax, NS: May 31 – June 3, 2018 Councillor Magliocca upgraded his room to a suite at the Delta hotel. The room upgrade was \$60 extra per night, totalling \$281.52 (including taxes and fees), which is not in accordance with the Policies.	281.52 <sup>7</sup>
ii	FCM Director Debrief, Halifax, NS: June 3-5, 2018 FCM Halifax hosted a City Gala Reception and Dinner from 6:00 – 11:30 pm on June 3, 2018. This required Councillor Magliocca to stay in Halifax the night of June 3, 2018. Councillor Magliocca extended his stay 1 additional night (June 4, 2018) in Halifax, NS, to attend a FCM Director Debrief. On June 3, 2018, Councillor Magliocca checked out of the Delta Hotel (\$194/night + taxes) and into the Marriott (\$389 & \$319/night + taxes). FCM's 2018 Director/1 <sup>st</sup> Vice President advised us that there was no FCM Director Debrief held following the FCM Annual Conference and Trade Show held in Halifax, NS. Councillor Magliocca thought he may have had a meeting with [REDACTED] on June 4, 2018; however, [REDACTED] advised us that he was not in attendance. The increased cost incurred in staying at the Marriott on June 3, 2018, does not appear to be reasonable. In addition, we did not identify the additional travel costs related to City business or municipal government, which is the responsibility of the Councillor to clearly establish this relationship. As such, the increased cost and the additional night of travel totalling \$633.08 <sup>8</sup> which was expensed by Councillor Magliocca as lodging is deemed ineligible.	633.08 <sup>7</sup>

<sup>7</sup> Councillor Magliocca repaid this amount pursuant to his voluntary reimbursements.

<sup>8</sup> Total lodging cost \$860.64 at the Marriott less \$227.56 (\$194 + taxes) for stay at the Delta on June 3, 2018.

Details		Amount Deemed Ineligible \$
iii	FCM event, Quebec City, QC: May 30 – June 2, 2019 Based on the information that we were provided; we did not identify a City business related requirement to substantiate the additional travel costs outside of the date parameters of this FCM event, which is the responsibility of the Councillor to clearly establish this relationship. The cost of 2 nights room accommodation is deemed ineligible.	582.30 <sup>7</sup>
<b>Personal Meals</b>		
i	November 21, 2018 Councillor Magliocca claimed a total amount of \$132.00 <sup>9</sup> for meals. This is \$7.00 in excess of the maximum daily allowance and ineligible.	7.00
ii	May 31, 2018 Councillor Magliocca's personal decision to purchase a meal at Waterfront Warehouse when food is being provided by the FCM conference, does not appear to be reasonable and should be a personal cost.	46.35
iii	June 1, 2018 Councillor Magliocca's personal decision to purchase a meal at Sackville Street when food is being provided by the FCM conference, does not appear to be reasonable and should be a personal cost.	14.95
iv	June 2, 2018 Councillor Magliocca's personal decision to purchase a meal at McDonald's when food is being provided by the FCM conference, does not appear to be reasonable and should be a personal cost.	6.89
v	June 3, 2018 Councillor Magliocca's personal decision to purchase meals at Bluenose II restaurant and Baton Rouge when food is being provided by the FCM conference, does not appear to be reasonable and should be a personal cost.	82.05
vi	January 21, 2019 Councillor Magliocca submitted a meal for reimbursement from Baton Rouge that was purchased in downtown Montreal. Councillor Magliocca advised us that it was expensed by error as he has never been downtown Montreal. As such, the meal is deemed ineligible.	35.34 <sup>7</sup>
vii	March 14, 2019 Councillor Magliocca's personal decision to purchase meals at Barking Parrot Bar when food is being provided by the FCM conference, does not appear to be reasonable and should be a personal cost.	66.15
<b>Hosting</b>		
i	No Attendee Names Policies PAC006 and PAC007 and the attestation/certification provided on the Expense Report or CCC Statement requires the name(s) of the party hosted. 16 hosting events did not reflect the attendee names.	1,478.34 <sup>10</sup>
ii	Duplicate Submission A hosting event held on November 20, 2018, at BierMarket Restaurant, Ottawa, ON, was submitted and approved on 2 separate occasions. \$117.46 (excluding tip) was the 2 <sup>nd</sup> expense submitted and deemed ineligible.	117.46 <sup>11</sup>
iii	Attendees Not In Attendance a) There were 6 hosting events where all attendees confirmed they were not in attendance totaling \$770.24 <sup>12</sup> . b) The PFC should contact the reported attendees who have not responded to our request or whom we were unable to locate to ascertain whether they were in attendance in order to determine eligibility of the expense.	770.24 <sup>13</sup> TBD

<sup>9</sup> Councillor Magliocca repaid \$89.10 of this amount pursuant to his voluntary reimbursements.

<sup>10</sup> Councillor Magliocca repaid \$402.98 pursuant to his voluntary reimbursements.

<sup>11</sup> Councillor Magliocca repaid a total of \$180.52 pursuant to his voluntary reimbursements. This represents the cost of the 1<sup>st</sup> expense submission of \$135.08 and \$45.44 with respect to alcohol on the 2<sup>nd</sup> submission.

<sup>12</sup> The 6 hosting events are number 1, 2, 3, 4, 7 and 9, as reflected in the table contained in the Hosting section of this Report.

<sup>13</sup> Councillor Magliocca repaid \$752.37 pursuant to his voluntary reimbursements.



Details		Amount Deemed Ineligible \$
iv	Attendees In Attendance and Social 2 attendees advised us that they were in attendance at Councillor Magliocca's hosting event; however, the purpose of the meeting was purely social. The total ineligible costs is \$240.87.	240.87 <sup>14</sup>
v	Excess of Hosting Event Maximum Allowance a) FCM Laval, QC – \$0.00 <sup>15</sup> b) FCM Halifax, NS - \$86.66 <sup>16</sup> c) FCM Quebec - \$1,207.80 <sup>17</sup>	1,294.46 <sup>18</sup>
<b>Sub-Total</b>		<b>5,657.00</b>
<b>Less:</b> Councillor Magliocca's Voluntary Reimbursements		(4,477.38)
Councillor Magliocca's Voluntary Reimbursements following his review of the Draft		(1,743.28)
<b>Total (excluding air fare and hosting expense determination amount by the PFC)</b>		<b>(563.66)</b>

## Reimbursement amount to be determined by the PFC

In accordance with PAC007, the PFC has the authority to consider appeals of CCCO decisions. As such, the PFC's assistance is required with respect to the following:

### Air Fare Upgrades

PAC007 states that economy fare is normal, unless unavailable. Councillor Magliocca travelled on 7 upgraded air fare trips which there was no reimbursed upgrade portion issued to the City. Based on the dates of the advance flight bookings, we question the likelihood that economy fares was not available. This matter should be further reviewed by the PFC for determination.

Subsequent to Councillor Magliocca's review of the Draft, he advised us that he requested from the City the average airfare expenses of other City Councillors and Officials, who attended the various FCM Events, in order to voluntarily reimburse the City for any difference between his airfare and the average airfare of other officials. He further advised us that when he traveled and incurred upgrade charges, he always paid back such ineligible charges when notified by the CCCO, as per the City's current policy and procedure.

### Hosting Expenses

PAC006 and PAC007 require Councillors to provide the names of the hosting attendees. Throughout our investigation, attendees for 11 separate occasions advised us that they were not in attendance for Councillor Magliocca's reported hosting expense. There are numerous attendees that either did not respond to our request or whom we were unable to locate their contact information. The PFC should follow-up/locate with these attendees to ascertain whether they were in attendance to assess eligibility.

<sup>14</sup> Councillor Magliocca repaid \$230.30 pursuant to his voluntary reimbursements.

<sup>15</sup> Prior to the determination of ineligible expenses due to lack of disclosure of attendee names, the total hosting expenses submitted in excess of the maximum allowance was \$234.78. Once these ineligible amounts are taken into consideration, to prevent double counting, the calculated excess amount is no longer applicable for recovery purposes.

<sup>16</sup> Prior to the determination of ineligible expenses due to lack of disclosure of attendee names, the total hosting expenses submitted in excess of the maximum allowance was \$518.78. Once these ineligible amounts are taken into consideration, to prevent double counting, the calculated excess amount for recovery is \$86.66.

<sup>17</sup> Prior to the determination of ineligible expenses due to lack of disclosure of attendee names, attendees not in attendance and attendees in attendance but the event was social, the total hosting expenses submitted in excess of the maximum allowance was \$1,480.12. Once these ineligible amounts are taken into consideration, to prevent double counting, the calculated excess amount for recovery is \$1,207.80.

<sup>18</sup> Councillor Magliocca repaid \$2,346.91 pursuant to his voluntary reimbursements.



## Non-compliance with policies

Policies PAC006 and PAC007 require disclosure of the name(s) of the party hosted. The certification/attestation provided on the Expense Report<sup>19</sup> or CCC Statement further requires a list of the attendees.

With respect to Councillor Magliocca's expenses in the amount of \$2,248.58<sup>20</sup>, we note that they either: (1) fail to provide the name(s) of the hosting event attendees; or, (2) the name(s) of the hosting event attendees were incorrect. As per PAC006 and PAC007, the disclosure of the name(s) of the party hosted are requirements. As such, these expenses are not in compliance with the aforementioned policies.

Bylaw Number 26M2018 – Being a Bylaw of the City of Calgary to Establish a Code of Conduct For Elected Officials, states that a Member must respect and comply with all obligations imposed on the Member by the City's policies and procedures<sup>21</sup>. The failure to comply with PAC006 and PAC007 results in a contravention of the Code of Conduct For Elected Officials.

## Other matters

### Missing receipts

Councillor Magliocca appeared to have issues with respect to the retention and submission of original receipts.

- 10 (40%) out of 25 personal meals claimed were missing original receipts (9 vendor detailed receipts; and, 1 credit card payment receipt).
- 17 (26%) out of 65 hosting events that were missing original receipts (16 vendor detailed receipts; and, 1 credit card payment receipt).

Councillor Magliocca advised that no-one ever addressed this matter with him, which is contradictory to the information provided to us by the Chairman of the CCCO.

### Misrepresentation

Councillor Magliocca advised us during his interview that the names of certain hosting event attendee(s) were misrepresented as he could not recall who was in attendance.

Subsequent to Councillor Magliocca's review of the Draft, he advised that it is his position that he did not misrepresent the names of the attendees.

### Enforcement of policies

The Policies are not strictly enforced by the CCCO with respect to their review and approval of the Claims. Matters are not being escalated to either the PFC, Ethics Advisor or the Commissioner.

### Policy content

The City has 4 policies (PAC006, PAC007, PAC008 and CCO08) which relate to Councillor expenses/allowances. Certain interviewees have advised that having numerous policies leads to confusion and misinterpretation.

The Policies are not consistent on matters which are common i.e. an explanation of nature of business for hosting expenses.

<sup>19</sup> The Expense Report Completion Instructions requires guest name(s) and company of those hosted and indicate purpose of meeting. The Expense Report certification attests that all items included herein are correctly stated.

<sup>20</sup> No attendee names (\$1,478.34) + incorrect attendee names (\$770.24).

<sup>21</sup> Paragraph 18 - Code of Conduct For Elected Officials Bylaw.

# Summary of recommendations

We set out below, under the applicable headings, our recommendations for the City's consideration.

## 1. Recoveries

- a) Based on our assessment of the Claims as against the Policies and consideration of all voluntary reimbursements made by Councillor Magliocca, there is no current calculated amount owing with respect to deemed ineligible expenses. There is a calculated overpayment in the amount of \$563.66; however, this amount does not include the PFC's determination of the amount of air fare upgrades and eligibility of certain hosting expenses to be reimbursed, if any.

The City needs to attend to the calculation of the air fare upgrade reimbursement and eligibility of certain hosting expenses to assess the amount to be recovered, if any, from Councillor Magliocca.

## 2. Consideration of further investigation

- a) In light of the findings from the Investigation, specifically in relation to Councillor Magliocca's incorrect reporting of certain hosting attendee(s) and submission of expenses for a purported FCM Director Debrief (June 3-5, 2018), Council should discuss the matter further with the City Solicitor to determine whether these matters warrant reporting to the Calgary Police Department for further investigation.

## 3. Policy review & revisions

- a) The City should conduct a review of the Policies and make the required revisions deemed appropriate with respect to the following:
  - i. Having 4 policies (PAC006, PAC007, PAC008 and CCo08) relating to expenses/allowances can lead to confusion and misinterpretation. The City should assess the Policies and consolidate them where practical to do so.
  - ii. PAC006 - Automobile Policy paragraph b) refers to the usage of taxi cabs for transportation on Ward and City business (to be claimed under Expense Account Policy, No. 2 below). There is no such numbered section reflected in the policy.
  - iii. PAC006 does not have a requirement for Councillors to provide an explanation of the nature of business for hosting events. PAC007 does have this requirement.
  - iv. PAC006 and PAC007 - Lacks a definition as to what qualifies as hosting. For example, having drinks at a bar versus having a sit down meal.
  - v. PAC006 and PAC007 - Councillors are required to provide the names of the attendees; however, no disclosure of the organization/company.
  - vi. PAC006 and PAC007 - There is no guidance with respect to the amount of gratuity to provide for personal meals or hosting.
  - vii. PAC007 (Section formatting) - Page 6 of the policy contains sections: i) Personal Expense Report and ii) Refunds. The sequential numbering of these sections is not consistent with the rest of the policy.
  - viii. PAC007 - The policy currently allows for Councillors to claim a maximum of \$125.00 per day for personal meals. This appears to be an excessive amount, particularly when meals are provided at conferences/events. The City should consider implementing a per diem rate meal allowance, whereby receipts should still be required to be submitted to evidence the out of pocket cost.
  - ix. PAC007 - The policy does not specify the size (i.e. compact, mid-size, full-size) of the car allowed for rental purposes.

- x. PAC007 & PAC008 - The City should consider providing guidance with respect to the criteria of reasonable alcohol consumption, both in terms of consumption and price.
- xi. PAC007 & PAC008 - Both policies refer to the *Ethical Conduct Policy for Members of Council (CC042)*, which should be replaced to reference the *Code of Conduct For Elected Officials (Bylaw Number 26M2018)*<sup>22</sup>.
- xii. CC008 - The Policy does not have a definition of “Reasonable Costs” nor does it make reference to such costs being in accordance with other travel related policies, specifically PAC007. The City should amend Policy CC008 to reference applicability to other policies, specifically PAC007.

#### 4. Enforcement of policies

- a) The City needs to ensure that CCCO members authorized to initiate the acquisition of goods or services strictly enforce compliance with the expense/allowances policies during the Claims’ approval process. Refusing to approve non-compliant expenses will mitigate the potential for misuse of taxpayers’ dollars. Furthermore, repeated non-compliant Councillors should be reported to the Commissioner.

#### 5. Travel service provider

- a) We understand that the City has an administrative policy whereby staff have to use the City’s full-service travel provider; however, it does not apply to elected officials. The City should consider amending this administrative policy to include Councillors, which will mitigate non-compliance with travel allowances.

#### 6. Corporate credit card (the “CCC”)

- a) The CCC administrative policy requires that the CCC be used strictly for conducting official business on behalf of the City. The policy does not require the CCC to be used as a mandatory method of payment for allowable purchases. The City should consider requiring it mandatory for all Councillors to use the CCC for all business-related expenses. This will mitigate the opportunity for submission of duplicate expenses, ensure timely reconciliation of travel expenses and assist in tracking Councillor spending.
- b) The City should enforce its administrative policy that the CCC must not be used for personal charges under any circumstances; and, provide the CCCO with authorization to suspend/cancel credit cards in the event of abuse, including when annual ward based budgets are exceeded.

#### 7. Code of Conduct for Elected Officials Bylaw

- a) The City should keep attendance of Councillors’ attendance at the mandatory orientation and training sessions. Councillors failing to comply in attending should be reported to the Commissioner.

#### 8. Annual declaration

- a) The Code of Conduct For Elected Officials Bylaw establishes rules that Councillors must follow in the discharge of their office. Requiring an annual declaration instils both the importance and reminder of expected behaviours. The City should require that Councillors execute an annual declaration that they have read, understood and complied with the Code of Conduct For Elected Officials.

#### 9. Duty to report

- a) The Code of Conduct Bylaw For Elected Officials does not obligate Councillors to report misconduct. Elected officials are accountable to the City and ultimately to Calgarians. In order to improve Council’s integrity and strengthen accountability, elected officials and their staff should be obligated to report misconduct, including self-reporting, through the proper channels. Sanctions should be imposed against those that fail to comply.

#### 10. Communicate role of Ethics Advisor

- a) The City should communicate the role of the Ethics Advisor to its Councillors and encourage them to be proactive in seeking guidance and clarification as required.

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<sup>22</sup> In effect as of May 28, 2018.

## 11. Sanctions

- a) Policies PAC006 and PAC007 require disclosure of the name(s) of the party hosted. The certification/attestation provided on the Expense Report or CCC Statement further requires a list of the attendees.

With respect to Councillor Magliocca's expenses in the amount of \$2,248.58, we note that they either: (1) fail to provide the name(s) of the hosting event attendees; or, (2) the name(s) of the hosting event attendees were incorrect. As per PAC006 and PAC007, the disclosure of the name(s) of the party hosted are requirements. As such, these expenses are not in compliance with the aforementioned policies.

Bylaw Number 26M2018 – Being a Bylaw of the City of Calgary to Establish a Code of Conduct For Elected Officials, states that a Member must respect and comply with all obligations imposed on the Member by the City's policies and procedures. The failure to comply with PAC006 and PAC007 results in a contravention of the Code of Conduct For Elected Officials.

Council should consider discussing the findings in this Report with the City Solicitor and/or legal counsel to determine what sanctions, if any, needs to be taken.

# Detailed findings

## The Claims approval process

The *Office of the Councillors Expenditure Authorization Policy Council Policy* (PAC008) sets out the delegation of authority for the approval of Councillor Magliocca's expenses, as reflected in the Claims, to the following three individuals:

1. Chairman of the CCCO - is designated Program Manager, authorized to initiate the acquisition of goods or services that have been provided for in the current budgets approved by Council;
2. Manager of the CCCO - authorized to initiate the acquisition of goods or services that have been provided for in the current budgets approved by Council on behalf of the Program Manager; and
3. Vice-Chairman of the CCCO - is designated Deputy Program Manager, authorized to initiate the acquisition of goods or services that have been provided for in the current budgets approved by Council in cases where the Program Manager or Manager are unavailable or where it is deemed inappropriate for those persons to act as the signing officer.

Prior to the submission of the Claims to the CCCO for their review and approval, Councillor Magliocca was required to execute the following required attestations on the relevant documents:

### Expense Report

*I hereby certify that the items included herein are correctly stated, reasonable and proper and include only those expenses incurred on behalf of the City of Calgary. All required receipts are attached.*

<i>Employee Signature</i>	<i>Employee ID</i>	<i>Date</i>	<i>Phone</i>	<i>Mail Code</i>
<i>Dept ID Owner Approval</i>	<i>Employee ID</i>	<i>Date</i>	<i>CAP Audit By / Date</i>	

### CCC Statement

#### Cardholder Requirements<sup>23</sup>

- *I have reimbursed the City for any personal purchases.*
- *All meals and hosting expenses include a list of attendees and purpose of meeting.*
- *I have included original receipts itemizing purchases and provided descriptions as required.*
- *I have attached the X529 Missing Receipt Acknowledgment form where required.*
- *I have taped all small receipts to an 8.5 x 11 paper to allow for imaging.*
- *Any required coding changes have already been completed in details Online.*

*By signing this form I agree that I have followed the applicable City of Calgary policies and the Code of Conduct in the use of this card.*

*I have not obtained and will not attempt to obtain reimbursement for the transactions by any other method.*

*Cardholder Signature:* \_\_\_\_\_

*Date:* \_\_\_\_\_

<sup>23</sup> CCC Statements January 2018 to May 2018.

## CCC Statement

### **Cardholder Requirements and Attestation<sup>24</sup>**

*By signing this form, I attest to the following:*

- *I have followed City of Calgary policies, procedures and the Code of Conduct in the use of this card;*
- *I have not obtained, and will not attempt to obtain, personal reimbursement for the transactions contained on this statement through any other method;*
- *I have printed the supporting Custom Account Statement, which reflects coding, comments and tax information and included it with the EStatement, and I attest to its accuracy and completeness;*
- *I have included original receipts and invoices itemizing purchases and provided descriptions as required.*
- *I have attached the X529 Missing Receipt Acknowledgment form where required.*
- *I have reimbursed the City of Calgary through Corporate Cashiers for any personal purchases, and have included receipts showing this reimbursement;*
- *All meals and hosting expenses include a list of attendees and purpose of meeting;*
- *I have taped all small receipts to an 8.5 x 11 paper to allow for imaging.*

**Last 4 digits of Card#:** \_\_\_\_\_

**Cardholder Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

### **Cardholder Requirements and Attestation<sup>25</sup>**

*By signing this form, I attest to the following:*

- *I have followed City of Calgary policies, procedures and the Code of Conduct in the use of this card;*
- *I have not obtained, and will not attempt to obtain, personal reimbursement for the transactions contained on this statement through any other method;*
- *I attest to the accuracy and completeness of this statement;*
- *I have included original receipts and invoices itemizing purchases and provided descriptions as required.*
- *I have attached the X529 Missing Receipt Acknowledgment form where required;*
- *I have reimbursed the City of Calgary through Corporate Cashiers for any personal purchases, and have included receipts showing this reimbursement;*
- *All meals and hosting expenses include a list of attendees and purpose of meeting;*
- *Attach small receipts onto letter sized paper, taping all four edges. Remove all staples.*

**Employee ID** \_\_\_\_\_

**Cardholder Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

<sup>24</sup> CCC Statements June 2018 to May 2019.

<sup>25</sup> CCC Statements June 2019 to December 2019.

During the Period of Review, Councillor Magliocca submitted 36 Claims<sup>26</sup> for approval. All of the Claims were duly approved by the CCCO, pursuant to PAC008. A breakdown of the approvals, both in quantity and dollar amount, is provided in the table noted below.

### Approval summary

Approver	The Claims			Total
	Expense Reports	CCC Statement	Petty Cash	
Chairman of the CCCO	7	22	2	31
	\$9,937.07	\$25,824.97	\$134.30	\$35,896.34
Manager of the CCCO	1	1	2	4
	\$186.66	\$2,212.86	\$37.95	\$2,437.47
Vice-Chairman of the CCCO	0	1	0	1
	\$0.00	\$24.63	\$0.00	\$24.63
<b>Total</b>	<b>8</b>	<b>24</b>	<b>4</b>	<b>36</b>
	<b>\$10,123.73</b>	<b>\$28,062.46<sup>27</sup></b>	<b>\$172.25</b>	<b>\$38,358.44</b>

## The City expense policies

The various expense reimbursement and allowances that Councillors are entitled to be claimed and paid are reflected in the following 4 policies:

1. *PAC006 - Councillors' Expenses/Allowances Policy;*
2. *PAC007 Councillors' Expenses-Out of Town Travel Policy;*
3. *PAC008 - Office of the Councillors Expenditure Authorization Policy; and*
4. *CC008 - Council to Cover Expenses of Prospective FCM Directors.*

(Collectively referred to as the “**Policies**”)

We set out below under the applicable headings sections of the Policies that we identified as relevant to the Investigation, along with our findings.

## Submission of expense report

PAC007 states that a Councillor must submit the Expense Report within 14 days of return from travel. During the Review Period, Councillor Magliocca submitted a total of 8 Expense Reports. None of the reports were submitted within the required 14-day period, with 1 submitted approximately 3 months following an FCM event.

The Chairman of the CCCO advised us that every Councillor has been delinquent in the submission of their Expense Report; and, that he had numerous discussions with Councillor Magliocca with respect to the timely submission of Expense Reports.

Councillor Magliocca advised us that no-one spoke to him with respect to his delinquent submission of Expense Reports.

PAC007 does not provide any repercussions in the event of a late submission other than deducting a travel advance from the Councillor's next pay cheque.

<sup>26</sup> 8 Expense Reports, 24 CCC Statements and 4 Petty Cash.

<sup>27</sup> The CCC Statements approved by the CCCO includes Councillor Magliocca's personal charges which were reimbursed by December 31, 2019.



## Out of town travel expenses

PAC007 provides Councillors with guidelines with respect to the reimbursement of eligible expenses incurred while on out of town business travel. Below is a summary of the details with respect to the various allowances.

Expense	PAC007 Detail
Air Fares	Economy fare is normal, unless unavailable
Taxi Fares	Receipts required in excess of \$5.00
U-Drives (Car rental)	Contract should be attached to the Expense Report and should be in the name of both the City and the Councillor. Collision Damage Waiver must be insured against in the contract, and considered as part of the lease contract when claiming expenses.
Room Accommodation	<p>“The City of Calgary” should appear on the hotel registration.</p> <p>When making reservations, advise that The City has a government or corporate rate. Obtain the corporate or government discount, if available.</p> <p><b>Note:</b> <i>If the individual is accompanied by a spouse, only single room rate is allowed.</i></p>
Personal Meals	Maximum of \$125.00 per day including gratuities, receipts required.
Guest Meals and Hosting	See below
Alcohol	See below

## Hosting

PAC006 and PAC007 provide guidelines with respect to the eligibility of hosting expenses. We understand that the guidelines are reflected in both policies to cover applicability for expenses incurred within the city and out of town. The content of the both policies requires the Councillor to provide the name of the attendees; however, only PAC007 requires an explanation of the nature of the business. The content with respect to both policies, in relation to hosting expenses, is provided below.

PAC006	PAC007
<p>b. <i>Notwithstanding (a) above and without limiting the generality of the foregoing, the expenses claimed and payable hereunder will be for such things as:</i></p> <ul style="list-style-type: none"> <li><i>Hosting (meals and refreshments)</i></li> </ul> <p>f. <i>Proof of expense required. For hosting expenses, Councillors are required to provide the name of the party hosted; the Councillor must sign the Expense Report to which the receipts naming parties hosted is attached as confirmation of same.</i></p>	<p>v) <i>Miscellaneous Expenses</i></p> <ul style="list-style-type: none"> <li><i>Guest meals and other hosting, with an explanation of nature of business and who attended. Guest meals and hosting expenses may not exceed an amount equal to \$100.00 times the number of days of the trip per attendee.</i></li> </ul>



## Alcohol

PAC007 and PAC008 provide guidelines with respect to the eligibility of alcohol expenses. We understand that the guidelines are reflected in both policies to cover applicability for expenses incurred within the city and out of town. The content of the policies are identical with mere differences highlighted below in red.

PAC007	PAC008
<b>Alcohol</b> <ul style="list-style-type: none"> <li>Alcohol expenses for business meetings can only be permitted with City funds in the event a meeting meets all of the following criteria: <ul style="list-style-type: none"> <li>The meeting involves third parties (i.e. non-City), external agencies of organizations; and</li> <li>Alcohol consumption is reasonable.</li> </ul> </li> <li>No alcohol expense will be paid by City funds for any meeting that is attended only by Councillors. Any alcohol consumed will be at the attendees' own expense, cannot be claimed as an eligible expense and will not be reimbursed.</li> <li>Notwithstanding <b>these policies</b>, Councillors may continue to host appreciation events that include alcohol for volunteers and/or members of the public service and the Mayor may continue to host similar event for all Councillors.</li> <li>An alleged breach of these alcohol expense policies will be considered an alleged breach of the Ethical Conduct Policy for Members of Council (CC042).</li> </ul>	<b>Expenditures For Alcohol</b> <ol style="list-style-type: none"> <li>Alcohol expenses for business meetings can only be permitted with City funds in the event a meeting meets all of the following criteria: <ul style="list-style-type: none"> <li>The meeting involves third parties (i.e. non-City), external agencies of organizations; and</li> <li>Alcohol consumption is reasonable.</li> </ul> </li> <li>No alcohol expense will be paid by City funds for any meeting that is attended only by Councillors. Any alcohol consumed will be at the attendees' own expense, cannot be claimed as an eligible expense and will not be reimbursed.</li> <li>Notwithstanding <b>paragraphs 1 and 2</b>, Councillors may continue to host appreciation events that include alcohol for volunteers and/or members of the public service and the Mayor may continue to host similar event for all Councillors.</li> <li>An alleged breach of these alcohol expense policies will be considered an alleged breach of the Ethical Conduct Policy for Members of Council (CC042).</li> </ol>

PAC007 and PAC008 both reference alleged breaches to the alcohol expense policies to be considered an alleged breach of the *Ethical Conduct Policy for Members of Council (CC042)* (the “**Ethical Code of Conduct**” or “**CC042**”). We understand that on May 28, 2018, Policy CC042 was replaced by *Bylaw Number 26M2018 – Being a Bylaw of the City of Calgary to Establish a Code of Conduct for Elected Officials* (the “**Code of Conduct For Elected Officials Bylaw**”).

## Miscellaneous

The following expenses, which are eligible for reimbursement pursuant to PAC006 (Councillors Expenses/Allowances Policy) have been grouped together as Miscellaneous for this Report.

- Tickets to official functions (banquets, theatre, etc.);
- Promotion/Presentation items (pins, flags, crests, wine glasses, white Stetsons, flowers, etc.); and
- Office supplies and equipment not provided by the Office of the Councillors.

## FCM costs

In accordance with Policy CC008, Council is prepared to meet all reasonable costs, for Councillors elected to the FCM Board of Directors, to attend meetings of the FCM National Board of Directors. Such costs are to be charged to Corporate Costs.

## ***Orientation training***

In accordance with the Province of Alberta Municipal Government Act<sup>28</sup>, the City must offer orientation training to each Councillor, to be held within 90 days after the Councillor takes the oath of office. Key policies, code of conduct, budgeting and financial administration are certain topics that the orientation session must include.

In addition to the Orientation Training provided by the City Clerk, the Manager of the Office of Councillors provides additional training to Councillors, including the issuance of Council Welcome and Policy binders.

In October 2013, Councillor Magliocca was first elected to Council and was re-elected on October 23, 2017. Councillor Magliocca believes that he attended training sessions following the 2013 election; however, could not recall if he attended sessions in 2017. The City was unable to verify the Councillors in attendance for the training sessions conducted in either 2013 or 2017.

The Code of Conduct For Elected Officials Bylaw, which came into effect on May 28, 2018, provides the following requirements for Councillors to attend Orientation and Training<sup>29</sup>:

- after first being elected, a Councillor must attend all sessions of Orientation Training unless doing so is not practically possible; and
- all Councillors must attend those sessions of Orientation Training identified as mandatory by the City Solicitor, City Clerk and Ethics Advisor unless doing so is not practically possible.

## ***The City's Ethics Advisor***

The role of the City's Ethics Advisor<sup>30</sup> is to:

- provide advice and guidance to members of Council on matters of conduct that create a legal risk for a Council member, or a risk to a Council member's public reputation.
- provide advice to members of Council individually, but also advises on general questions of conduct relevant for all members of Council.
- the Ethics Advisor will not provide an opinion on the appropriateness of a Council member's conduct unless asked to do so by that Council member, but can provide advice to all members of Council where it appears to her to be appropriate or useful to do so.

The current Ethics Advisor, Ms. Emily Laidlaw, who has held this position since April 2019, confirmed that she has not been contacted by any Councillors with respect to providing any advice or interpretations with respect to any expense related policies. In the event that she would have been contacted to provide such advice, she would have issued a formal written response.

Councillor Magliocca advised that he did not contact the Ethics Advisor for any advice or guidance prior to the submission of the Claims.

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<sup>28</sup> S.201.1 – Orientation Training.

<sup>29</sup> Paragraphs 61 and 62.

<sup>30</sup> <https://www.calgary.ca/citycouncil/Pages/Integrity-Ethics-Roles.aspx>.

## Code of Conduct

During the Period of Review, Councillors were expected to adhere to the following Codes of Conduct:

### Policy CCo42 – Ethical Conduct Policy *(in force until May 28, 2018)*

#### **Fiduciary Duty**<sup>31</sup>

*Members of Council are fiduciaries to the City and the public. They must act in good faith, with trust, confidence and candour and are expected to demonstrate high standards of personal and professional conduct to maintain public confidence in their behaviours and decisions.*

*In fulfilling their fiduciary duties, Members of Council shall:*

- *Put the interest of the municipality ahead of their personal interests.*
- *Act in the best interests of the City and the public.*
- *Avoid conflict of interest with respect to the fiduciary duty to the City.*
- *Be loyal and act honestly and in good faith.*

### The Code of Conduct for Elected Officials Bylaw *(in force since May 28, 2018)*

*A member must in the discharge of their office:*

- *Act in the best interests of the City taking into account the interests of the City as a whole, and without regard to the member's personal interests<sup>32</sup>; and*
- *Act competently and diligently<sup>33</sup>.*

*A Member must respect and comply with the law and avoid conduct that, in the eyes of a reasonable Calgarian, undermines, or has the potential to undermine, public confidence in City governance<sup>34</sup>.*

*A Member must respect and comply with the obligations imposed on the Member by statute or other legal enactment, and by the City's policies and procedures<sup>35</sup>.*

## Annual certifications

The Ethical Code of Conduct required Councillors to uphold the policy and govern accordingly, in order to enhance ethical conduct and credibility and integrity of Council in the community. Every Councillor was required to sign the statement of commitment annually (the “**Statement**”) as an acknowledgment that he/she has read and supports it<sup>36</sup>. A summary of Councillor Magliocca's execution of the Statements is as follows:

Year	Date Signed	Comments
2014 Statement	February 27, 2014	Signed
2015 Statement	February 11, 2015	Signed
2016 Statement	June 21, 2016	Councillor Magliocca crossed out the words “and support”

<sup>31</sup> Page 4, CCo42-Ethical Conduct Policy for Members of Council.

<sup>32</sup> Paragraph 10 (A) - The Code of Conduct For Elected Officials Bylaw.

<sup>33</sup> Paragraph 10 (d) - The Code of Conduct For Elected Officials Bylaw.

<sup>34</sup> Paragraph 11 - The Code of Conduct For Elected Officials Bylaw.

<sup>35</sup> Paragraph 18 - The Code of Conduct For Elected Officials Bylaw.

<sup>36</sup> CCo42 - Procedures, page 6.

Year	Date Signed	Comments
2017 Statement	not signed	<p>On February 28, 2017, the Manager of the CCCO emailed Councillor Magliocca confirming the content of a discussion as follows:</p> <ol style="list-style-type: none"> <li>1. Councillor Magliocca acknowledged receipt of a copy of the <i>Ethical Conduct Policy for Members of Council</i> (the "Policy") sent to him as part of an email to Councillors on February 13, 2017;</li> <li>2. Councillor Magliocca did not wish to sign off on the acknowledgement and agreement of the current Policy; and</li> <li>3. Councillor Magliocca preferred to wait for the updated/amended version the Policy currently under review by the Ethics Advisor, which was anticipated to be reviewed (and approved) by Council later in 2017.</li> </ol>

Copies of the Statements and the CCCO Manager's email of February 28, 2019, are enclosed as **Appendix C**.

As noted above, the Code of Conduct For Elected Officials Bylaw does outline expected behaviours for Councillors; however, there is no requirement to sign an annual declaration of acknowledgment and compliance.

During our interview with Councillor Magliocca it is his position that he did not breach either the Ethical Code of Conduct or the Code of Conduct for Elected Officials Bylaw with respect to matters surrounding the Claims.

## Assessment of the Claims

During the Review Period, Councillor Magliocca submitted Claims in the amount of \$38,358.44. We have assessed the expenses contained in the Claims into categories, referred to in the City Expense Policies section above, as set out in the following table:

Claim Type	Expense Allowance Categories							Total
	Air Fares	Taxi Fares	Car Rental	Room Accommodation	Personal Meals	Hosting	Misc.	
Petty Cash	\$0.00	\$145.75	\$0.00	\$0.00	\$0.00	\$26.50	\$0.00	\$172.25
Credit Card	\$8,127.54	\$1,368.93	\$52.50	\$5,269.28	\$562.43	\$5,320.36	\$7,361.39	\$28,062.46
Expense Reports	\$2,819.04	\$39.08	\$335.55	\$2,883.74	\$473.87	\$3,572.45	\$0.00	\$10,123.73
<b>Total Submitted</b>	<b>\$10,946.58</b>	<b>\$1,553.76</b>	<b>\$388.05</b>	<b>\$8,153.02</b>	<b>\$1,036.30</b>	<b>\$8,919.34</b>	<b>\$7,361.39</b>	<b>\$38,358.44</b>
Reimbursement of Personal Charges on CCC <sup>37</sup>	\$1,407.85	\$0.00	\$0.00	\$128.78	\$99.51	\$35.20	\$0.00	\$1,671.34
<b>Net Claims</b>	<b>\$9,538.73</b>	<b>\$1,553.76</b>	<b>\$388.05</b>	<b>\$8,024.24</b>	<b>\$936.79</b>	<b>\$8,884.14</b>	<b>\$7,361.39</b>	<b>\$36,687.10</b>

During the Review Period, Councillor Magliocca was a Board Member of the FCM<sup>38</sup> and the majority of his expenses incurred related to travel to FCM related events. We conducted internet searches and obtained copies of the FCM event agendas to confirm the dates and location as reported, save and except for a purported FCM Director's Debrief held in Halifax, NS, on June 3-5, 2018, which we could not confirm. In addition, Councillor Magliocca attended the Quebec Carnival in February 2019, which is eligible pursuant to *PAC007 – Out of Town Travel Policy*.

<sup>37</sup> Reimbursement of personal charges on CCC made by Councilor Magliocca as of December 31, 2019.

<sup>38</sup> For the period of October 2017 to October 2019.

### FCM Director's Debrief - Halifax, NS: June 3-5, 2018

The FCM held its Annual Conference and Trade Show in Halifax, NS, during the period of May 31 – June 3, 2018. Councillor Magliocca attended the annual event, accompanied by his spouse, and stayed at the Delta Hotel, 1990 Barrington Street, Halifax, NS (the “**Delta**”). On June 3, 2018, Councillor Magliocca checked out of the Delta and into the Marriott Hotel, Harbour Front, 1919 Upper Water St., Halifax, NS (the “**Marriott**”). Councillor Magliocca's Expense Report dated July 17, 2018 (the “**July 2018 Expense Claim**”), includes costs incurred with respect to his 2 night stay at the Marriott in the amount of \$860.64, with the description: “*FCM Lodging – FCM Director Debriefing Jun 3-5, 2018.*”

We corresponded with Councillor Magliocca's legal counsel to confirm that his client checked into the Marriott to attend a FCM Director Debrief; and, to provide the names of the other Directors that would have been in attendance for this debrief. Councillor Magliocca's legal counsel responded as follows:

*“The final official FCM Annual Conference event was on Sunday evening in question. There are often informal post event discussions among FCM directors the following day which was why he booked his return flight for Tuesday. Joe doesn't recall who all he was with 2 years ago; however, he thinks he may have had a meeting with [REDACTED] on the Monday, but is unsure given that it was two years prior.”*

The July 2018 Expense Claim contains a hosting event occurring on June 4, 2018, which Councillor Magliocca stated that [REDACTED] and [REDACTED] were in attendance. Both [REDACTED] advised us that they were not in attendance. In fact, [REDACTED] advised us that he was back in [REDACTED]

In an attempt to confirm the existence of the FCM Director Debrief, we contacted the FCM's 2018 Director and 1<sup>st</sup> Vice President of the Board of Directors, who provided us with the following information:

- there was no FCM Director Debrief held on June 4-5, 2018, following the FCM Annual Conference and Trade Show held in Halifax, NS (May 31 – June 3, 2018);
- there was a Municipal Asset Management Program (MAMP) steering committee meeting held on June 4, 2018 (the “**Meeting**”). The Meeting was held at the Halifax City Hall and attended by 10 committee members including himself as co-chair;
- he was heavily involved in organizing the Meeting; and
- Councillor Joe Magliocca was not in attendance at the Meeting, because he was not a member of that committee.

### Policy CC008 – Council to Cover Expenses of Prospective FCM Directors

In accordance with *Policy CC008*, reasonable costs of attendance at meetings of the FCM National Board of Directors are to be charged to Corporate Costs. The Policy does not define “Reasonable Costs”; however, the Chairman of the CCCO advised that travel expenses claimed must be in compliance with *PAC007 – Out of Town Travel Policy*. Councillor Magliocca advised us that he relied on both policies, CC008 and PAC007, with respect to the submission of FCM expenses.

Subsequent to Councillor Magliocca's review of the Draft, he advised us that past FCM Directors spent literally thousands of dollars on hosting including hospitality suites with alcoholic bars, bringing office staff to assist with hosting, and paying for trade fair booths. It was his understanding that he was permitted to spend in-excess of the amount specified for Out of Town Travel Policy (PAC007).

Our findings in relation to assessing the expenses outlined in the Claims is described below under each of the applicable headings.

## Air fares

The following air fares, booked directly by Councillor Magliocca through Air Canada or WestJet, were expensed during the Review Period.

#	Event	Date Flight Booked	Date of Event	Flight Details				Expense Amount
				Fare Type	Seat #	From	To	
1	FCM Ottawa, ON	Nov. 8, 2017 (Air Canada)	Nov. 20 – Nov. 24, 2017	Economy	NA <sup>39</sup>	Calgary	Ottawa	\$672.00
				Economy	NA <sup>39</sup>	Ottawa	Calgary	
2	FCM Halifax, NS	Nov. 18, 2017 (WestJet)	May 31 – Jun. 3, 2018	Premium (*)	3C	Calgary	Halifax	\$1,712.76 <sup>40</sup>
				Economy (*)	2C	Halifax	Calgary	
3	FCM Laval, QC	Feb. 11, 2018 (WestJet)	Mar. 6 – Mar. 9, 2018	Premium (*)	NA <sup>39</sup>	Calgary	Toronto	\$1,128.67
				Premium (*)	NA <sup>39</sup>	Toronto	Montreal	
				Economy (*)	NA <sup>39</sup>	Montreal	Calgary	
4	FCM Ottawa, ON	Nov. 8, 2018 (WestJet)	Nov. 19 – Nov. 23, 2018	Premium (*)	1C	Calgary	Ottawa	\$1,391.90
				Premium (*)	2C	Ottawa	Toronto	
				Premium (*)	1C	Toronto	Calgary	
5	FCM Penticton, BC	Jan. 1, 2019 (WestJet)	Mar. 12 – Mar. 15, 2019	Premium (*)	2C	Calgary	Penticton	\$669.11
				Premium (*)	2C	Penticton	Calgary	
6	Quebec Carnival Quebec City, QC	Nov. 8, 2018 (WestJet)	Feb. 6 – Feb. 10, 2019	Premium (*)	1F	Calgary	Toronto	\$1,427.14
				Premium (*)	2D	Toronto	Quebec City	
				Premium (*)	2D	Quebec City	Toronto	
				Premium (*)	1A	Toronto	Calgary	
7	FCM Quebec City, QC	Feb. 27, 2019 (WestJet)	May 30 – Jun. 2, 2019	Premium (*)	1D	Calgary	Toronto	\$1,064.89
				Premium (*)	3A	Toronto	Quebec City	
				Premium (*)	3A	Quebec City	Toronto	
				Premium (*)	1D	Toronto	Calgary	
8	FCM Waterloo, ON	Jul. 16, 2019 (WestJet)	Sept. 10 – Sept. 13, 2019	Premium	1C	Calgary	Toronto	\$1,472.26
				Business	1A	Toronto	Calgary	

We provide below our findings from the Investigation with respect to the air fares:

- The Fare Type (\*) was determined based on the coding reflected on the e-ticket receipt and information provided to us by WestJet.
- With respect to the FCM event held in Ottawa, ON, on November 20 - 24, 2017, Councillor Magliocca upgraded both Air Canada flights to Business Class; and, reimbursed the City the full amount of the costs totalling \$1,407.85.

<sup>39</sup> NA = not available.

<sup>40</sup> Includes \$28.65 WestJet internet charges.



- [REDACTED]
- Councillor Magliocca scheduled his own air fares and did not utilize the City's Travel Service Provider.
- Based on our analysis, 7 of the 8 trips contained upgraded air fares which Councillor Magliocca did not reimburse the City. PAC007 states that economy fare is normal, unless unavailable.
- During our interview with the Chairman of the CCCO, he confirmed that air fares are always supposed to be economy. He further stated that there were no controls in place other than the CCCO Administration Officer doing the travel arrangements to ensure economy was booked.

We provided the above noted information with respect to WestJet flights #2-8 to Councillor Magliocca and requested that he review and confirm whether the flights were economy or premium class. In the event that Councillor Magliocca confirmed that the flight was not economy, we requested confirmation whether he reimbursed the City for the upgrade cost to business/premium. Following Councillor Magliocca's review of the information, his response was as follows:

*"On all flights that I expensed to the City, I have always repaid any amount that I was asked to by the Office of the Councillors. This included seat upgrades. Please note that at times I booked within days of the flight resulting in limited seating availability."*

Based on our analysis, air fares #3 and #4 were booked 21 and 10 days, respectively, prior to the date of Councillor Magliocca's flight. All other WestJet flights (air fares #2, 5, 6, 7 & 8) were booked months in advance. In light of the advance time that the air fares were booked, we question the likelihood that economy fare would not have been available.

There was no supporting documentation or reference within the Claims stating that economy flights were unavailable. The receipts submitted for air fare #8, booked approximately 2 months in advance of the flight, stated: premium and business class. The associated upgrade costs of these air fares appears to be ineligible expenses.

Subsequent to Councillor Magliocca's review of the Draft, he advised us of the following:

- He requested from the City the average airfare expenses of other City Councillors and Officials, who attended the various FCM Events, in order to voluntarily reimburse the City for any difference between his airfare and the average airfare of other officials; and
- When he traveled and incurred upgrade charges, he always paid back such ineligible charges when notified by the CCCO, as per the City's current policy and procedure.

## *Taxi fares*

We provide below our findings from the Investigation with respect to taxi fares claimed during the Review Period:

- PAC006 – *Councillors Expenses/Allowance Policy* states the following: "Usage of taxi cabs for transportation on Ward and City business (to be claimed under Expense Account Policy, No. 2 below) is permitted in the appropriate circumstances." Based on our review of PAC006, we could not locate a section titled: "Expense Account Policy, No. 2", nor details as to when taxi fares are deemed appropriate.
- All taxi fare charges expensed by Councillor Magliocca, totalling \$1,553.76, appear eligible pursuant to the Policies.

## Car rental

We provide below our findings from the Investigation with respect to car rental costs claimed during the Review Period:

### FCM event, Waterloo, ON: September 10 – 13, 2019

- Councillor Magliocca expensed the cost of a rental vehicle for the period of September 9 – 13, 2019. The receipt indicated an upgrade of \$16.00 per day.
- There is no reference in PAC007 regarding the size of rental vehicle allowed. Therefore, the upgrade cost appears to be eligible pursuant to the Policies.

## Room accommodation

We provide below our findings from the Investigation with respect to room accommodation charges claimed during the Review Period:

### FCM event, Halifax, NS: May 31 – June 3, 2018

- Councillor Magliocca upgraded his room to a suite. The room upgrade was \$60 extra per night, totalling \$281.52 (including taxes and fees). There was no references on the Claim to identify the purpose of the room upgrade.
- Councillor Magliocca confirmed that his spouse was in attendance for this event.
- Councillor Magliocca stated that he upgraded the room to a suite as he was hosting various attendees in his room and required the additional space.
- On June 2, 2018, the night prior to the ending of the FCM event, Councillor Magliocca purchased the following items: napkins, bowls, pretzels, chips, peanuts and fruits. These items were expensed as “FCM Hosting In Room Supplies”. There were no attendee names listed.
- PAC007 states that when an individual is accompanied by a spouse, only single room rate is allowed.
- The Chairman of the CCCO advised us during his interview that any hotel upgrade is a personal cost.
- The room upgrade costs are not in accordance with PAC007 and ineligible.

Subsequent to Councillor Magliocca’s review of the Draft, he advised us that based on his understanding, the room upgrade for the purpose of hosting was permitted pursuant to CC008 - Council to Cover Expenses of Prospective FCM Directors. Councillor Magliocca further advised that he has repaid this expense.

### FCM Director’s Debrief - Halifax, NS: June 3-5, 2018

- As noted previously, Councillor Magliocca extended his stay in Halifax, NS, to attend a purported FCM Director Debrief.
- On June 3, 2018, Councillor Magliocca checked out of the Delta (\$194/night + taxes) and into the Marriott (\$389 & \$319/night + taxes), to attend the debrief.
- The FCM’s 2018 Director and 1<sup>st</sup> Vice President advised us that there was no FCM Director Debrief held following the FCM Annual Conference and Trade Show held in Halifax, NS.
- Based on our review of the FCM Halifax agenda, a Host City Gala Reception and Dinner was held at the Cunard Centre from 6:00 – 11:30 pm. This required Councillor Magliocca to stay in Halifax the night of June 3, 2018.
- Councillor Magliocca thought he may have had a meeting with [REDACTED] on June 4, 2018; however, [REDACTED] advised us that he was not in attendance [REDACTED].
- Notwithstanding the question of reasonability in relation to the increased cost incurred in staying at the Marriott, we did not identify the additional travel costs, subsequent to June 3, 2018, related to City business or



municipal government, which is the responsibility of the Councillor to clearly establish this relationship<sup>41</sup>. As such, the \$633.08<sup>42</sup> which was expensed by Councillor Magliocca as lodging is deemed ineligible.

Subsequent to Councillor Magliocca's review of the Draft, he advised us that he met with other Councillors on the day following the FCM conference; however, unable to locate any supporting documents. Councillor Magliocca further advised that he has repaid this expense.

#### FCM event, Quebec City, QC: May 30 – June 2, 2019 (4 days)

- The room accommodation was a total of 7 nights from May 28 to June 3, 2019.
- Councillor Magliocca confirmed that his spouse accompanied him for this event.
- Councillor Magliocca upgraded his room and reimbursed the City for the additional cost.
- Based on our review of the FCM Quebec City agenda, there was a Host City Reception and Closing Dinner held from 6:00 - 11:30 pm on June 2, 2019, which would have required Councillor Magliocca to stay the night of June 2, 2019.
- Councillor Magliocca could not recall why he travelled early to Quebec City prior to the event and was unable to provide a legitimate business reason to stay 1 additional night.
- Based on the information that we were provided, we did not identify that the additional travel costs, outside of the date parameters of this FCM event, related to City business or municipal government, which is the responsibility of the Councillor to clearly establish this relationship<sup>41</sup>. As such, 2 nights room accommodation totalling \$582.30 is unreasonable and ineligible.

Subsequent to Councillor Magliocca's review of the Draft, he advised us that he met with other Councillors on the day following the FCM conference; however, unable to locate any supporting documents. Councillor Magliocca further advised that he has repaid this expense.

### Personal meals

We provide below our findings from the Investigation with respect to personal meal charges:

### Missing receipts

- There was a total of 10 (40%) out of 25 personal meals that Councillor Magliocca was missing receipts. The required Missing Receipt Acknowledgment form (the "**Missing Receipt Form**") were completed and attached to the Claims. Due to the missing receipts, we were unable to confirm that there were no ineligible alcohol charges included in the claimed personal meal expenses.

### Maximum daily allowance

- Councillor Magliocca's personal meals claimed were within the maximum daily allowance of \$125.00/day, save and except for the following:
  - November 21, 2018, the total amount claimed was \$132.00<sup>43</sup> This is \$7.00 in excess of the maximum daily allowance and ineligible.

<sup>41</sup> PAC007 and PAC014.

<sup>42</sup> Total lodging cost \$860.64 less \$227.56 (\$194 + taxes) for stay at the Delta on June 3, 2018.

<sup>43</sup> Councillor Magliocca repaid \$89.10 pursuant to his voluntary reimbursements.

## Reasonability

- *PAC007 - Out of Town Travel Policy*, provides a maximum \$125.00 per day, including gratuities. The policy does not state that should an event and/or hotel provide a meal, the cost of a replacement meal cannot be expensed. However, *Policy CC008-Council to Cover Expenses of Prospective FCM Directors* states that Council is prepared to meet all reasonable costs of attendance at meetings of the FCM National Board of Directors. In the spirit of CC008, Councillor Magliocca's personal decision to purchase a meal, when food is being provided by the FCM conferences, does not appear to be reasonable and should be a personal cost.
- We outline below the personal meals that were submitted by Councillor Magliocca which the agendas from the various FCM events reflect meals being provided. The total costs, in the amount of \$216.39 (\$150.24 + \$66.15), have been deemed unreasonable and ineligible.

### Halifax FCM - May 31 – June 3, 2018

- Councillor Magliocca submitted the following personal meals on his July 2018 Expense Claim:

Date	Amount	Restaurant	Time of Receipt	July 2018 Expense Claim Details
5/31/2018	\$46.35	Waterfront Warehouse	3:20pm	Meal – FCM Halifax
6/1/2018	\$14.95	Sackville Street	12:32pm	Meal – FCM Halifax
6/2/2018	\$6.89	McDonalds	1:18pm	Meal – FCM Halifax
6/3/2018	\$23.40	Bluenose II restaurant	2:56pm	Meal - FCM Halifax
6/3/2018	\$58.65	Baton Rouge	8:19pm	Meal - FCM Halifax
<b>Total</b>	<b>\$150.24</b>			

- The receipt for Councillor Magliocca's personal meal incurred on June 2, 2018, in the amount of \$6.89, at McDonald's restaurant reflects the purchase of a [REDACTED]. Payment was made by debit card, [REDACTED].
- Councillor Magliocca advised us that [REDACTED] debit card for personal use. He used the debit card to buy lunch at McDonald's [REDACTED] didn't like the lunch meal served at the FCM event.

### Penticton FCM - March 12 – 15, 2019

- Councillor Magliocca submitted the following personal meals on his March 2019 CCC Statement:

Date	Amount	Restaurant	Time of Receipt	March 2019 CCC Statement Details
3/14/2019 <sup>44</sup>	\$34.40	Barking Parrot Bar	Unavailable	Meal
3/14/2019	\$31.75	Barking Parrot Bar	Unavailable	Meal
<b>Total</b>	<b>\$66.15</b>			

### Montreal, QC

- On Councillor Magliocca's Expense Report dated January 21, 2019, there was a personal meal expense occurring on June 10, 2018, claimed in the amount of \$35.34, at Baton Rouge, Montreal, QC. The notation on the expense report states "*FCM Expenses (Various Meals)*".
- We noted that the receipt identified that the credit card used ending with [REDACTED].

<sup>44</sup> Based on our review of the Agenda for FCM Penticton 2019, breakfast, lunch and dinner was provided on March 14, 2019.

- During our interview with Councillor Magliocca he stated that this expense does not make sense as he has never been to downtown Montreal; and, he was in Council meetings the following day (June 11, 2018).
- Subsequent to the interview, Councillor Magliocca advised us that this clearly was an error and repaid the City this expense. A copy of the reimbursement receipt was provided to us. As such, the \$35.34 which was submitted by Councillor Magliocca is deemed ineligible.

## Hosting

Based on our review of the Complaints, several allegations pertained to the names of attendees reported on the Claims, which various public news articles identified were not in attendance. The approach we conducted in assessing the legitimacy of the hosting expenses, was as follows:

- Summarized the details of the hosting expenses reflected in the Claims into a spreadsheet (the “**Hosting Document**”) identifying the following:
  - Date of hosting expense;
  - Method of payment and amount;
  - Vendor name and location;
  - Description; and
  - Attendees’ names.
- On April 7, 2020, we provided the Hosting Document and copies of the Claims to Councillor Magliocca and requested his assistance with respect to the following:
  - Confirmation of the account holder name for instances where personal credit/debit cards were used;
  - Confirm accuracy of the attendees listed;
  - Provide additional information with respect to the identity of the attendees listed; and
  - Provide any additional information with respect to any missing information, including attendees’ names.
- On April 22, 2020, Councillor Magliocca confirmed he reviewed the Hosting Document; and, to the best of his recollection the notations and documentation are correct. Councillor Magliocca did not provide any additional information with respect to the identity of the attendees listed.
- On April 23, 2020, Councillor Magliocca confirmed the following:
  - The individuals identified on the Claims as being in attendance at the hosting events is correct; and
  - He had no additional information to provide with respect to hosting events where the attendees’ names were not provided.
- On April 24, 2020, we requested Councillor Magliocca’s assistance in providing us with additional attendee information such as: full name, name of organization, and contact information (i.e. email, phone number, etc.).
- On May 5, 2020, Councillor Magliocca provided us with contact information for certain attendees. Councillor Magliocca advised that he gave us all the information he has; and, for those expenses he voluntarily reimbursed, they were no longer a City expense and did not provide the contact information.
- Performed internet searches to attempt identification of attendees’ contact information that was not provided.
- Contacted the reported hosting attendees to confirm attendance and business related purpose.
- Reviewed and discussed the matter further with Councillor Magliocca during his interview.

We provide below our findings from the Investigation with respect to hosting expenses:

#### Attendees name not provided

- We identified 16 (25%) out of the 65 hosting events during the Review Period, totalling \$1,478.34<sup>45</sup>, where the attendees' names were not provided.
- The Chairman of the CCCO provided the approval for reimbursement/payment for these 16 hosting events. During our interview with the Chairman of the CCCO, he stated that the failure to disclose attendees' names was often overlooked and they were not very strict about this requirement.
- Policies PAC006 and PAC007 require disclosure of the name(s) of the party hosted. The certification/attestation provided on the Expense Report<sup>46</sup> or CCC Statement further requires a list of the attendees. The failure to provide the name(s) of the attendees is not in compliance with the aforementioned policies.
- The Code of Conduct For Elected Officials Bylaw states that a Member must respect and comply with all obligations imposed on the Member by the City's policies and procedures<sup>47</sup>. The failure to comply with PAC006 and PAC007 results in a contravention of the Code of Conduct For Elected Officials Bylaw.

#### Lack of explanation of nature of business

- *PAC007 – Councillors Expenses – Out of Town Travel Policy*, requires Councillors to provide an explanation of the nature of business for hosting events. *PAC006 – Councillors' Expenses/Allowances Policy* does not have this requirement.
- Based on our review of the Claims and supporting receipts, with respect to 45 out of town hosting events, there was a lack of detail in relation to the nature of business. Some of the descriptions provided were: "*FCM Hosting*", "*FCM-Board Meetings Hosting various FCM attendees*".
- We identified 1 out of town hosting expense, in the amount of \$70.00, that contained a detailed explanation of the nature of business, which is set out below:

*"Meeting with the United Party Conservative Upcoming Budget. UCP Meeting ( [REDACTED] Chad Barber, Joe Magliocca)"*

- Due to the discrepancies between PAC006 and PAC007, the requirement to provide an explanation of the nature of business for out of town hosting events was overlooked by the approvers.
- The requirement to provide a detailed explanation of the nature of business will aid in the determination and approval of a hosting expense's eligibility.

#### Missing receipts

- There were 65 hosting events that were reflected on the Claims. We identified 17 (26%) missing receipts (16 vendor detailed receipts and 1 credit card payment receipt).
- The Missing Receipts Form was duly completed and signed by Councillor Magliocca in each instance.
- The Chairman of the CCCO stated during his interview that he had discussions with Councillor Magliocca with respect to the reoccurrence of missing receipts.
- Councillor Magliocca stated during his interview that no-one had any discussions with him in relation to matters surrounding missing receipts.

<sup>45</sup> Councillor Magliocca repaid \$402.98 pursuant to his voluntary reimbursements.

<sup>46</sup> The Expense Report Completion Instructions requires guest name(s) and company of those hosted and indicate purpose of meeting. The Expense Report certification attests that all items included herein are correctly stated.

<sup>47</sup> Paragraph 18 - Code of Conduct For Elected Officials Bylaw.

### Conflict of interest

- A hosting expense in the amount of \$54.19<sup>48</sup>, occurring on April 11, 2018, was submitted by Councillor Magliocca whereby he listed Councillor Jones as an attendee. Councillor Jones in his capacity as Chairman of the CCCO approved the expense.
- During our interview with the Chairman of the CCCO, he agreed that it could be perceived as a conflict of interest with him approving this expense and he must have signed it by mistake.
- In accordance with PAC008, either the Manager or Vice-Chairman of the CCCO should have authorized the expense as it would have been deemed inappropriate for the Chairman of the CCCO to act as the signing authority.

### Hosting Event Maximum (\$100/day x number of days of trip)

- In accordance with PAC007, the total hosting expenses claimed for the following 3 FCM events, exceeded the hosting event maximum allowance.
  1. FCM Laval, QC: March 6 - 9, 2018
    - Councillor Magliocca's travel dates were as follows: March 5 – 9, 2018 (5 days).
    - According to PAC007, the calculated maximum hosting expense is \$500.
    - The total hosting expenses claimed totalled \$734.78<sup>49</sup>, a calculated excess of \$234.78.
  2. FCM Halifax, NS: May 31 – June 3, 2018
    - Councillor Magliocca's travel dates were as follows: May 30 – June 5, 2018 (7 days). As noted in the Room Accommodation section of the Report, Councillor Magliocca stayed 1 additional night following the FCM event to attend a Director's Debrief which we have been unable to confirm occurred.
    - On June 3, 2019, there was a Host City Gala Reception and Dinner from 6:00 - 11:30 pm, which would have required Councillor Magliocca to stay in Halifax the night of the June 3, 2019; and, schedule return to Calgary on June 4, 2019.
    - According to PAC007, the calculated maximum hosting expense is \$600. (May 30 – June 4, 2018)
    - The total hosting expenses claimed totalled \$ 1,118.78<sup>50</sup>, a calculated excess of \$518.78.
  3. FCM Quebec City, QC: May 30 – June 2, 2019
    - Councillor Magliocca's travel dates were as follows: May 28 – June 4, 2019 (8 days). As noted in the room accommodation section of the Report, Councillor Magliocca arrived 1 day early and stayed 1 additional night following the FCM event.
    - The only hosting expense Councillor Magliocca claimed subsequent to the end of the FCM event, was on June 3, 2019. One of the reported attendees was [REDACTED] [REDACTED] advised us that he was not in attendance at this hosting event, as he departed the FCM event on June 2, 2019. This is discussed in further detail later in the Report.
    - On June 2, 2019, there was a Host City Reception and Closing Dinner from 6:00 - 11:30 pm, which would have required Councillor Magliocca to stay the night of the June 2, 2019; and, schedule return to Calgary on June 3, 2019.
    - In accordance with PAC007, we calculated the maximum hosting expense as \$600 (May 29 – June 3, 2019).
    - The total hosting expenses claimed totalled \$2,080.12<sup>51</sup>, a calculated excess of \$1,480.12.

<sup>48</sup> Net of \$35.20 alcohol expense that was reimbursed by Councillor Magliocca.

<sup>49</sup> Councillor Magliocca repaid \$364.70 pursuant to his voluntary reimbursements.

<sup>50</sup> Councillor Magliocca repaid \$1,043.32 pursuant to his voluntary reimbursements.

<sup>51</sup> Councillor Magliocca repaid \$1,975.77 pursuant to his voluntary reimbursements.

- The amount submitted and approved for reimbursement with respect to hosting expenses, in excess of the maximum allowance pursuant to PAC007, totals \$2,233.68 and ineligible.
- In accordance with PAC007, Councillor Magliocca is entitled to claim a daily allowance of \$125.00 for personal meals, receipts required. Certain of the calculated ineligible amounts may qualify as personal meals. We were unable to perform this calculation as either the detailed vendor receipt was missing or the support did not identify the meal that Councillor Magliocca personally consumed.

Subsequent to Councillor Magliocca's review of the Draft, he advised us that based on his understanding, he was permitted to spend in-excess of the amount specified in PAC007, due to being the FCM Director as this had been the case in the past with previous directors under policy CCO08 - Council to Cover Expenses of Prospective FCM Directors.

#### Duplicate submission

- A hosting event held on November 20, 2018, at BierMarket Restaurant, Ottawa, ON, was submitted and approved on the following 2 separate occasions.
  1. Expense Report dated December 13, 2018
    - \$135.08<sup>52</sup> (including tip) was submitted enclosing a Missing Receipt Form (as vendor detailed receipt missing) and the credit card receipt.
    - Attendees listed: J. Magliocca, MP. Webber, Kelly, Kmiec.
    - Description: FCM Ottawa.
  2. Expense Report dated January 21, 2019
    - \$117.46<sup>53</sup> (excluding tip) was submitted enclosing the vendor's detailed receipt.
    - Attendees listed: Len Webber, Pat Kelly.
    - Description: FCM Ottawa.
- The duplicate submission of the expense in the amount of \$117.46 is deemed ineligible.
- The failure to comply with the submission of expenses within the required 14-day return from travel; and, the lack of mandatory requirement for Councillors to use the CCC, provides opportunity for the intentional or unintentional duplicate submission of expenses paid with personal credit/debit cards to go undetected. Councillors advised that they prefer to use their own personal credit cards to pay for City business related expenses in order to earn rewards.

#### Excessive tip

- Councillor Magliocca submitted a hosting expense in the amount of \$170.72, for a meal that occurred on February 6, 2019, at Viva Scobba restaurant located in Quebec City, QC.
- Only the credit card payment receipt was submitted as support as the vendor detailed receipt was lost. A Missing Receipt Form was completed and reflected the following: *Hosting /Dinner- J. Magliocca, QC Councilor's & Administration (No Names Available)*<sup>54</sup>.
- The credit card payment receipt reflected a \$50.00 gratuity provided on a bill amount of \$120.72. This represents a gratuity of 41% (including the taxes).
- The Policies do not provide any guidance with respect to the amount of gratuity to provide. The simple rule for restaurant tipping is 15 to 20 percent of the pre-tax total of your bill<sup>55</sup>.

<sup>52</sup> Councillor Magliocca repaid this expense pursuant to his voluntary reimbursements.

<sup>53</sup> Councillor Magliocca repaid \$45.44 pursuant to his voluntary reimbursements.

<sup>54</sup> This expense has been deemed ineligible due to lack of attendee names.

<sup>55</sup> <https://www.consumerreports.org/tipping/how-much-to-tip/>.



- Councillor Magliocca was unable to provide any additional information on the rational for what appears to be an excessive gratuity, as he could not recall the transaction.

#### Credit cards Councillor Magliocca was unable to confirm account holder.

- Our approach in reviewing the hosting expenses included our request to Councillor Magliocca to provide supporting documentation to identify the holder of the credit/debit card used for the purchases.
- As of the date of this Report, we have been unable to identify the account holder for the following credit card transactions, which were submitted by Councillor Magliocca as FCM Hosting expenses – Halifax, NS:
  - June 2, 2018 – Independent, for the purchase of peanuts and chips. Credit card ending with [REDACTED] in the amount of \$35.13<sup>56</sup>; and
  - June 2, 2018 - Antojos Tacos' Tequila restaurant, hosting with [REDACTED] (Google)<sup>57</sup>. Master Card ending with [REDACTED] in the amount of \$165.98<sup>58</sup>.
- Councillor Magliocca advised us that he contacted numerous banks of which he held credit cards; however, he could not confirm these credit numbers. Councillor Magliocca further advised that he has repaid these expenses and does not consent to our request to conduct a credit search in an attempt to identify.

#### Attendees

- In light of the content of the Complaints and the information contained in public news articles, our approach in reviewing the hosting expenses included contacting the 89 reported attendees to confirm their attendance and the business nature. A summary of our contact efforts is provided below.

Unable To Locate	Failed To Respond	Refused to Respond	Could Not Recall / Confirm	Confirmed In Attendance & Business Related	Confirmed Not In Attendance	Confirmed In Attendance & Social Related
9	25	2	17	23	11	2

#### Confirmed not in attendance

- Attendees on 11 separate occasions advised us that they were not in attendance for Councillor Magliocca's reported hosting expenses. The details are as follows:

#	Date of Hosting Event	Amounts	Vendor Name	Location	Description	Hosting Attendee(s) Names	Attendee Response
1	5/30/2018	\$169.30	The Five Fisherman	Halifax	FCM Hosting (FCM guests)	[REDACTED] <sup>59</sup>	Confirmed not in attendance.
						[REDACTED] <sup>59</sup>	We were not provided with the contact information. Unable to locate.
2	6/4/2018	\$214.18	Baton Rouge	Halifax	FCM Hosting	[REDACTED]	Confirmed not in attendance.
						[REDACTED]	Confirmed not in attendance.
3	10/10/2018	\$152.00	HYS Steakhouse	Calgary	Off Site Mtg Ottawa Cllr FCM Board	[REDACTED]	Confirmed not in attendance.
4	3/12/2019	\$30.00	Penticton Lakeside Res	Penticton BC	Hosting Ottawa Cllr FCM Board	[REDACTED]	Confirmed not in attendance.

<sup>56</sup> Councillor Magliocca repaid this expense pursuant to his voluntary reimbursements.

<sup>57</sup> Councillor Magliocca was unable to provide the contact information for [REDACTED].

<sup>58</sup> The detailed vendor receipt was missing. Councillor Magliocca repaid this expense pursuant to his voluntary reimbursements.

<sup>59</sup> During our interview with Councillor Magliocca he could not recall who [REDACTED] or [REDACTED] are nor the purpose of the meeting. We identified that [REDACTED].

#	Date of Hosting Event	Amount	Vendor Name	Location	Description	Hosting Attendee(s) Names	Attendee Response
5	5/30/2019	\$183.50	Portofino Bistro	Quebec	FCM Hosting Quebec City May 28 - Jun 4, 2019	[REDACTED]	Confirmed not in attendance.
						[REDACTED]	Confirmed in attendance.
						[REDACTED]	Confirmed not in attendance.
6	6/1/2019	\$347.70	Fairmont Le Chateau	Quebec	FCM Hosting Quebec City May 28 - Jun 4, 2019	[REDACTED]	No reply.
						[REDACTED]	Confirmed in attendance. Advised that Councillor Magliocca's spouse and 5 other individuals also in attendance. The other individuals left and did not pay for their drinks. Councillor Magliocca got stuck with the bill.
						[REDACTED]	No reply.
						[REDACTED]	Confirmed not in attendance.
7	6/2/2019	\$110.38	Sapristi	Quebec	FCM Hosting Quebec City May 28 - Jun 4, 2019	[REDACTED]	Confirmed not in attendance.
8	6/3/2019	\$249.72	Le Beffroi Bar Fou	Quebec	FCM Hosting Quebec City May 28 - Jun 4, 2019	[REDACTED]	We were not provided with the contact information. Unable to locate.
						[REDACTED]	Confirmed not in attendance.
9	7/4/2019	\$94.38	Centimi Restaurant	Calgary	Off site Mtg	[REDACTED]	Confirmed not in attendance.

- During our interview with Councillor Magliocca's executive assistant, Mr. Gordon Ellis, he advised us of the following process with respect to the submission of hosting expenses on either the Expense Reports or CCC Statements:
  - Councillor Magliocca would return from a trip and provide the receipts to Mr. Ellis.
  - Mr. Ellis would sort the receipts and meet with Councillor Magliocca to review each one. Based on information provided by Councillor Magliocca, Mr. Ellis would write the hosting attendees names and organization on the back of the receipt<sup>61</sup>. Mr. Ellis stated that this information always came from Councillor Magliocca.
  - Once the receipts were processed with the applicable information, Mr. Ellis would forward them to the Office of the Councillors, who would then proceed with the system entries for the preparation of either the Expense Report or CCC Statement.
  - The completed Expense Report or CCC Statement was then delivered by the Office of the Councillors to Councillor Magliocca for his review and signature.
  - Subsequent to Councillor Magliocca's signature, the documents were returned to the Office of the Councillors for the CCCO's review and approval.

<sup>60</sup> Councillor Magliocca confirmed during his interview that he misrepresented this person being in attendance.

<sup>61</sup> During our interview with Ms. Cindy Aldous, Administrative Officer - Office of the Councillors, she would transpose the information from the back of the receipts to the front of the page for scanning purposes.



- During our interview with Councillor Magliocca, he provided the following responses with respect to why he did not provide us with the contact information for certain hosting event attendees:

**PwC** – “On the repayment of expenses Joe, I know we had asked for confirmation of the attendees and you stated that it’s no longer a City of Calgary expense and you weren’t going to provide us the contact information for those attendees.”

**Councillor Magliocca** – “Well because you know what I felt super bad I misrepresented the people, you know being a politician and I didn’t want to bring anyone under the bus and it was my mistake and I wanted to pay it back and that was it. I made a mistake and I admitted it, I made a public apology and it’s about privacy protection, privacy clause.”

**PwC** – “So you’re saying some of them were misrepresented you said?”

**Councillor Magliocca** – “I may have put a wrong name on a receipt or two and I made a mistake and I was not going to drag these guys through, and I paid for it.”

- During our interview with Councillor Magliocca, he provided the following response with respect to which hosting names were misrepresented:

**PwC** – “Is it possible for you when you didn’t give us the contact information, is it possible for you to identify which ones would have been misrepresented?”

**Councillor Magliocca** – “I can’t, I have no idea, I can’t recall.”

- During our interview with Councillor Magliocca we reviewed various hosting expenses that were submitted during FCM events and he could not recall who several of the listed attendees were. With respect to the hosting event occurring on June 2, 2019, at the Fairmont Le Chateau in the amount of \$347.70, which the news articles stated [REDACTED] was not in attendance, we asked Councillor Magliocca as to whether this is the same information that he may have misrepresented of who was in attendance, which he responded: “Yes Sir”.
- Councillor Magliocca believed that FCM expenses fell within Policy CC008 - *Council to Cover Expenses of Prospective FCM (Federation of Canadian Municipalities) Directors* rather than his office budget.
- Subsequent to the interview, we requested Councillor Magliocca to confirm whether he advised anyone during either the preparation, submission or approval process that hosting attendee names reflected on the Claims was misrepresented. As of the date of this Report, we have not received a specific response to this question.
- Initially, Councillor Magliocca voluntarily reimbursed the City for all of the above noted expenses, except for the reported hosting events occurring on 10/10/2018, in the amount of \$152.00, with [REDACTED] and 7/4/2019, in the amount of \$94.38, with [REDACTED]. Subsequent to his review of the Draft, Councillor Magliocca advised us that he has repaid the City \$246.38 with respect to these hosting expenses.
- Policies PAC006 and PAC007 require the disclosure of the name(s) of the hosting attendees. The certification/attestation provided on the Expense Report<sup>62</sup> or CCC Statement also requires disclosure of the name(s) of the party hosted. The incorrect reporting of the name(s) of the attendees is not in compliance with the aforementioned policies.
- The Code of Conduct For Elected Officials Bylaw states that a Member must respect and comply with all obligations imposed on the Member by the City’s policies and procedures<sup>63</sup>. The failure to comply with PAC006 and PAC007 results in a contravention of the Code of Conduct For Elected Officials Bylaw.

Subsequent to Councillor Magliocca’s review of the Draft, he advised that it is his position that he did not misrepresent the names of the attendees.

<sup>62</sup> The Expense Report Completion Instructions requires guest name(s) and company of those hosted and indicate purpose of meeting. The Expense Report certification attests that all items included herein are correctly stated.

<sup>63</sup> Paragraph 18 - Code of Conduct For Elected Officials Bylaw.

**Confirmed in attendance and social related**

- The following attendees advised us that they were in attendance at Councillor Magliocca's hosting event; however, the purpose of the meeting was purely social.

#	Date	Amount	Vendor Name	Location	Event	Hosting Attendee(s) Stated on Expense Report	Attendee Response
1	5/29/2019	\$69.99	Societe Cigare	Quebec	Hosting - FCM Quebec May 29 - June 3, 2019	[REDACTED] [REDACTED]	We were not provided with the contact information. Unable to locate. [REDACTED] confirmed his attendance. Advised that meeting was not business related.
2	7/19/2019	\$170.88	Francas Italian Spec	Calgary	Off Site Mtg	Sal Delveccio (sp)	Mr. LoVecchio confirmed that he was in attendance. He advised us that this was a social meeting and was expensed without his knowledge.

- The details with respect to Councillor Magliocca's lunch with the Commissioner on July 19, 2019, was reflected on the CCC Statement as follows:
  - Page 3 of the Statement Report – Transaction: *"Off Site Mtg w/ Sal?"*
  - Handwriting notation on receipt page – *"Luncheon meeting Joe & Sal? Delveccio"*
- Councillor Magliocca stated the lunch with the Commissioner was business related, as the Commissioner contacted him to meet for lunch to discuss a fellow Councillor.
- The detailed receipt from Councillor Magliocca's meeting with Commissioner noted alcohol consumption. Pursuant to PAC008, alcohol is allowable in the event that the meeting involves third parties (i.e. non-City). The approval of the expense was granted by the Manager of the CCCO. The Manager of the CCCO advised us that she was not aware that the notation of Sal Delveccio was in fact the Commissioner (Sal LoVecchio).
- The above noted hosting expenses have been deemed ineligible. Councillor Magliocca has voluntarily reimbursed the City for both of these expenses.

**Spouse attendance**

- Councillor Magliocca advised that it is common for spouses to attend FCM events, at their own expense, and his spouse was in attendance at the events held in Quebec City and Halifax.
- Councillor Magliocca further advised that it is the practice to get separate receipts for spouses when expensing personal or group meals/hosting. He further advised that due to the fact that some specific names could not be recalled, any and all of these receipts were reimbursed so that there can be no doubt as to his honesty and integrity. To the best of Councillor Magliocca's recollection, he does not believe that his spouse was in attendance for most of these hosting events and would not have incurred costs in relation to his spouse's attendance.

**Miscellaneous**

- Councillor Magliocca's following expenses, appear to be eligible for reimbursement pursuant to PAC006 - *Councillors Expenses/Allowances Policy*:
  - Tickets to official functions - \$183.55 (Ticket to the Canadian Italian Business Professional Association and 2 tickets to Sien Lok Society);
  - Promotion items - \$6,821.61 (Hockey puck for kids' cancer at the Calgary Flames games, promotional tote bags, greeting cards, graphic design services and sign rentals); and
  - Office supplies and equipment - \$356.23 (Airpods, iPhone Case and Storage Plan).

## Voluntary reimbursements

- Councillor Magliocca's initial voluntary reimbursements issued to the City totalled of \$4,477.38 with respect to expenses he previously submitted, were approved by the CCCO, and reimbursed/paid by the City. The details are as follows:

#	Date	Expense Category Reimbursement		Total
		Personal Meals	Hosting	
1	January 30, 2020	\$72.21	\$825.40 <sup>64</sup>	\$897.61
2	February 2, 2020	\$0.00	\$1,205.31	\$1,205.31
3	February 13, 2020	\$89.10	\$1,716.72	\$1,805.82
4	May 12, 2020	\$0.00	\$19.70	\$19.70
5	May 26, 2020	\$35.34	\$35.13	\$70.47
6	June 1, 2020	\$0.00	\$478.47	\$478.47
<b>Total</b>		<b>\$196.65</b>	<b>\$4,280.73</b>	<b>\$4,477.38</b>

- Councillor Magliocca advised us that he commenced issuing reimbursements to the City subsequent to the release of the news articles in January 2020. In response to why he decided to reimburse the expenses, Councillor Magliocca advised us of the following:
 

*"Because I knew it was wrong and from day one it's wrong to do that to the constituents or citizens. And my policy's always been to pay for the alcohol ourselves and if I couldn't match up the invoices, shame on me. It was all voluntary."*
- In response to clarifying in what sense it was wrong, Councillor Magliocca provided the following clarification:
 

*"I just couldn't remember exactly who I was with right at the time and I couldn't and did not remember, and I paid for it out of my own pocket because I didn't want to put the burden on the citizens."*

*"It was wrong of me expensing alcohol to the City of Calgary citizens. And we made and sat down, my staff and I sat down, and as we said as we go forward from now on no more expenses of alcohol were going to be expensed through this office, we went back and we paid up everything that we can, we went back all the way to 2017 and paid everything with alcohol in it. And that's what we will be doing going forward and I encourage all my other Councillors to do the same thing to, which hopefully it will bring a motion to do that."*
- In response to why the expenses were submitted in the first place, Councillor Magliocca advised that he relied on his Executive Assistant to take out the alcohol related costs prior to his signature and execution. Councillor Magliocca stated he would skim through the Claims prior to signing them.

<sup>64</sup> This amount includes \$57.11 which there was no details as to what was being repaid. The description was "Expense Distribution".

Subsequent to Councillor Magliocca's review of the Draft, he advised us that he remitted to the City an additional voluntary reimbursement, in the amount of \$1,743.28, with respect to the following ineligible expenses:

Councillor Magliocca's Voluntary Reimbursements Following his Review of the Draft		
Transaction Date	Description	Amount
05/31/2018	FCM event, Halifax, NS: May 31 – June 3, 2018 - Delta hotel room upgrade	\$281.52
06/05/2018	FCM Director Debrief, Halifax, NS: June 3-5, 2018 – Hotel change	\$633.08
10/10/2018	Off Site Mtg Ottawa Cllr FCM Board [REDACTED]	\$152.00
05/28/2019	FCM event, Quebec City, QC: May 30 – June 2, 2019 - Additional stay	\$582.30
07/04/2019	Off site Mtg with [REDACTED]	\$94.38
<b>Total</b>		<b>\$1,743.28</b>

After consideration of these voluntary reimbursements, the net amount of Councillor Magliocca's expenses paid by the City, during the review Period, totals \$30,466.44 and is calculated as follows:

Amounts Claimed	Expense Allowance Categories							Total
	Air Fares	Taxi Fares	Car Rental	Room Accommodation	Personal Meals	Hosting	Misc.	
Net Claims	\$9,538.73	\$1,553.76	\$388.05	\$8,024.24	\$936.79	\$8,884.14	\$7,361.39	\$36,687.10
Voluntary Reimbursement	\$0.00	\$0.00	\$0.00	\$0.00	\$196.65	\$4,280.73 <sup>64</sup>	\$0.00	\$4,477.38
Additional Voluntary Reimbursement <sup>65</sup>	\$0.00	\$0.00	\$0.00	\$1,496.90	\$0.00	\$246.38	\$0.00	\$1,743.28
<b>Total</b>	<b>\$9,538.73</b>	<b>\$1,553.76</b>	<b>\$388.05</b>	<b>\$6,527.34</b>	<b>\$740.14</b>	<b>\$4,357.03</b>	<b>\$7,361.39</b>	<b>\$30,466.44</b>

<sup>65</sup> Councillor Magliocca's voluntary reimbursement made following his review of the Draft.

# Recommendations

We set out below, under the applicable headings, are our recommendations for the City's consideration.

## 1. Recoveries

Based on our assessment of the Claims as against the Policies and consideration of all voluntary reimbursements made by Councillor Magliocca, there is no current calculated amount owing with respect to deemed ineligible expenses. There is a calculated overpayment in the amount of \$563.66; however, this amount does not include the PFC's determination of the amount of air fare upgrades and eligibility of certain hosting expenses to be reimbursed, if any.

Subsequent to Councillor Magliocca's review of the Draft, he advised us that he requested from the City the average airfare expenses of other City Councillors and Officials, who attended the various FCM Events, in order to voluntarily reimburse the City for any difference between his airfare and the average airfare of other officials.

The City needs to attend to the calculation of the air fare upgrade reimbursement and eligibility of certain hosting expenses to assess the amount to be recovered, if any, from Councillor Magliocca. Our calculated details are as follows:

Details		Amount Deemed Ineligible \$
<b>Air Fares</b>		
i	The PFC <sup>66</sup> should conduct an assessment of Councillor Magliocca's premium/business class air fare charges and determine the cost of the upgrades; and, seek reimbursement, if applicable.	TBD
<b>Room Accommodation</b>		
i	FCM event, Halifax, NS: May 31 – June 3, 2018 Councillor Magliocca upgraded his room to a suite at the Delta hotel. The room upgrade was \$60 extra per night, totalling \$281.52 (including taxes and fees), which the City should attempt recovery.	281.52 <sup>67</sup>
ii	FCM Director Debrief, Halifax, NS: June 3-5, 2018 FCM Halifax hosted a City Gala Reception and Dinner from 6:00 – 11:30 pm on June 3, 2018. This required Councillor Magliocca to stay in Halifax the night of June 3, 2018. Councillor Magliocca extended his stay 1 additional night (June 4, 2018) in Halifax, NS, to attend a FCM Director Debrief. On June 3, 2018, Councillor Magliocca checked out of the Delta Hotel (\$194/night + taxes) and into the Marriott (\$389 & \$319/night + taxes). The FCM's 2018 Director/1 <sup>st</sup> Vice President advised us that there was no FCM Director Debrief held following the FCM Annual Conference and Trade Show held in Halifax, NS. Councillor Magliocca thought he may have had a meeting with [REDACTED] on June 4, 2018; however, [REDACTED] advised us that he was not in attendance. The increased cost incurred in staying at the Marriott on June 3, 2018, does not appear to be reasonable. In addition, we did not identify the additional travel costs related to City business or municipal government, which is the responsibility of the Councillor to clearly establish this relationship. As such, the increased cost and the additional night of travel totalling \$633.08 <sup>68</sup> which was expensed by Councillor Magliocca as lodging is deemed ineligible.	633.08 <sup>69</sup>

<sup>66</sup> In accordance with PAC007, the PFC has the authority to consider appeals of CCCO decisions. As such, the PFC's assistance is required.

<sup>67</sup> Councillor Magliocca repaid this amount pursuant to his voluntary reimbursements.

<sup>68</sup> Total lodging cost \$860.64 at the Marriott less \$227.56 (\$194 + taxes) for stay at the Delta on June 3, 2018.

<sup>69</sup> Councillor Magliocca repaid this amount pursuant to his voluntary reimbursements.

Details		Amount Deemed Ineligible \$
iii	FCM event, Quebec City, QC: May 30 – June 2, 2019 Based on the information that we were provided; we did not identify a City business related requirement to substantiate the additional travel costs outside of the date parameters of this FCM event, which is the responsibility of the Councillor to clearly establish this relationship. The City should attempt recovery from Councillor Magliocca the cost of 2 nights room accommodation.	582.30 <sup>70</sup>
<b>Personal Meals</b>		
i	November 21, 2018 Councillor Magliocca claimed a total amount of \$132.00 for meals. This is \$7.00 in excess of the maximum daily allowance and ineligible.	7.00 <sup>71</sup>
ii	May 31, 2018 Councillor Magliocca's personal decision to purchase a meal at Waterfront Warehouse when food is being provided by the FCM conference, does not appear to be reasonable and should be a personal cost.	46.35
iii	June 1, 2018 Councillor Magliocca's personal decision to purchase a meal at Sackville Street when food is being provided by the FCM conference, does not appear to be reasonable and should be a personal cost.	14.95
iv	June 2, 2018 Councillor Magliocca's personal decision to purchase a meal at McDonald's when food is being provided by the FCM conference, does not appear to be reasonable and should be a personal cost.	6.89
v	June 3, 2018 Councillor Magliocca's personal decision to purchase meals at Bluenose II restaurant (\$23.40) and Baton Rouge (\$58.65) when food is being provided by the FCM conference, does not appear to be reasonable and should be a personal cost.	82.05
vi	January 21, 2019 Councillor Magliocca submitted a meal for reimbursement from Baton Rouge that was purchased in downtown Montreal. Councillor Magliocca advised us that it was expensed by error as he has never been downtown Montreal. As such, the meal is deemed ineligible.	35.34 <sup>72</sup>
vii	March 14, 2019 Councillor Magliocca's personal decision to purchase meals at Barking Parrot Bar when food is being provided by the FCM conference, does not appear to be reasonable and should be a personal cost	66.15
<b>Hosting</b>		
i	No Attendee Names Policies PAC006 and PAC007 and the attestation/certification provided on the Expense Report or CCC Statement requires the name(s) of the party hosted. 16 hosting events did not reflect the attendee names and deemed ineligible.	1,478.34 <sup>73</sup>
ii	Duplicate Submission A hosting event held on November 20, 2018, at BierMarket Restaurant, Ottawa, ON, was submitted and approved on 2 separate occasions. \$117.46 (excluding tip) was the 2 <sup>nd</sup> expense submitted and deemed ineligible.	117.46 <sup>74</sup>

<sup>70</sup> Councillor Magliocca repaid this amount pursuant to his voluntary reimbursements.

<sup>71</sup> Councillor Magliocca repaid \$89.10 pursuant to his voluntary reimbursements.

<sup>72</sup> Councillor Magliocca repaid this amount pursuant to his voluntary reimbursements.

<sup>73</sup> Councillor Magliocca repaid \$402.98 pursuant to his voluntary reimbursements.

<sup>74</sup> Councillor Magliocca repaid a total of \$180.52 pursuant to his voluntary reimbursements. This represents the cost of the 1<sup>st</sup> expense submission of \$135.08 and \$45.44 with respect to alcohol on the 2<sup>nd</sup> submission.

Details		Amount Deemed Ineligible \$
iii	Attendees Not In Attendance <ul style="list-style-type: none"> <li>1) There were 6 hosting events where all attendees confirmed they were not in attendance totaling \$770.24<sup>75</sup>.</li> <li>2) The PFC should contact the reported attendees who have not responded to our request or whom we were unable to locate to ascertain whether they were in attendance in order to determine eligibility of the expense.</li> </ul>	770.24 <sup>76</sup>  TBD
iv	Attendees In Attendance and Social 2 attendees advised us that they were in attendance at Councillor Magliocca's hosting event; however, the purpose of the meeting was purely social. The total ineligible costs is \$240.87	240.87 <sup>77</sup>
v	Excess of Hosting Event Maximum Allowance <ul style="list-style-type: none"> <li>d) FCM Laval, QC – \$0.00<sup>78</sup></li> <li>e) FCM Halifax, NS - \$86.66<sup>79</sup></li> <li>f) FCM Quebec - \$1,207.80<sup>80</sup></li> </ul>	1,294.46 <sup>81</sup>
<b>Sub-Total</b>		<b>5,657.00</b>
Less: Councillor Magliocca's Voluntary Reimbursements		(4,477.38)
Councillor Magliocca's Voluntary Reimbursement following his Review of the Draft		(1,743.28)
<b>Total (excluding air fare and hosting expense determination amount by the PFC)</b>		<b>(563.66)</b>

## 2. Consideration of Further Investigation

- a) In light of the findings from the Investigation, specifically in relation to the incorrect reporting of certain hosting attendee(s) and the submission of expenses for the purported FCM Director Debrief (June 3-5, 2018), Council should discuss the matter with the City Solicitor to determine whether these matters warrant reporting to the Calgary Police Department for further investigation.

## 3. Policy review & revisions

The City should conduct a review of the Policies and make the appropriate changes deemed necessary in response to the following.

- a) PACoo6, PACoo7, PACoo8 and CCoo8
- Consolidation of Policies
    - Certain interviewees have advised that having numerous policies leads to confusion and misinterpretation. The City should assess the policies and consolidate them where practical to do so.

<sup>75</sup> The 6 hosting events are number 1, 2, 3, 4, 7 and 9, as reflected in the table contained in the Hosting section of this Report.

<sup>76</sup> Councillor Magliocca repaid \$752.37 pursuant to his voluntary reimbursements.

<sup>77</sup> Councillor Magliocca repaid \$230.30 pursuant to his voluntary reimbursements.

<sup>78</sup> Prior to the determination of ineligible expenses due to lack of disclosure of attendee names, the total hosting expenses submitted in excess of the maximum allowance was \$234.78. Once these ineligible amounts are taken into consideration, to prevent double counting, the calculated excess amount is no longer applicable for recovery purposes.

<sup>79</sup> Prior to the determination of ineligible expenses due to lack of disclosure of attendee names, the total hosting expenses submitted in excess of the maximum allowance was \$518.78. Once these ineligible amounts are taken into consideration, to prevent double counting, the calculated excess amount for recovery is \$86.66.

<sup>80</sup> Prior to the determination of ineligible expenses due to lack of disclosure of attendee names, attendees not in attendance and attendees in attendance but the event was social, the total hosting expenses submitted in excess of the maximum allowance was \$1,480.12. Once these ineligible amounts are taken into consideration, to prevent double counting, the calculated excess amount for recovery is \$1,207.80.

<sup>81</sup> Councillor Magliocca repaid \$2,346.91 pursuant to his voluntary reimbursements.



b) PAC006

i. Taxi expense

- Automobile Policy paragraph b) refers to the usage of taxi cabs for transportation on Ward and City business (to be claimed under Expense Account Policy, No. 2 below). There is no such numbered section reflected in the policy nor is there any clarification/guidance with respect to the use of taxis, particularly when Councillors are provided with a vehicle allowance. The content of this policy should be reviewed and revised accordingly.

ii. Hosting

- PAC007 requires Councillors to provide an explanation of the nature of business for hosting events. PAC-006 does not have this requirement. The City needs to ensure that the content of the policies are similar and PAC006 should be revised to include this requirement.

c) PAC006 & PAC007

i. Hosting

- The policies lack a definition as to what qualifies as hosting. For example, having drinks at a bar versus having a sit down meal. The City should provide clarity on what qualifies as hosting as it is left for personal interpretation.
- Councillors are required to provide the names of the attendees; however, there is no requirement in the policies to disclose the organization/company. The City should consider amending the policies to include this requirement as it will assist in the full disclosure of attendees and assist in identifying the nature of business.

ii. Gratuity

- The policy does not provide any guidance with respect to the amount of gratuity to provide for personal meals or hosting. The City should consider providing guidance with respect to the rule to follow (i.e. 15 or 20 percent of the pre-tax total).

d) PAC007

i. Section formatting

- Page 6 of the Policy contains sections i) Personal Expense Report and ii) Refunds. The sequential numbering of these sections is not consistent with the rest of the policy. The numbering formatting should be reviewed and revised accordingly.

ii. Personal Meals

- The policy currently allows for Councillors to claim a maximum of \$125.00 per day for personal meals. This entitles a Councillor to claim up to \$125.00 for dinner, in the event that a conference/event provides both breakfast and lunch. This appears to be an excessive amount, particularly when alcohol cannot be claimed on personal meals.
- Switching the personal meal allowance to a per diem rate will mitigate possible abuse of this allowance (i.e. intentional claiming missing receipts to conceal alcohol purchases). The City should consider implementing a per diem rate meal allowance. A meal allowance should not be paid to a traveller with respect to a meal that is provided, and, as such, receipts should still be required to be submitted to evidence the out of pocket cost.

iii. Car Rentals

- The policy does not specify the size (i.e. compact, mid-size, full-size) of the car allowed for rental purposes. The City should consider providing clarification with respect to the standard size for rental vehicles.



- e) PAC007 and PAC008
  - i. Eligibility of Alcohol
    - o The City should consider providing guidance with respect to the criteria of reasonable alcohol consumption, both in terms of consumption and price.
  - ii. Breaches of Policy
    - o Both of these policies refer to the *Ethical Conduct Policy (CCo42)* in relation to alleged breaches of these alcohol expense policies. The City should amend the policies to replace reference to CCo42 to the *Code of Conduct for Elected Officials Bylaw (Bylaw Number 26M2018)*.
- f) CC008
  - i. Reasonableness
    - o The Policy states that Council is prepared to meet all reasonable costs of attendance at meetings of the FCM National Board of Directors. There is no definition of “Reasonable Costs” nor does it make reference to in accordance with other travel related policies, specifically PAC007.  
  
The City should amend Policy CC008 to reference in accordance with the other applicable policies.

#### 4. Enforcement of policies

- a) The City needs to ensure that CCCO members authorized to initiate the acquisition of goods or services strictly enforce compliance with the expense/allowances policies during the Claims approval process. Refusing to approve non-compliant expenses will mitigate the potential for misuse of taxpayers’ dollars. Furthermore, repeated non-compliant Councillors should be reported to the Commissioner.

#### 5. Travel service provider

- a) We understand that the City has an administrative policy whereby staff have to use the City’s full-service travel provider; however, it does not apply to elected officials. The City should consider amending this administrative policy to include Councillors, which will mitigate non-compliance with travel allowances.

#### 6. Corporate Credit Card (the “CCC”)

- a) The CCC administrative policy requires that the CCC be used strictly for conducting official business on behalf of the City. The policy does not require the CCC to be used as a mandatory method of payment for allowable purchases. The City should consider requiring it mandatory for all Councillors to use the CCC for all business-related expenses. This will mitigate the opportunity for submission of duplicate expenses, ensure timely reconciliation of travel expenses, and assist in tracking Councillor spending.
- b) The City should enforce its administrative policy that the CCC must not be used for personal charges under any circumstances; and, provide the CCCO with authorization to suspend/cancel credit cards in the event of abuse, including when annual ward based budgets are exceeded.

#### 7. Code of Conduct Bylaw

- a) Orientation and Training Attendance - The City should keep attendance of Councillors’ attendance at the required mandatory sessions. Councillors failing to comply in attending the mandatory sessions should be reported to the Commissioner.

#### 8. Annual declaration

- a) The Code of Conduct for Elected Officials Bylaw establishes rules that Councillors must follow in the discharge of their office. Requiring an annual declaration instils both the importance and reminder of expected behaviours. The City should require Councillors to execute an annual declaration that they have read, understood and complied with the Code of Conduct Bylaw.

## 9. Duty to report

- a) Paragraph 64 of the Code of Conduct for Elected Officials Bylaw does not obligate Councillors to report misconduct, as it states the following:

*“Any person (“the reporter”) who has witnessed conduct by a Member or a Member’s staff which they believe to be in contravention of this Bylaw or a City policy governing Member conduct **may** (emphasis added) make a report in writing setting out all pertinent information in the reporter’s knowledge and request that the Integrity Commissioner investigate the conduct”.*

Elected officials are accountable to the City and ultimately to Calgarians. In order to improve Council’s integrity and strengthen accountability, elected officials and their staff should be obligated to report misconduct, including self-reporting, through the proper channels. Sanctions should be imposed against those that fail to comply.

## 10. Communicate role of Ethics Advisor

- a) Council is fortunate that it has an Ethics Advisor at its disposal to seek guidance and clarification on matters pertaining to personal conduct, ethical conduct, and interpretation on bylaws and policies. The City should communicate the role of the Ethics Advisor to its Councillors and encourage them to be proactive in seeking guidance and clarification as required.

## 11. Sanctions

- a) Policies PAC006 and PAC007 require disclosure of the name(s) of the party hosted. The certification/attestation provided on the Expense Report or CCC Statement further requires a list of the attendees.

With respect to Councillor Magliocca’s expenses in the amount of \$2,248.58, we note that they either: (1) fail to provide the name(s) of the hosting event attendees; or, (2) the name(s) of the hosting event attendees were incorrect. As per PAC006 and PAC007, the disclosure of the name(s) of the party hosted are requirements. As such, these expenses are not in compliance with the aforementioned policies.

Bylaw Number 26M2018 – Being a Bylaw of the City of Calgary to Establish a Code of Conduct For Elected Officials, states that a Member must respect and comply with all obligations imposed on the Member by the City’s policies and procedures. The failure to comply with PAC006 and PAC007 results in a contravention of the Code of Conduct For Elected Officials.

Council should consider discussing the findings in this Report with the City Solicitor and/or legal counsel to determine what sanctions, if any, needs to be taken.



## *Appendix A – Restrictions and Qualifications*

### *General*

1. This Report is not intended for general circulation or publication, nor is it to be reproduced or used for any purpose other than as stated in this Report without PwC's prior written consent in each instance. PwC does not assume any responsibility or liability for losses occasioned to readers of this Report or other parties as a result of the circulation, publication, reproduction, or use of this Report or its contents contrary to the provisions of this paragraph.
2. This Report is based on PwC's review of the documents and information available as at the date of the Report. PwC's investigation does not constitute an audit, as defined by Canadian Auditing Standards, and PwC does not provide an audit or review opinion. PwC has not attempted to audit or otherwise verify the information presented to PwC beyond the expressed scope stated in this Report.
3. In the event that further documents or information become available that could impact PwC's findings, PwC reserves the right, but are under no obligation, to review such records and reconsider and amend the findings set out in this Report.
4. PwC has set out in this Report the relevant background information, PwC's investigative procedures undertaken and PwC's findings thereon. The primary sources of information considered and relied upon are referred to in the body of this Report. Should further information come to PwC's attention, the results and conclusions expressed herein could change.
5. PwC's Report, including appendices, must be considered in its entirety by the reader. Selecting and relying on specific portions of the analysis, or factors considered by PwC, in isolation may be misleading.
6. PwC makes no representation regarding questions of legal interpretation.

### *Specific*

1. PwC has not conducted any assessment with respect to value for money.

## Appendix B – Documentation Reviewed

1. 13 Complaints filed with the Integrity Commissioner via Clearview Connects (4) and Emails (9).
2. Councillor Joe Magliocca's 8 expense reports:
  - a) Expense report signed on December 21, 2017;
  - b) Expense report signed on March 26, 2018;
  - c) Expense report signed on July 17, 2018;
  - d) Expense report signed on December 13, 2018;
  - e) Expense report signed on January 21, 2019;
  - f) Expense report signed on February 28, 2019;
  - g) Expense report signed on July 9, 2019; and
  - h) Expense report signed on December 6, 2019.
3. Councillor Joe Magliocca's 24 monthly CCC statements:
  - a) CCC statement November 2017;
  - b) CCC statement December 2017;
  - c) CCC statement January 2018;
  - d) CCC statement February 2018;
  - e) CCC statement March 2018;
  - f) CCC statement April 2018;
  - g) CCC statement May 2018;
  - h) CCC statement June 2018;
  - i) CCC statement July 2018;
  - j) CCC statement August 2018;
  - k) CCC statement September 2018;
  - l) CCC statement October 2018;
  - m) CCC statement November 2018;
  - n) CCC statement December 2018;
  - o) CCC statement January 2019;
  - p) CCC statement February 2019;
  - q) CCC statement March 2019;
  - r) CCC statement April 2019;
  - s) CCC statement May 2019;
  - t) CCC statement June 2019;
  - u) CCC statement July 2019;
  - v) CCC statement October 2019;
  - w) CCC statement November 2019; and
  - x) CCC statement December 2019.
4. Councillor Joe Magliocca's petty cash reimbursements:
  - a) Petty cash receipt signed on November 29, 2017;
  - b) Petty cash receipt signed on May 13, 2018;
  - c) Petty cash receipt signed on March 16, 2019; and
  - d) Petty cash receipt signed on June 25, 2019.
5. General Ledger reports - Council Expenses Ward 2 from October 2017 to February 2020.
6. Code of Conduct for Elected Officials Bylaw (In effect on May 26, 2018 and supersede CCo42 – Ethical Conduct Policy for Members of Council).
7. City of Calgary Code of Conduct.
8. CC008 – Council to Cover Expenses – FCM policy (Last modified on September 5, 2014).
9. CC026 – Whistle Blower Policy (Last modified on December 19, 2016).
10. CC027 – Posting Councillor Ward Budgets and Expenses Policy (Last modified on October 21, 2013).
11. CC034 – Council Orientation Policy (Last modified on October 21, 2013).
12. CC042 – Ethical Conduct Policy for Members of Council (In effect from July 1, 2013 to May 25, 2018).
13. PAC003 – Councillor Attendance at Quebec Carnival and Grey Cup Policy.
14. PAC006 – Councillors Expenses Allowances Policy (Last modified on October 21, 2013).

15. PAC 007 – Councillors Expenses out of Town Policy (Last modified on February 9, 2015).
16. PAC009 – Office of the Councillors Expenditure Authorization Policy (Last modified on February 9, 2015).
17. PAC014 – Budgeting and Accounting - Office of the Councillors Policy (Last modified on October 21, 2013).
18. Calgary City Councillors and Ward Map.
19. City of Calgary Organizational Chart 2020.
20. Councillor Orientation – Office of the Councillors - Full Presentation – October 24, 2017.
21. Council Orientation Detailed Event 2017.
22. Council Orientation Calendar 2017.
23. Corporate Credit Card – Office of the Councillors - Adjustment to Credit Limit.
24. City of Calgary - Corporate Credit Card Waiver.
25. 2019 Travel Report (IGA & OC Budget).
26. 6 payments with details of the expenses reimbursed to the City of Calgary by Councillor Joe Magliocca:
  - a) Dating January 31, 2020 for \$897.61;
  - b) Dating February 2, 2020 for \$1,205.31;
  - c) Dating February 13, 2020 for \$1805.82;
  - d) Dating May 12, 2020 for \$19.70;
  - e) Dating May 26, 2020 for \$70.47; and
  - f) Dating June 1, 2020 for \$478.47.
27. Councillor Joe Magliocca's personal credit/debit card statement identifying only expenses submitted for reimbursement from the City of Calgary.
28. Online Quarterly Expense Reports for Ward 2 – (2017, 2018, 2019).
29. Agendas for the following FCM events:
  - a) FCM in Ottawa, ON from Nov 20 – 24, 2017;
  - b) FCM in Laval, QC from Mar 5 – 9, 2018;
  - c) FCM in Halifax, NS from May 31 to Jun 3, 2018;
  - d) FCM in Ottawa, ON from Nov 19 – 23, 2018;
  - e) FCM in Penticton, ON from Mar 12 – 15, 2019;
  - f) FCM in Quebec, QC from May 30 to Jun 2, 2019; and
  - g) FCM in Waterloo, ON from Sep 10 – 13, 2019.

## Appendix C – Statements and the CCCO Manager's email of February 28, 2019



### APPENDIX

#### Annual Statement of Commitment to the Ethical Conduct Policy for Members of Council

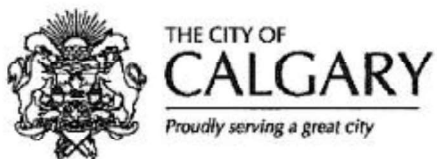
I, (Full Name) Joe MAGLIUCCA declare that as an elected Member of *Calgary City Council* acknowledge and support The Ethical Conduct Policy for Members of Council.

Signed: [Signature]

Declare this 27 day of Feb, 2019 yr

Before me:

\_\_\_\_\_  
Manager, Office of the Councillor



## APPENDIX

### Annual Statement of Commitment to the Ethical Conduct Policy for Members of Council

I, (Full Name) Joe Massimo declare that as an  
elected Member of **Calgary City Council** acknowledge and support The Ethical  
Conduct Policy for Members of Council.

Signed: [Signature]

Declare this 11 day of Feb, 2015 yr

Before me: [Signature]

Manager, Office of the Councillor





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## COUNCIL POLICY



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### APPENDIX

#### Annual Statement of Commitment to the Ethical Conduct Policy for Members of Council

I, (Full Name) JOE MAGLIOCCA declare that as an  
elected Member of **Calgary City Council** acknowledge and support The Ethical  
Conduct Policy for Members of Council.

Signed: [Signature]

Declare this 21 day of June, 2016 yr

Before me:

[Signature]

Manager, Office of the Councillor

**Orr, Patty**

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**From:** Orr, Patty  
**Sent:** Tuesday, February 28, 2017 12:59 PM  
**To:** Magliocca, Joe  
**Cc:** Ellis, Gordon E.  
**Subject:** Follow-up: Ethical Conduct Policy for Members of Council

Hi Joe,

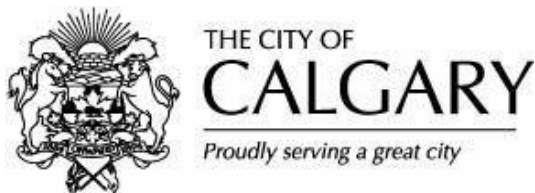
I wanted to send a quick summary of our discussion last week during the CCCO meeting and ask you confirm the following is correct:

1. You acknowledge receipt of a copy of the *Ethical Conduct Policy for Members of Council* (the "Policy") sent to you as part of an email to Councillors on February 13, 2017;
2. You do not wish to sign off on the acknowledgement and agreement of the current Policy; and
3. Your preference is to wait for the updated/amended version the Policy currently under review by the Ethics Advisor, which is anticipated to be reviewed (and approved) by Council later in 2017.

Please send back an email confirming the above, making any additions or modifications to the above, so I can include your comments in my file.

Thanks...Patty

Patty Orr, MBA, B.Sc., B.A.  
Manager, Office of the Councillors  
T 403.268.2165 | Mail code: #8001A



## COUNCIL POLICY

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**Policy Title:** Councillors' Expenses- Out of Town Travel Policy  
**Policy Number:** PAC007  
**Report Number:** AOC05-87, NM2003-11, APA2004-53, NM2005-32, PFC2013-0645  
**Approved by:** PFC (Formerly PAC and APAC)  
**Effective Date:** 2003 October 28 and amended 2005 September 26, 2006 March 13, 2013 September 16.  
**Business Unit:** Office of the Councillors

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### PURPOSE

1. The purpose of the policy is to ensure that there are established procedures in place for Departments to request the approval of CCCO for proposed travel by Councillors at the expense of their Departmental budget prior to booking the travel; and
2. Guidelines are provided for Councillors when traveling at the expense of the Office of the Councillors budget.

### POLICY

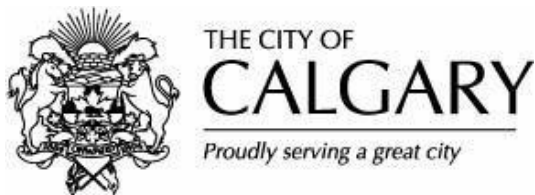
Councillors are required to advise the Coordinating Committee of the Councillors Office (CCCO) of all travel by themselves paid for wholly, or in part by The City of Calgary, and in those circumstances where travel is paid for by other than the Office of the Councillors, that the source of the funds be identified. (NM2003-11, Travel Requests, approved by Council 2003 February 24).

That the CCCO recommend to Council that it directs Departments to advise the CCCO of proposed travel by Councillors at the expense of their Departmental Budget. (NM2005-32 approved by Council 2005 September 26).

The travel budget of the Office of the Councillors is comprised of two types of funds:

- a. Funding for travel by Councillors at the expense of the Office of the Councillors in accordance with decisions of Council.
- b. Funds budgeted by Councillors for travel from their Ward Based Budget Package for business trips on their own initiative.

The Manager, Office of the Councillors, will report in February each year to the Program Manager on the travel expensed to the budget of the Office of the Councillors for each Councillor for each funding type in the calendar year just ended.



## COUNCIL POLICY

### **TRAVEL EXPENDITURE AUTHORIZATION FOR TRAVEL AT THE EXPENSE OF THE OFFICE OF THE COUNCILLORS**

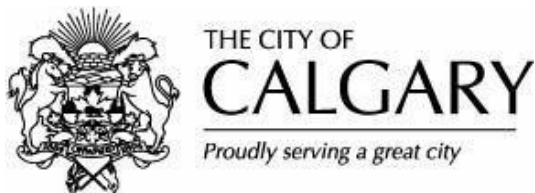
Councillors may travel at the expense of the Office of the Councillors budget only when the following conditions are met;

- a. Where Council has directed that travel of Councillors to a specific event be charged to the Office of the Councillors budget.
- b. Where funds have been set aside in the Office of the Councillors budget for specific events; the names of Councillors traveling as City representatives to be determined latter. (I.E. Grey Cup, Quebec Carnival).
- c. Travel to attend Quebec Carnival is not to exceed four nights per representative without the prior approval of the CCCO and travel to attend Grey Cup is not to exceed five nights per representative without the prior approval of the CCCO.

### **TRAVEL EXPENSES OF COUNCILLORS FROM THE TRAVEL PORTION OF THEIR WARD BASED BUDGET PACKAGE**

The Budgeting and Accounting - Office of the Councillors Policy governs the Ward Based Budget Package component of the travel budget of the Office of the Councillors. In accordance with the Budgeting and Accounting - Office of the Councillors Policy:

- a. each year, each ward will receive an equal allocation as approved by Council as part of the Office of the Councillors Legislative Budget which amount is referred to as the 'Ward Based Budget Package',
- b. each Councillor will have an account for business travel expenses which amount is the funding for this section of this policy,
- c. each Councillor may budget to a maximum of \$10,000 per year for travel from their Ward Based Budget Package,
- d. If, in a given year, a Councillor does not submit a budget, the default amount of the travel expense budget as approved by CCCO as part of the Ward Based Budget Package will be the amount of the travel expense budget for that ward for the year,



## COUNCIL POLICY

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- e. In the year of a general municipal election, the incumbent Councillors shall only be authorized to expend funds for that portion of the year they are in office,
- f. The travel must be clearly related to City business or municipal government and it is the responsibility of the Councillor to clearly establish this relationship.

In addition, the following conditions also apply:

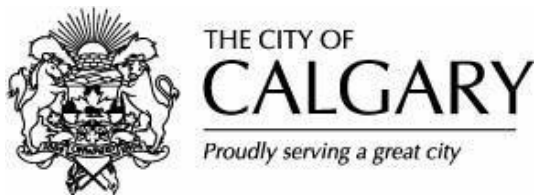
- All charges to ward travel accounts require the authorization of the Program Manager or other member of CCCO. Decisions of the Program Manager hereunder may be appealed by the affected Councillor to the Coordinating Committee of the Councillors Office. Decisions of the CCCO hereunder may be further appealed by the affected Councillor to Priorities and Finance Committee.
- Proof of expense required. For hosting expenses, Councillors are required to provide the name of the party hosted; the Councillor is to initial the receipt. (Council 2006 March 13).

### REIMBURSEMENT

Reimbursement for expenses shall be as follows:

#### **a. Personal Expense Report:**

- i) Personal expenses are claimed on an Expense Report, Form X76. For personal expense claims under \$100.00, Form X91, Request for Reimbursement from Petty Cash, may be used. Individual expense accounts will be checked and approved by the Chairman, Vice-Chairman or any other member of the Coordinating Committee of the Councillors Office.
- ii) Personal Expense Reports are forwarded to Accounts Payable, Finance Department. Accounts Payable is responsible for auditing all Personal Expense Reports to ensure that proper authorization is obtained and back-up documentation is adequate.
- iii) Discrepancies will be reported back to the Program Manager.



## COUNCIL POLICY

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### **b. Corporate Credit Card**

Corporate Credit Cards are available for Councillors for personal expenses. Use of Corporate Credit Cards provides a convenient means by which personal expenses of Councillors can be charged directly to their ward account. For more information and to apply for a Corporate Credit Card, Councillors can contact the Manager, Office of the Councillors.

### **c. Allowances for Personal Expenses i) Travel**

- Personal car - see Section 4(c) below
- Rail, bus and air fares (receipts are required) ▪ Economy fare is normal, unless unavailable.
  - When non-scheduled aircraft are used on City business, arrangements are made through the Purchasing and Stores Department.
- Taxi fares (receipt required in excess of \$5.00)
  - On trips of a short duration, personal cars should be used to the airport. Mileage and parking fees will be paid by The City.
  - On trips of longer duration, taxis may be used.

#### **ii) Room Accommodation (Receipts Required)**

- "The City of Calgary" should appear on the hotel registration.
- When making reservations, advise that The City has a government or corporate rate. Obtain the corporate or government discount, if available.  
***Note:** If the individual is accompanied by a spouse, only single room rate is allowed.*

#### **iii) Personal Meals**

- Maximum of \$125.00 per day including gratuities, receipts required

#### **iv) Alcohol**



## COUNCIL POLICY

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- Alcohol expenses for business meetings can only be permitted with City funds in the event a meeting meets all of the following criteria:
  - The meeting involves third parties (i.e. non-City), external agencies or organizations; and
  - Alcohol consumption is reasonable.
- No alcohol expense will be paid by City funds for any meeting that is attended only by Councillors. Any alcohol consumed will be at the attendees' own expense, cannot be claimed as an eligible expense and will not be reimbursed.
- Notwithstanding these policies, Councillors may continue to host appreciation events that include alcohol for volunteers and/or members of the public service and the Mayor may continue to host similar events for all Councillors.
- An alleged breach of these alcohol expense policies will be considered an alleged breach of the Ethical Conduct Policy for Members of Council (CC042).

### **v) Miscellaneous Expenses**

- Guest meals and other hosting, with an explanation of nature of business and who attended. Guest meals and hosting expenses may not exceed an amount equal to \$100.00 times the number of days of the trip per attendee.
- Foreign money exchange charges with receipts.
- Registration fees for conferences, conventions, seminars and courses.
- Gratuities.
- U-Drives. Contract should be attached to the Expense Report and should be in the name of both The City of Calgary and the Councillor. Collision Damage Waiver must be insured against in



## COUNCIL POLICY

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the contract, and considered as part of the lease contract when claiming expenses.

- Trip cancellation insurance is warranted only if the trip is booked well enough in advance to take advantage of any fare discount.
- Other expenses, as appropriate.

### **d. Use of Personal Automobile**

- i) Councillors travelling outside Calgary on authorized trips on City business may use their personal automobile for transportation and can claim the standard per kilometre rate for travel in excess of a 100km radius from city centre.
- ii) In no case, will monies paid for use of a personal automobile exceed air fare and airport taxi service.

#### **i) Personal Expense Report**

- A Councillor must submit a Personal Expense Report within 14 days of return.
- When the Report is not submitted within 14 days, the amount of the advance will be deducted from the next pay cheque.

***Note:*** Reports should be submitted in duplicate to Accounts Payable Section, Finance Department.

#### **ii) Refunds**

- The City will not refund or require a refund for amount of \$2.00 or less.

### **PROCEDURE**

Proposed travel by Councillors at the expense of their Departmental budget will be considered by the CCCO as requested under these policy guidelines.

### **AMENDMENTS**





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## COUNCIL POLICY

Date of Council Decision	Report / Bylaw	Description
2015 February 09	PFC20150077	To provide guidance on alcohol use as follows: 1. To not allow the expensing of alcohol for meals incorporating the direction from Revised NM2014-37, Workplace Alcohol and Business Expenses for City of Calgary Elected Officials (Councillor ColleyUrquhart), including travel meals.
2013 October 21	Bylaw 40M2011	Discontinue the use of the title "Alderman" in favour of the title "Councillor"
2012 September 16		
2006 March 13		
2005 September 26	NM2005-32	That the AOCC recommend to Council that it directs Departments to advise the AOCC of proposed travel by a Councillor at the expense of their Department Budget.



### Calculation of Airfare Variance

Event	Councillor Magliocca Airfare	Average Council and Administration Airfare <sup>1</sup>	Variance
FCM - Halifax	\$ 1,712.76	\$ 833.71	\$ 879.05
FCM - Laval	\$ 1,128.67	\$ 497.24	\$ 631.43
FCM - Ottawa	\$ 1,391.90	\$ 924.40	\$ 467.50
FCM - Penticton	\$ 669.11	\$ 630.41	\$ 38.70
Quebec - Carnival	\$ 1,427.14	\$ 1,145.74	\$ 281.40
FCM - Quebec	\$ 1,064.89	\$ 967.83	\$ 97.06
FCM - Waterloo	\$ 1,472.26	\$ 573.15	\$ 899.11
Total	\$ 8,866.73	\$ 5,572.48	\$ 3,294.25

<sup>1</sup> Average Council and administration airfare is the simple average of all airfares for Councillors and members of Administration who attended this event, excluding the airfare of Councillor Magliocca



**Report Number:** PFC2020-1168**Meeting:** Priorities and Finance Committee**Meeting Date:** 2020 October 13

## NOTICE OF MOTION

**RE:** Public Art in Northeast Calgary**Sponsoring Councillor(s):** George Chahal

WHEREAS on June 13 2020, northeast Calgary was devastated with a catastrophic hail and rain storm that caused substantial damage to public and private infrastructure including businesses, homes, and automobiles with an estimated total insurable loss close to \$1.5 billion;

AND WHEREAS Northeast Calgary, including Ward 5, has been historically underserved by The City with respect to service level delivery and capital infrastructure investment resulting in a demand for fairness, transparency, and accountability from area residents;

AND WHEREAS The City's public art program provides Ward 5 and Northeast Calgary with less public art funding compared to other areas in Calgary;

AND WHEREAS in 2018, Calgary City Council passed a Notice of Motion approving funds for an Artificial Turf Field at the Genesis Centre, motivated by the fact that Northeast Calgary has 1% of the overall allocation of citywide Athletic Park, Class A, B, and C fields;

AND WHEREAS when the Genesis Centre was being developed, The City allocated a budget of \$700 thousand for the Wishing Well art piece, which was eventually removed due to design safety issues, and no replacement was provided;

AND WHEREAS Northeast Calgary has a diverse community of local artists who, with support from the City, will uplift and brighten their communities through their artistic abilities;

AND WHEREAS public art plays a crucial role in the development of modern and vibrant cities by enhancing our city's cultural capital and shaping our cultural identity;

AND WHEREAS supporting local artists provides economic and social benefit for Northeast communities;

AND WHEREAS the Public Art Capital Fund provides financial support for public art in Calgary.

NOW THEREFORE BE IT RESOLVED that Council direct Administration to:

- 1) Explore public art opportunities in Ward 5 and surrounding Northeast Calgary communities, with an emphasis on replacing the gap left by the Wishing Well at the Genesis Centre and further compensating for a historically inequitable distribution of public art funds in these communities, where opportunities may include, but not limited to, community programming, local artist residencies, public art

installations, community story-telling demonstrating resilience and strength, as shown in the response to the June 2020 hail storm, and considering the investment as mechanism for economic resiliency;

- a. Immediately start public engagement with a diverse group of stakeholders including community members until the end of 2020, and ;
- b. Report back to Council by Q1 2021, with recommendations on potential projects, funding sources, scope of work, and implementation plan.