



## AGENDA

### EXECUTIVE COMMITTEE

March 12, 2024, 9:30 AM  
IN THE COUNCIL CHAMBER

#### Members

Mayor J. Gondek, Chair  
Councillor K. Penner, Vice-Chair  
Councillor G-C. Carra (Councillor-at-Large)  
Councillor J. Mian (Councillor-at-Large)  
Councillor S. Sharp (Infrastructure and Planning Committee Chair)  
Councillor E. Spencer (Audit Committee Chair)  
Councillor C. Walcott (Community Development Committee Chair)

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

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

*Council Members may be participating remotely.*

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
  - 4.1 Minutes of the Regular Meeting of the Executive Committee, 2024 February 13
5. CONSENT AGENDA
  - 5.1 DEFERRALS AND PROCEDURAL REQUESTS  
None
6. POSTPONED REPORTS  
*(including related/supplemental reports)*  
None
7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES,

- 7.1 Green Line Board Progress Report No. 1 (2024), EC2024-0223  
Attachments 3 and 4 held confidential pursuant to Sections 16 (Disclosure harmful to business interests of a third party), 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the *Freedom of Information and Protection of Privacy Act*.

**Review By: Do Not Release**

- 7.2 Charter Bylaw and Council Policy for Tax Corrections and Compassionate Penalty Relief, EC2024-0105
- 7.3 2024 Local Improvements Projects, EC2024-0245
- 7.4 2024 Local Improvement Bylaws for Stephen Avenue Mall and Barclay Mall, EC2024-0244
- 7.5 Board, Commission and Committee Public Member Remuneration and Expense Policy, EC2024-0037  
Attachment 3B held confidential pursuant to Section 17 (Disclosure harmful to personal privacy) of the *Freedom of Information and Protection of Privacy Act*.

**Review By: Do Not Release**

8. ITEMS DIRECTLY TO COMMITTEE

- 8.1 REFERRED REPORTS  
None

8.2 NOTICE(S) OF MOTION

- 8.2.1 Notice of Motion - Enhancing Public Discourse at Council and Council Committee Meetings, EC2024-0358  
Councillor Mian
- 8.2.2 Notice of Motion - Managing the Costs Linked to Downloading of Provincial Responsibilities to Municipalities, EC2024-0371  
Councillor Demong
- 8.2.3 Notice of Motion - Plebiscite on City Wide Blanket Re-Zoning, EC2024-0373  
Councillor McLean, Councillor Chabot, Councillor Sharp, Councillor Chu, Councillor Demong, and Councillor Wong
- 8.2.4 Notice of Motion - Conservation of Trees on Private Properties, EC2024-0374  
Councillor Wong and Councillor Chabot

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

- 10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 10.1.1 Financial Update (Verbal), EC2024-0360  
Held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.
- 10.1.2 Chief Administrative Officer 2024 Performance Plan (Verbal), EC2024-0367  
Held confidential pursuant to Sections 17 (Disclosure harmful to personal privacy) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

**Time Specific: First Item following Lunch Recess**

10.2 URGENT BUSINESS

11. BRIEFINGS

11.1 The City of Calgary Privacy Management Program 2023 Annual Briefing Report, EC2024-0136

11.2 Annual Property Tax Exemptions and Tax Relief Expenditures - 2023, EC2024-0218

12. ADJOURNMENT





**MINUTES**

**EXECUTIVE COMMITTEE**

**February 13, 2024, 9:30 AM  
IN THE COUNCIL CHAMBER**

**PRESENT:**

Mayor J. Gondek, Chair  
Councillor K. Penner, Vice-Chair  
Councillor G-C. Carra (Councillor-at-Large)  
Councillor J. Mian (Councillor-at-Large)  
Councillor S. Sharp (Infrastructure and Planning Committee Chair)  
Councillor E. Spencer (Audit Committee Chair)  
Councillor C. Walcott (Community Development Committee Chair)  
Councillor A. Chabot  
Councillor P. Demong (Partial Remote Participation)  
Councillor D. McLean  
Councillor R. Pootmans  
Councillor T. Wong  
Councillor J. Wyness

**ALSO PRESENT:**

Chief Administrative Officer D. Duckworth  
City Solicitor and General Counsel J. Floen  
Chief Operating Officer S. Dalgleish  
A/General Manager D. Hamilton  
General Manager C. Arthurs  
General Manager K. Black  
Chief Financial Officer C. Male  
A/General Manager J. Radke  
General Manager M. Thompson  
City Clerk K. Martin  
Legislative Advisor J. Booth

**1. CALL TO ORDER**

Mayor Gondek called the meeting to order at 9:31 a.m.

**ROLL CALL**

Councillor Carra, Councillor McLean, Councillor Mian, Councillor Penner, Councillor Pootmans, Councillor Spencer, Councillor Walcott, Councillor Wong, Councillor Wyness, and Mayor Gondek

Absent from Roll Call: Councillor Sharp

**2. OPENING REMARKS**

Mayor Gondek provided opening remarks and a traditional land acknowledgement.

Mayor Gondek recognized February 14 as the 16th Annual Memorial March for Missing and Murdered Women, Girls, and Two Spirit Peoples.

Mayor Gondek recognized the week of February 18 to 24 as Freedom to Read Week and introduced Sarah Meilleur, CEO of the Calgary Public Library.

A presentation entitled "Recognition by Council Freedom to Read Week (February 18-24)" was distributed with respect to Opening Remarks.

3. CONFIRMATION OF AGENDA

**Moved by** Councillor Wyness

That the Agenda for the 2024 February 13 Regular Meeting of the Executive Committee be confirmed.

**MOTION CARRIED**

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Regular Meeting of the Executive Committee, 2024 January 23

**Moved by** Councillor Penner

That the Minutes of the 2024 January 23 Regular Meeting of the Executive Committee be confirmed.

**MOTION CARRIED**

5. CONSENT AGENDA

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Council Community Fund Report Back - Hawkwood Community Association, EC2024-0131

Heather Kovach, Hawkwood Community Association, addressed Committee with respect to Report EC2024-0131.

**Moved by** Councillor Wyness

That with respect to Report EC2024-0131, the following be approved:

That the Executive Committee recommend that Council:

1. Direct Administration to update the Terms of Reference for the Council Community Fund and the Council Innovation Fund to clarify

administrative processes and return to Council through the Executive Committee no later than Q2 2024;

2. Reconsider its decision with respect to Report PFC2021-1237, Recommendation 2; and
  - a. Direct that Administration report back to the Executive Committee within 12 months of project completion; and
3. Reconsider its decision with respect to Report EC2022-0689, Recommendation 2; and
  - a. Direct that Administration to report back to the Executive Committee within 12 months of project completion.

For: (11): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor McLean, Councillor Pootmans, Councillor Wong, and Councillor Wyness

**MOTION CARRIED**

7.2 Council Community Fund Application – Sandstone MacEwan Community Association, EC2024-0013

**Moved by Councillor Mian**

That with respect to Report EC2024-0013, the following be approved:

That the Executive Committee recommend that Council:

1. Approve the Council Community Fund application for the Sandstone MacEwan Community Association's Outdoor Rink Redevelopment Project as a one-time funding request in the amount of \$300,000; and
2. Direct Administration to report back to the Executive Committee within 12 months of project completion.

For: (11): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor McLean, Councillor Pootmans, Councillor Wong, and Councillor Wyness

**MOTION CARRIED**

7.3 Response to Motion Arising - Term Appointments for Members of Council to Boards, Commissions and Committees, EC2024-0115

**Moved by Councillor Chabot**

That with respect to Report EC2024-0115, the following be approved:

That Executive Committee recommend that Council receive this Report for the Corporate Record.

For: (11): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor McLean, Councillor Pootmans, Councillor Wong, and Councillor Wyness

**MOTION CARRIED**

Committee then dealt with Item 8.2.1.

7.4 Remote Participation at Council and Council Committee Meetings, EC2024-0181

Committee dealt with this Item following rising without reporting on Item 10.

A presentation entitled "Remote Participation in Council and Council Committee Meetings" was distributed with respect to Report EC2024-0181.

**Moved by** Councillor Mian

That with respect to Report EC2024-0181, the recommendations be amended by numbering the existing recommendation as Recommendation 1 and adding a new Recommendation 2 as follows:

2. Following first reading, amend the proposed Bylaw to amend the Procedure Bylaw (35M2017) and the Code of Conduct for Elected Officials Bylaw (26M2018) as follows:

- (a) In section 1(b)(i), delete the following:

“(b) Best efforts must be used to attend *Council* or *Council Committee* meetings, including *Closed Meetings*, in person conforming with the Code of Conduct for Elected Officials Bylaw (26M2018). Compliance is overseen by the Integrity and Ethics Office.”

and replace with the following:

“(b) A Member may regularly *participate remotely* in a *Council* or *Council Committee* meeting, after they have disclosed to and been guided by the advice of the Ethics Advisor, on the basis of an accommodation based on protected grounds, as outlined by the *Alberta Human Rights Act*, R.S.A. 2000, c. A-25.5.

(c) Best efforts must be used to attend *Council* or *Council Committee* meetings, including *Closed Meetings*, in person conforming with the Code of Conduct for Elected Officials Bylaw (26M2018). Compliance is overseen by the Integrity and Ethics Office.”

- (b) In section 2, delete

“(a) urgent personal or medical matters; or

(b) when out of town for the purpose of *City* business.”

and replace with the following:

“(a) urgent personal or medical matters;

(b) when out of town for the purpose of *City* business; or



- (c) to accommodate a *Member* based on protected grounds in the *Alberta Human Rights Act*, R.S.A. 2000, c. A-25.5. In such circumstances, the claimed accommodation must be disclosed to the *Ethics Advisor* and the advice of the Ethics Advisor received.”.

For: (12): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Demong, Councillor McLean, Councillor Pootmans, Councillor Wong, and Councillor Wyness

Against: (1): Councillor Chabot

**MOTION CARRIED**

**Moved by** Councillor Carra

That with respect to Report EC2024-0181, the following be approved:

That the Executive Committee refer the pending main motion, as amended, with respect to Report EC2024-0181 back to the Integrity and Ethics Office to work with the City of Calgary’s internal and external Anti-Racism bodies and the Social Wellbeing Advisory Committee for an equity review and return to Executive Committee by Q3 2024.

For: (3): Councillor Carra, Councillor Chabot, and Councillor Pootmans

Against: (10): Mayor Gondek, Councillor Penner, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Demong, Councillor McLean, Councillor Wong, and Councillor Wyness

**MOTION DEFEATED**

**Moved by** Councillor Penner

That with respect to Report EC2024-0181, the following be approved, **as amended:**

That the Executive Committee recommend that Council:

1. Give three readings to the Bylaw to amend the Procedure Bylaw (35M2017) and the Code of Conduct for Elected Officials Bylaw (26M2018), outlined in Attachment 1; **and**
2. **Following first reading, amend the proposed Bylaw to amend the Procedure Bylaw (35M2017) and the Code of Conduct for Elected Officials Bylaw (26M2018) as follows:**

**(a) In section 1(b)(i), delete the following:**

**“(b) Best efforts must be used to attend *Council or Council Committee* meetings, including *Closed Meetings*, in person conforming with the Code of Conduct for Elected Officials Bylaw (26M2018). Compliance is overseen by the Integrity and Ethics Office.”**

and replace with the following:

“(b) A Member may regularly *participate remotely* in a *Council* or *Council Committee* meeting, after they have disclosed to and been guided by the advice of the Ethics Advisor, on the basis of an accommodation based on protected grounds, as outlined by the *Alberta Human Rights Act*; R.S.A. 2000, c. A-25.5.

(c) Best efforts must be used to attend *Council* or *Council Committee* meetings, including *Closed Meetings*, in person conforming with the Code of Conduct for Elected Officials Bylaw (26M2018). Compliance is overseen by the Integrity and Ethics Office.”

(b) In section 2, delete

“(a) urgent personal or medical matters; or

(b) when out of town for the purpose of *City* business.”

and replace with the following:

“(a) urgent personal or medical matters;

(b) when out of town for the purpose of *City* business; or

(c) to accommodate a *Member* based on protected grounds in the *Alberta Human Rights Act*, R.S.A. 2000, c. A-25.5. In such circumstances, the claimed accommodation must be disclosed to the *Ethics Advisor* and the advice of the *Ethics Advisor* received.”.

For: (12): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Demong, Councillor McLean, Councillor Pootmans, Councillor Wong, and Councillor Wyness

Against: (1): Councillor Chabot

**MOTION CARRIED**

Committee then returned to Item 10.

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

8.2.1 Notice of Motion - Recognizing St. Mary's University by Renaming a CTrain Station, EC2024-0130

This Item was dealt with following Item 7.3.

Councillor Demong (Remote Member) joined the meeting at 10:17 a.m.

**Moved by** Councillor Demong

That with respect to Notice of Motion EC2024-0130, the following be approved:

That Notice of Motion EC2024-0130 be forwarded to the 2024 February 27 Regular Meeting of Council for consideration.

For: (12): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor Demong, Councillor McLean, Councillor Pootmans, Councillor Wong, and Councillor Wyness

**MOTION CARRIED**

8.2.2 Notice of Motion - High Complexity Supportive Housing, EC2024-0242

A Revised Notice of Motion was distributed with respect to Notice of Motion EC2024-0242.

**Moved by** Councillor Walcott

That with respect to Notice of Motion EC2024-0242, the following be approved, **after amendment**:

That **Revised** Notice of Motion EC2024-0242 be forwarded to the 2024 February 27 Regular Meeting of Council for consideration.

For: (11): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Spencer, Councillor Walcott, Councillor Demong, Councillor McLean, Councillor Pootmans, Councillor Wong, and Councillor Wyness

Against: (1): Councillor Chabot

**MOTION CARRIED**

Councillor Demong (Remote Member) left the meeting at 10:21 a.m.

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

**Moved by** Councillor Spencer

That pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting, at 10:22 a.m. in the Council Boardroom and Virnetta Anderson Hall, to discuss confidential matters with respect to the following Items:

- 10.1.1 Strategic Approach to Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets, EC2024-0111
- 10.1.2 Chief Administrative Officer Performance Management Process (Verbal), EC2024-0219

And further, that Lisa Baril, External Facilitator, be authorized to attend the Closed Meeting with respect to Item 10.1.1, Strategic Approach to Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets, EC2024-0111.

For: (11): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor McLean, Councillor Pootmans, Councillor Wong, and Councillor Wyness

**MOTION CARRIED**

Committee recessed at 12:00 p.m. and reconvened in public meeting at 1:05 p.m. with Mayor Gondek in the Chair.

**ROLL CALL**

Councillor Carra, Councillor Demong, Councillor McLean, Councillor Mian, Councillor Penner, Councillor Pootmans, Councillor Sharp, Councillor Spencer, Councillor Walcott, and Mayor Gondek

**Moved by** Councillor Sharp

That Committee rise without reporting and postpone Item 10.1.1, Strategic Approach to Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets, EC2024-0111, to the Call of the Chair.

**MOTION CARRIED**

Committee then dealt with Item 7.4.

Committee returned to this Item following Item 7.4.

**Moved by** Councillor Pootmans

That pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting, at 2:29 p.m. in the Council Boardroom and Virnetta Anderson Hall, to discuss confidential matters with respect to the following Items:

- 10.1.1 Strategic Approach to Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets, EC2024-0111
- 10.1.2 Chief Administrative Officer Performance Management Process (Verbal), EC2024-0219

And further, that Lisa Baril, External Facilitator, be authorized to attend the Closed Meeting with respect to Item 10.1.1, Strategic Approach to Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets, EC2024-0111.

And further, that the Committee modify the afternoon recess to the Call of the Chair.

For: (13): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor Demong, Councillor McLean, Councillor Pootmans, Councillor Wong, and Councillor Wyness

**MOTION CARRIED**

Committee recessed at 3:12 p.m. and reconvened in Closed Meeting at 3:33 p.m.

Committee reconvened in public meeting at 5:20 p.m. with Mayor Gondek in the Chair.

ROLL CALL

Councillor Carra, Councillor Chabot, Councillor McLean, Councillor Mian, Councillor Penner, Councillor Pootmans, Councillor Sharp, Councillor Spencer, Councillor Walcott, and Mayor Gondek

**Moved by** Councillor Sharp

That Committee rise and report.

**MOTION CARRIED**

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1 Strategic Approach to Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets, EC2024-0111

The following documents were distributed with respect to Confidential Report EC2024-0111:

- Confidential Cover Report;
- Confidential Attachment 1;
- Confidential Attachment 2;
- Confidential Attachment 3;
- Confidential Attachment 4;
- Confidential Attachment 5;
- Confidential Distribution 1; and
- Confidential Distribution 2.

People in attendance during the Closed Meeting discussions with respect to Confidential Report EC2024-0111:

Clerks: K. Martin, J. Fraser, M. A. Cario, and J. Palaschuk. Chief Administrative Officer: D. Duckworth. Law: J. Floen. Advice: S. Dalgleish, C. Male, C. Arthurs, K. Black, M. Thompson, D. Hamilton, H. Domzal, J. Radke, C. Stewart, M. Jankovic, C. Jacyk, H. Kathol, A. Cornick, L. Rudderham, and M. Olyniuk. External: L. Baril.

**Moved by** Councillor Chabot

That with respect to Confidential Report EC2024-0111, the following be approved, **after amendment**:

That Executive Committee recommend that Council:

1. **Adopt the recommendations in Confidential Distribution 1;**

2. Approve the plan, and the schedule for the Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets on slide 5 of Attachment 3;
3. Direct that the Closed Meeting discussions, Confidential Report, Confidential Attachments and Confidential Distributions be held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed no later than 2026 December 31;
4. Direct **that, notwithstanding recommendation 3**, Administration publicly release the Confidential Report and Confidential Attachments 1, 3, 4, 5, **and Confidential Distribution 1**, immediately following the February 27 Regular Meeting of Council; and
5. Direct that, notwithstanding recommendation 3, the Closed Meeting Discussions, Confidential Report, Confidential Attachments and Confidential Distributions be released to Corporate Planning and Performance, to be shared with Administration, only where required, to support next steps.

For: (9): Mayor Gondek, Councillor Penner, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor McLean, and Councillor Pootmans

Against: (1): Councillor Carra

**MOTION CARRIED**

10.1.2 Chief Administrative Officer Performance Management Process (Verbal), EC2024-0219

Administration in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report EC2024-0219:

Clerks: K. Martin.

**Moved by** Councillor Penner

That with respect to Confidential Verbal Report EC2024-0219, the following be approved:

That the Executive Committee recommend that Council direct the Closed Meeting discussions be held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

For: (10): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor McLean, and Councillor Pootmans

**MOTION CARRIED**

10.2 URGENT BUSINESS

None

11. BRIEFINGS

None

12. ADJOURNMENT

**Moved by** Councillor Walcott

That this meeting adjourn at 5:22 p.m.

**MOTION CARRIED**

The following Items have been forwarded to the 2024 February 27 Regular Meeting of Council:

CONSENT AGENDA

- Council Community Fund Application – Sandstone MacEwan Community Association, EC2024-0013
- Response to Motion Arising -Term Appointments for Members of Council to Boards, Commissions and Committees, EC2024-0115
- Strategic Approach to Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets, EC2024-0111
- Chief Administrative Officer Performance Management Process (Verbal), EC2024-0219

ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- Council Community Fund Report Back - Hawkwood Community Association, EC2024-0131
- Remote Participation at Council and Council Committee Meetings, EC2024-0181
- Notice of Motion - Recognizing St. Mary's University by Renaming a CTrain Station, EC2024-0130
- Notice of Motion - High Complexity Supportive Housing, EC2024-0242

The next Regular Meeting of the Executive Committee is scheduled to be held on 2024 March 12 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

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CHAIR

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CITY CLERK





**Green Line Report to  
Executive Committee  
2024 March 12**

**ISC: UNRESTRICTED  
EC2024-0223**

## **Green Line Board Progress Report No. 1 (2024)**

### **PURPOSE**

The Green Line Phase 1 has \$5.5B in approved funding from The City of Calgary, the Government of Alberta, and the Government of Canada. This quarterly report to the Executive Committee of Council from the Green Line Board is part of our efforts to keep Council and Calgarians informed on the progress of the Green Line LRT Project and demonstrate the ongoing oversight and delivery of the Project by our independent Green Line Board of Directors.

### **PREVIOUS COUNCIL DIRECTION**

This quarterly report provides an update by the Green Line Board as required by the Green Line Board Bylaw 21M2020. We also publish monthly progress reports that are available to members of Council and the public, see Attachment 2 - Green Line Board Progress Report January 2024.

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

That the Executive Committee:

1. Receive this report for the Corporate Record; and
2. Direct that the Closed Meeting discussions, and Attachments 3 and 4, be held confidential pursuant to Sections 16 (Disclosure Harmful to Business Interests of a Third Party), 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the *Freedom of Information and Protection of Privacy Act*, not to be released.

### **CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS**

CEO Green Line D. Bhatti and Green Line Board Chair D. Fairbairn concur with this report.

### **HIGHLIGHTS**

- Early components of infrastructure construction are expected to begin in 2024. \$400M of early works construction is already completed or underway.
- Work with the Development Partner continues to progress. Due to higher than anticipated estimates from some of the sub-contractors, options are being considered to address cost pressures.
- Early works construction activities continued in the Beltline and Downtown. The diversion track on the temporary embankment at 78 Avenue was completed in January and Canadian Pacific Kansas City (CPKC) rail traffic has been diverted to allow for construction of the vehicle and pedestrian tunnel to commence. All structures at the former Lilydale Poultry Plant have been demolished and site clean up continues into February.

### **DISCUSSION**

#### **Phase 1 – Development Phase**

The Development Partner completed their 30% design submission deadline in January and provided updated packages on risk allocation, and overall schedule for ongoing negotiation with Green Line.

**Green Line Report to  
Executive Committee  
2024 March 12**

**ISC: UNRESTRICTED  
EC2024-0223**

## **Green Line Board Progress Report No. 1 (2024)**

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Due to higher than anticipated estimates from some of the sub-contractors, Green Line is continuing to evaluate the estimates and review the contracting strategy. Several options are currently under consideration to address the cost pressures as we continue to advance design, negotiate risk allocations, price, and project schedule through the Development Phase.

### **78 Avenue Project**

In December, the 78 Avenue Project secant pile wall was completed which allowed for the installation of diversion track to be completed in January. All CPKC rail traffic has now been successfully diverted and removal of the old embankment has begun to allow for construction of the 78 Avenue vehicle tunnel. The installation of the secant pile wall at the pedestrian tunnel area at the future Ogden Station has also begun.

### **Beltline Downtown Utility Relocation Project (BDURP)**

Most work in the Beltline West area has been completed with transmission line cable pulling scheduled to complete in early 2024. Community and key partners in the Beltline East expressed their gratitude to see Olympic Way at 11 Avenue S.E. fully re-opened to vehicles in December.

Calgary District Heating Inc. completed major relocation of their infrastructure on 5 Avenue, 6 Avenue, and 3 Street S.W. Service connections and other remaining work will continue in 2024. Construction continued for ENMAX, TELUS and Bell/Zayo on 3, 5 and 6 Avenues, with work expected to be ongoing in 2024.

### **Light Rail Vehicle (LRV)**

Following achievement of the Final Design Review on September 28, 2023, Green Line and Construcciones y Auxiliar de Ferrocarriles (CAF) worked collaboratively to achieve the next LRV Supply Agreement Milestone in December 2023. This Milestone saw all the necessary testing documents and procedures being finalized which will be used in the final testing and commissioning of the individual LRV once manufactured.

### **Environment**

Green Line and the Development Partner met with a heritage conservation advisor from the province to discuss requirements under the Historic Resource Act for two provincially designated structures in the downtown segment. Meetings were also scheduled with Fisheries and Oceans Canada and Transport Canada for February 2024 to discuss the Bow River and Elbow River crossings.

### **Health & Safety**

Safety remains the top priority as construction activity continues in the Beltline, Downtown and community of Ogden. Green Line monitors safety compliance by Green Line staff, consultants, and contractors on all construction sites.

44 inspection/site visits were conducted by the Green Line Project Team in November, December, and January, and 15 incidents occurred in that period. In compliance with established protocols, root cause analyses were completed for all incidents, and lessons learned were implemented.

Green Line Report to  
Executive Committee  
2024 March 12

ISC: UNRESTRICTED  
EC2024-0223

## **Green Line Board Progress Report No. 1 (2024)**

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### **EXTERNAL ENGAGEMENT AND COMMUNICATION**

- |   |   |
|---|---|
| <input type="checkbox"/> Public engagement was undertaken                   | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken |
| <input checked="" type="checkbox"/> Public/interested parties were informed | <input type="checkbox"/> Public communication or engagement was not required        |

In November, a public survey was launched to solicit feedback from Calgarians in advance of main construction. The survey was open until December 13 and was promoted on our website and social media channels. 2,245 responses were gathered and compared against the scientifically, controlled, representative of Calgarians, with a sample size of 804. The feedback from the survey informed the discussion guide for the focus groups that took place in early January. Almost 90% of Calgarians sampled recognized the importance of investing in the Green Line.

The Community & Business Relations team continued to hold construction outlook sessions to help set expectations and inform residents and businesses about the impacts of upcoming work. Green Line also continued to work with residents, businesses, and other partners to monitor and manage disruptions due to construction and meet on site to assess impacts and discuss opportunities with the contractors to minimize issues when possible.

### **IMPLICATIONS**

#### **Social**

Phase 1 Green Line will connect Calgarians to 190,000 jobs within walking distance of Green Line stations. It will improve social equity providing access to 450,000 more jobs within a fifteen-minute bus ride of a Green Line station once complete - that's over 30% of all jobs in Calgary. Green Line will also unlock land around stations for development and housing as Calgary continues to grow.

#### **Environmental**

Each year, Phase 1 of the Green Line will shift 4.8 million trips from vehicles to transit, reducing greenhouse gases by nearly 27,000 tonnes. It will improve the journey for transit users in the southeast, saving them up to 25 minutes in travel time. With more people taking transit and fewer cars on the roads, drivers will also benefit from reduced journey times of up to 10%.

#### **Economic**

As the largest infrastructure investment in Calgary's history, Phase 1 construction of the Green Line is contributing to the city's economy. Local sub-contractors are already engaged on enabling works with additional scopes of work pending, building on the strength of Calgary's local contractors, trades, and suppliers.

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

#### **No anticipated financial impact**

The Green Line Board has a mandate to deliver the Green Line LRT Project in alignment with 2020 Council direction and within the committed funds. We continue to work on behalf of

Green Line Report to  
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EC2024-0223

**Green Line Board Progress Report No. 1 (2024)**

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Calgarians and all funding partners to balance the costs and risks with the long-term city-shaping benefits.

**Financial Summary as of January 31, 2024**

Category [1]	Committed Cost	Cost to Date	Cost Year to Date
Owner's Cost	97,847,961	97,847,961	1,422,687
Design & Engineering	500,605,237	435,116,151	33,677,699
Construction, Land & Other Assets	647,275,521	578,536,421	24,730,447
Bus Rapid Transit	50,000,000	6,575,535	-
<b>Grand Total</b>	<b>1,295,728,719</b>	<b>1,118,076,069</b>	<b>59,830,833</b>

[1] Details on inclusions can be found online in the [Monthly board report and financial summary legend](#).

**RISK**

We are continually monitoring and analyzing Risk on behalf of Calgarians and all funding partners. The Green Line Board relies on the experience and expertise of the Green Line leadership team to make recommendations and invest in ongoing independent due diligence to identify, evaluate, and validate information and assumptions.

The current key risk and mitigations include:

- Due to higher than anticipated estimates from some of the sub-contractors, all Financial and Technical options, and delivery strategies, within the Board’s mandate are being considered to address cost pressures. Green Line is evaluating the contracting strategy to ensure that the most cost-effective approach is utilized, and other opportunities are being discussed as we advance design and negotiate with the Development Partner.

**ATTACHMENT(S)**

1. Green Line Board Report Q4 2023 – EC2023-1221
2. Green Line Board Progress Report January 2024
3. CONFIDENTIAL – Green Line Board Quarterly Land Report
4. CONFIDENTIAL – Green Line Update
5. Green Line Board Progress Report No. 1 (2024) Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Don Fairbairn	Green Line Board Chair	Approve
Darshpreet Bhatti	Chief Executive Officer, Green Line	Approve

Author: Jodie Lush, Green Line

**Green Line Report to  
Executive Committee  
2023 December 06**

**ISC: UNRESTRICTED  
EC2023-1221**

## **Green Line Board Report Q4 2023**

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### **PURPOSE**

The Green Line LRT project is the largest infrastructure investment in Calgary's history. It has \$5.5 billion in funding commitments from the Government of Canada, Government of Alberta, and The City of Calgary. This quarterly report to the Executive Committee of Council from the Green Line Board is part of the efforts to keep Council and Calgarians informed on the progress and governance of the Green Line LRT Project and demonstrate the ongoing management of the Project by the Board.

### **PREVIOUS COUNCIL DIRECTION**

This quarterly report provides an update by the Green Line Board as required by the Green Line Board Bylaw 21M2020. The Green Line Board also publishes monthly progress reports that are available to members of Council and the public, see Attachment 2 - Green Line Board Progress Report October 2023.

### **RECOMMENDATION:**

That the Executive Committee:

1. Receive this report for the Corporate Record; and  
Direct that Attachment 3 remain confidential pursuant to Sections 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the *Freedom of Information and Protection of Privacy Act*, not to be released.

### **CEO GREEN LINE COMMENTS**

CEO Green Line D. Bhatti and Green Line Board Chair D. Fairbairn concur with this report.

### **HIGHLIGHTS**

Green Line and BTC are working collaboratively through an established Development Phase governance model to advance the Phase 1 design and to negotiate the cost, schedule, and risk allocation.

Green Line's LRV work met a significant milestone on September 28, 2023, with CAF achieving Final Design Review.

Green Line has seen significant progress on key early works activities since the last quarterly report. These projects are helping to minimize cost and schedule risks, thereby reducing conflicts during construction of Green Line tracks, stations, tunnels, and bridges:

- 78 avenue temporary embankment construction was completed on October 31.
- Lilydale demolition underway and expected to be completed by the end of 2023.
- Utility relocation work in Downtown and Beltline progressed with major road closures expected to be re-opened by the end of 2023.

**Green Line Report to  
Executive Committee  
2023 December 06**

**ISC: UNRESTRICTED  
EC2023-1221**

## **Green Line Board Report Q4 2023**

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Several environmental assessments and studies were completed as part of the additional due diligence program to inform the Phase 1 design work underway as part of the Development Phase:

- Field work for fish habitat assessments and bathymetry in the Bow and Elbow Rivers was completed in September.
- Field work for additional wetland assessments along the alignment was completed in October.
- Fish spawning surveys in the Bow and Elbow Rivers as well as supplemental baseline noise and vibration monitoring was completed in November.

## **DISCUSSION**

### **Phase 1 – Development Phase**

Work with Bow Transit Connectors (BTC), the Development Partner, is progressing. Working groups continued their technical information exchange sessions to further develop details on design, and establish agreement on project costs, risk allocation, and overall schedule.

### **78 Avenue Project**

Green Line worked with Graham Construction on an accelerated plan to deliver work on the 78 Avenue Project. The temporary diversion embankments at 78 Avenue and the pedestrian tunnel area were completed at the end of October, as planned.

### **Beltline Downtown Utility Relocation Project (BDURP)**

Shallow utility relocation work (third-party telecom, electricity, and gas utilities) continued in the Beltline and Downtown; additional engineering design work is continuing for the remaining shallow utility work. Deep utility relocation works underway in the Beltline include City sanitary, water and stormwater utilities.

Complete closure of the Olympic Way and 11 Avenue S.E. intersection was implemented in August to facilitate construction of all remaining utility work at this intersection. Similarly, a closure of 12 Avenue S.E. for east-west traffic movement at 6 Street S.E. was put in place for utility relocation work. Traffic detours were constructed and are in place to ensure all directional traffic movements are provided and to minimize impacts to the travelling public while utility relocation work is ongoing.

5 Avenue S.W. continues to see closures as Enmax, Calgary District Heating Inc., Telus, and Bell/Zayo continued to perform work in the area.

### **Light Rail Vehicle (LRV)**

Following achievement of the Final Design Review on September 28, 2023, Green Line and CAF have been working collaboratively to achieve the next LRV Supply Agreement Milestone in December 2023. This Milestone will see all the necessary testing documents and procedures being finalised which will be used in the final testing and commissioning of the individual LRV once manufactured.

**Green Line Report to  
Executive Committee  
2023 December 06**

**ISC: UNRESTRICTED  
EC2023-1221**

## **Green Line Board Report Q4 2023**

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### **Environment**

Field work for fish habitat assessments and bathymetry in the Bow and Elbow Rivers was completed in September 2023. Green Line and BTC met with Alberta Environment and Protected Areas on September 18, 2023, to discuss the proposed soil management approach for the Green Line. Green Line and BTC also met with Alberta Environment and Protected Areas on September 12, 2023, to discuss wetland compensation at the Maintenance & Storage Facility.

Field work for additional wetland assessments along the alignment was completed in October 2023. Fish spawning surveys in the Bow and Elbow Rivers as well as supplemental baseline noise and vibration monitoring was completed in November 2023.

### **Health & Safety**

Safety remains the key focus as BDURP construction activity continues in the Beltline, Downtown and community of Ogden. Green Line monitors safety compliance by Green Line staff, consultants, and contractors on all construction sites. 19 minor incidents occurred in September and October with no injuries reported. In compliance with established protocols, root cause analyses were completed, and lessons learned were implemented.

Several of the property damage incidents were related to contact with underground utilities during excavation. Service strikes have become more frequent, and the Green Line team has followed up by reviewing site conditions and operating procedures to establish whether there are underlying causes driving these trends. Several follow-up meetings with contractors and asset owners were held to discuss solutions and ensure that coordination and interface issues that seem to be the root cause for these incidents are addressed and shared with all the BDURP contractors.

## **EXTERNAL ENGAGEMENT AND COMMUNICATION**

- |   |   |
|---|---|
| <input type="checkbox"/> Public engagement was undertaken                   | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken |
| <input checked="" type="checkbox"/> Public/interested parties were informed | <input type="checkbox"/> Public communication or engagement was not required        |

In October, BTC began a series of geotechnical field work visits. Green Line worked collaboratively with the BTC team to secure access to properties, distribute construction notices, and identify opportunities to minimize impacts while maintaining the schedule. Specifically, Green Line coordinated with City peace officers to communicate with vulnerable people where encampments were identified in proximity to this work. This early intervention, allowed for BTC and Green Line take proactive and compassionate steps to advance the work as planned, while ensuring the safety of construction workers as well as the vulnerable populations encountered.

Green Line's Community & Business Relations team held construction outlook sessions to help set expectations and inform residents and businesses about the impacts of upcoming work. The Q3 2023 Business Insights Panel met on site in Victoria Park, providing an opportunity to receive feedback from members on recent wayfinding signage and business access planning activities.

**Green Line Report to  
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2023 December 06**

**ISC: UNRESTRICTED  
EC2023-1221**

## **Green Line Board Report Q4 2023**

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Dakota Inc, the contractor brought in to undertake building demolitions, began work on the Lilydale Chicken Factory. A community event was held on November 8 to mark the start of the demolition. The community turnout was positive with many area residents attending the event and expressing their excitement for the change. The Lilydale building demolition is expected to be completed by the end of 2023.

### **IMPLICATIONS**

#### **Social**

The Green Line LRT will transform accessibility and mobility for Calgarians providing an affordable alternative to the bus and road network. Green Line will contribute to safe and healthy communities. The Green Line LRT will improve mobility choices by providing a high-quality transit service that is fast, frequent, and reliable; enhance connectivity between people and places including connections to communities, employment hubs and key destinations across the city; and provide flexible capacity for a growing region.

#### **Environmental**

The Green Line LRT will allow Calgary's transportation network to move more people, emit fewer greenhouse gasses and use less energy and resources than we do today. Green Line will also contribute to a greener Calgary by improving the urban forest. A key factor in planning the Green Line is adding trees, green elements, and natural spaces. This will enhance the streetscape environment and the experience of transit riders.

#### **Economic**

As the largest infrastructure investment in Calgary's history, the Green Line is contributing to the city's economic recovery and resiliency. Bow Transit Connectors (BTC) has already identified some of their local, Calgary-based sub-contractors and will be building out their teams going forward, building on the strength of Calgary's local contractors, trades, and suppliers. Their subcontracting strategy will directly benefit local businesses, who will work with us through both the Development and Implementation Phases. Green Line has already invested more than \$300M on its utility relocation work, and the 78 Avenue Project that are being performed by local businesses.

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

##### **No anticipated financial impact**

The Green Line Board has a mandate to deliver the Green Line LRT Project in alignment with 2020 Council direction and within the committed funds. The Board continues to work on behalf of Calgarians and all funding partners to balance the costs and risks with the long-term city-shaping benefits.

##### **Financial Summary as of October 31, 2023**

<b>Category [1]</b>	<b>Committed Cost</b>	<b>Cost to Date</b>	<b>Cost Year to Date</b>
Owner's Cost	93,202,998	93,202,998	12,997,667



**Green Line Report to  
 Executive Committee  
 2023 December 06**

**ISC: UNRESTRICTED  
 EC2023-1221**

**Green Line Board Report Q4 2023**

Design & Engineering [2]	408,758,493	356,541,393	89,488,487
Construction, Land & Other Assets [2]	623,339,937	539,258,453	82,288,416
Bus Rapid Transit	5,846,980	5,846,980	1,203,684
<b>Grand Total</b>	<b>1,131,148,408</b>	<b>994,849,825</b>	<b>185,978,253</b>

[1] Details on inclusions can be found online in the [Monthly board report and financial summary legend](#).

[2] Adjusted as of October 2023 to shift the costs of Development Phase from Construction, Land & Other to Design & Engineering

Spending since 2015 includes the engineering and design of different alignment options, the procurement of 28 new Light Rail vehicles, land acquisition, and early works construction.

**RISK**

Risk is continually monitored and analyzed by the Green Line Board, on behalf of Calgarians and all funding partners. The Board relies on the experience and expertise of the Green Line leadership team to make recommendations and invests in ongoing independent due diligence to identify, evaluate, and validate information and assumptions.

The key risks and mitigations include:

- Green Line is working with BTC to ensure that they have sufficient resources to meet the Development Phase Agreement requirements within the agreed Development Phase schedule.
- Utility relocation works in Beltline and Downtown are ongoing in busy traffic corridors, which impacts the travelling public and pedestrians. Green Line continues to proactively engage and notify stakeholders of potential construction related impacts (e.g., road closures) and work actively with City business units on a regular basis to optimize traffic control, lane closures, and assist with traffic management in Beltline and Downtown overall.

**ATTACHMENTS**

1. Green Line Board Report Q3 2023 – EC2023-0936
2. Green Line Board Progress Report October 2023
3. CONFIDENTIAL – Green Line Board Quarterly Land Report
4. Presentation – Green Line Board Report Q4 2023

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Don Fairbairn	Green Line Board Chair	Approve
Darshpreet Bhatti	Chief Executive Officer, Green Line	Approve

Author: Jodie Lush, Green Line





## Green Line Board January 2024 Public Progress Report

### JANUARY HIGHLIGHTS

Work with Bow Transit Connectors (BTC), the Development Partner, continues to progress. Due to higher than anticipated estimates from sub-contractors, options are currently under consideration as we continue to advance design and negotiate risk allocations, price, and project schedule with BTC.

Early works construction activities continued in January in the Beltline and Downtown. The diversion track on the temporary embankment at 78 Avenue was completed in January and rail traffic has been diverted. All structures at the former Lilydale Poultry Plant have been demolished, and site clean-up continues into February.

### PROJECT UPDATES

#### Development Phase Agreement

Bow Transit Connectors (BTC) completed its 30% design submission deadline and provided updated packages outlining project costs, risk allocation, and overall schedule for ongoing discussions with the Green Line team.

#### Beltline Downtown Utility Relocation Project

Utility relocations in Beltline and Downtown continued in January, with multiple third-party utility projects on downtown avenues, and ENMAX transmission work advancing in Beltline East. ENMAX construction also started work on 3 Street S.E. between 10 and 12 Avenue.



Feedermain removals on 6 Street S.E.

#### 78 Avenue Project

With the completion of piling at both temporary diversion embankments, and Canadian Pacific Kansas City (CPKC) trains now diverted, the excavation work to build the vehicle and pedestrian tunnels can begin. Construction will be localized to the east side of the embankment, greatly reducing impacts and disturbances to the nearby community members.

#### Light Rail Vehicles (LRV)

Green Line continues to work collaboratively with CAF to achieve the next LRV Supply Agreement Milestone in early 2024.

#### Demolitions

The buildings at the former Lilydale Poultry Plant have now been demolished, and work will continue with site clean-up and the removal of materials. Backfill compaction and seeding are expected to be completed early 2024.



## PROJECT DASHBOARD

Functional Area	Status	Comments
Health & Safety		<ul style="list-style-type: none"> <li>There were no safety incidents during the month of January.</li> <li>10 safety inspection were conducted by the Green Line Project Team.</li> <li>Contractors held safety meetings with crews to support the refocus on safety at work.</li> </ul>
Public Affairs		<ul style="list-style-type: none"> <li>Connected with 75 businesses, residents, and key stakeholders in January.</li> </ul>
Schedule		<ul style="list-style-type: none"> <li>Work on key program activities is progressing.</li> </ul>
Cost		<ul style="list-style-type: none"> <li>Due to higher than anticipated estimates from sub-contractors, the status has changed.</li> <li>Several options are currently under consideration as we continue to advance design and negotiate risk allocations, price, and project schedule with BTC through the Development Phase.</li> </ul>
Environment		<ul style="list-style-type: none"> <li>No environmental incidents occurred in January 2024.</li> </ul>
Quality		<ul style="list-style-type: none"> <li>Program Quality Management Plan implementation continued with oversight of BDURP and 78 Avenue construction quality and LRV Supply project quality compliance.</li> </ul>

## HEALTH & SAFETY

There was no safety incident in the month of January 2024. Ten (10) safety site inspections were conducted by the Green Line project team and two (2) safety non-conformances were identified and addressed. Contractors held safety meetings with crews after the holiday break to support the refocus on safety at work. Onboarding for new hires is ongoing.

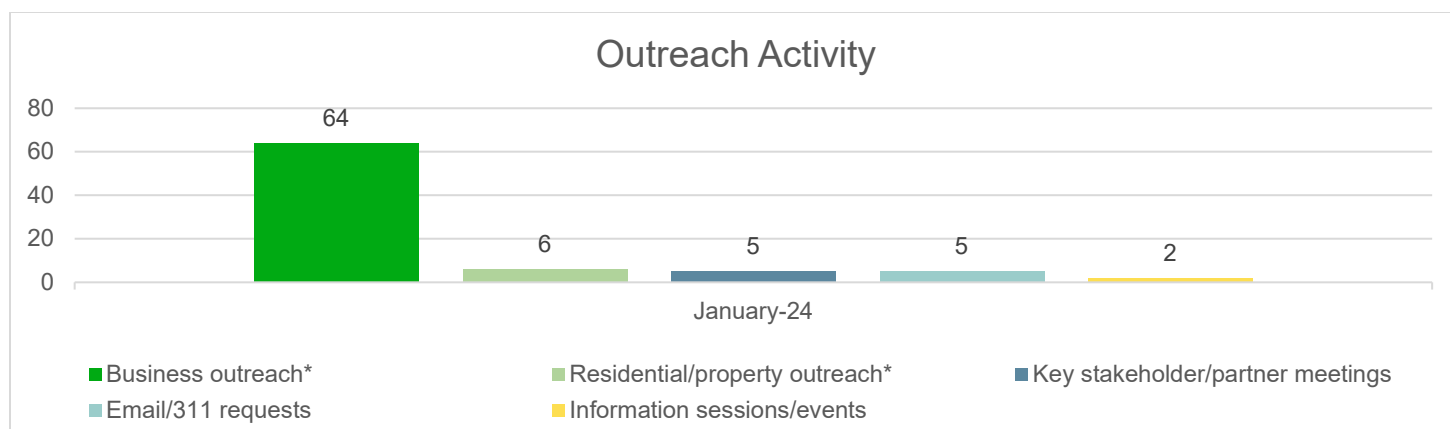
## COMMUNITY AND BUSINESS RELATIONS

Green Line led its monthly construction outlook for the Beltline and Downtown to inform residents and businesses about the anticipated impacts and made a presentation to a local charity, sharing information about the project and its progress.

In addition to the four construction notices sent to more than 132 interested parties (property owners, property managers, community organizations, businesses, and residents) in the Beltline, Downtown, and Ogden, the direct business and community outreach for January 2024 is summarized below.



### Outreach Activity



\* Outreach includes calls, meetings, and on-site visits.

### FINANCIAL SUMMARY

Green Line continues to monitor the financial position of the program, below is the financial summary as of January 31, 2024.

Category <sup>[1]</sup>	Committed Cost	Cost to Date	Cost Year to Date
Owner's Cost	97,847,961	97,847,961	1,422,687
Design & Engineering	500,605,237	435,116,151	33,677,699
Construction, Land & Other Assets	647,275,521	578,536,421	24,730,447
Bus Rapid Transit	50,000,000	6,575,535	-
<b>Grand Total</b>	<b>1,295,728,719</b>	<b>1,118,076,069</b>	<b>59,830,833</b>

[1] Details on specific inclusions can be found online in the [Monthly board report and financial summary legend](#).





## Green Line Board Progress Report No. 1 (2024)

Executive Committee Meeting

March 12, 2024





## Recommendation

That Executive Committee of Council:

1. Receive this report for the Corporate Record; and
2. Direct that the Closed Meeting discussions and Attachment 3 and 4 be held confidential pursuant to Sections 16 (Disclosure Harmful to Business Interests of a Third Party), 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the Freedom of Information and Protection of Privacy Act, not to be released.

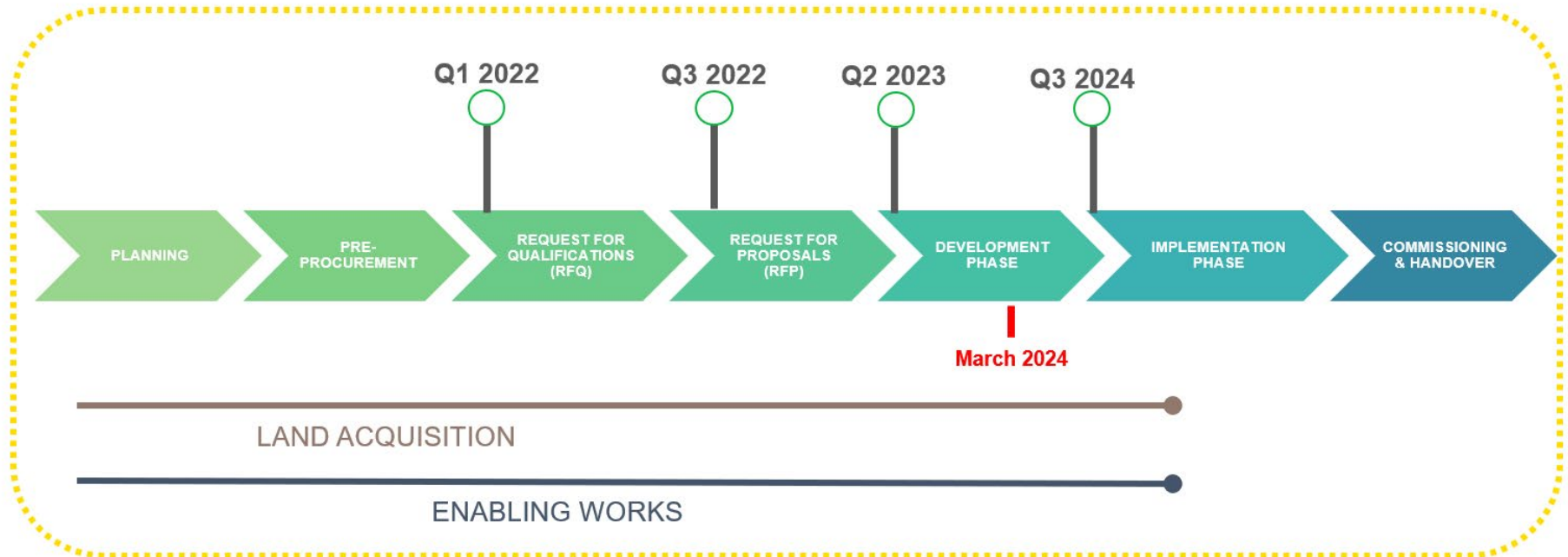




## Highlights

- » 78 Avenue embankment and diversion tracks completed
- » 30% design submission completed by Development Partner
- » Lilydale structure demolition completed

## Phase 1 Project Delivery





## Project Updates

- **Development Phase:** Green Line continues to work with the Development Partner to advance design, and negotiate cost, schedule and risk allocation. The 30% design package was received in January and the focus is now on advancing to 60% design.
- **78 Avenue Project:** Track installation on diversion embankment completed.
- **Demolition:** Structural demolition work was completed on the Lilydale site.



Looking north at the tie back installation work at 78 Avenue Project.



Lilydale  
demolition site



## Project Updates cont'd

- **BDURP:** Utility relocations in Beltline and Downtown continued with multiple third-party utility projects on downtown avenues, and ENMAX transmission work advancing in Beltline East. ENMAX also started work on 3 Street S.E. between 10 and 12 Avenue.
- **LRV:** Green Line continues to work collaboratively with CAF to achieve the next LRV Supply Agreement Milestone in early 2024.



Feedermain removals on 6 Street S.E.









## Looking Ahead

- **New early works starting in 2024:**
  - Demolitions in Beltline/Eau Claire
  - Maintenance & Storage Facility Preparation
- **Potential/additional early works:**
  - Instrumentation & Monitoring
  - Support of Excavation
  - Tunnel Boring Machine



# Project Dashboard

Dashboard as of January 31, 2024

Functional Area	Status	Comments
Health & Safety		<ul style="list-style-type: none"> <li>• There were no safety incidents during the month of January.</li> <li>• 10 safety inspection were conducted by the Green Line Project Team.</li> <li>• Contractors held safety meetings with crews to support the refocus on safety at work.</li> </ul>
Public Affairs		<ul style="list-style-type: none"> <li>• Connected with 75 businesses, residents, and key stakeholders in January.</li> </ul>
Schedule		<ul style="list-style-type: none"> <li>• Work on key program activities is progressing.</li> </ul>
Cost		<ul style="list-style-type: none"> <li>• Due to higher than anticipated estimates from some of the sub-contractors, the status has changed.</li> <li>• Several options are currently under consideration as we continue to advance design and negotiate risk allocations, price, and project schedule as we move through the Development Phase.</li> </ul>
Environment		<ul style="list-style-type: none"> <li>• No environmental incidents occurred in January 2024.</li> </ul>
Quality		<ul style="list-style-type: none"> <li>• Program Quality Management Plan implementation continued with oversight of BDURP and 78 Avenue construction quality and LRV Supply project quality compliance.</li> </ul>



## Risk Mitigation

### Cost

- Continued evaluation of sub-contractor estimates
- Reviewing contracting strategy

### Land

- Land acquisition identified by Green Line to be completed in Q1 2024
- Additional land identified by Development Partner under consideration

### Construction & Stakeholders

- Utility relocation in Beltline and Downtown is ongoing in busy traffic corridors.
- Proactive engagement with stakeholders and notification of upcoming construction impacts.



# Financial Summary

**Table 1 – Green Line Previous 6-month Spend Rate**

	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
<b>Owner's Cost</b>	\$1,252,784	\$1,278,278	\$1,258,434	\$1,605,945	\$1,438,117	\$1,422,687
<b>Design &amp; Engineering</b>	\$10,901,119	\$20,421,404	\$16,349,437	\$21,899,167	\$23,176,107	\$33,677,699
<b>Construction, Land &amp; Other</b>	\$7,581,726	\$18,517,881	\$12,377,548	\$4,762,127	\$9,785,394	\$24,730,447
<b>Bus Rapid Transit</b>	\$1,281	\$720,946	\$0	-\$200	\$728,755	\$0
<b>Grand Total</b>	\$19,736,910	\$40,938,510	\$29,985,419	\$28,267,039	\$35,128,373	\$59,830,833

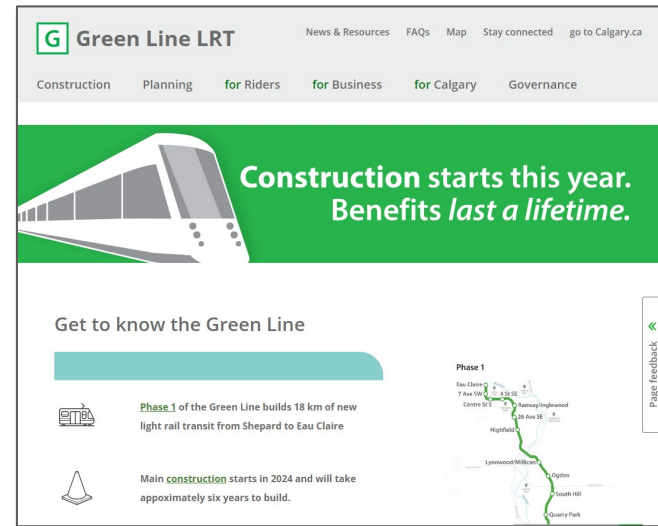
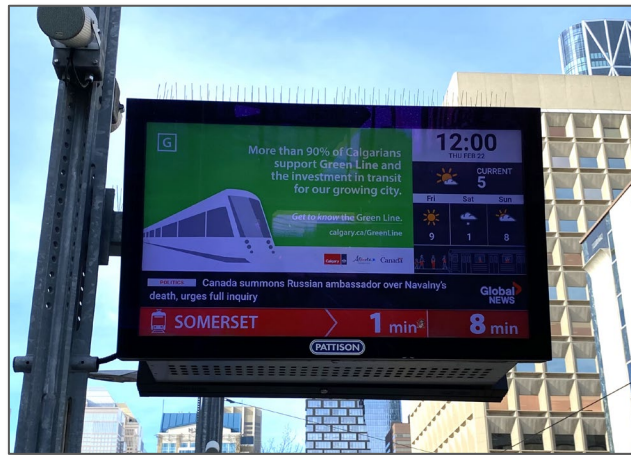
**Table 2 – Financial Summary as of January 31, 2024**

Category	Committed Cost	Cost to Date	Cost Year to Date
<b>Owner's Cost</b>	\$97,847,961	\$97,847,961	\$1,422,687
<b>Design &amp; Engineering</b>	\$500,605,237	\$435,116,151	\$33,677,699
<b>Construction, Land &amp; Other</b>	\$647,275,521	\$578,536,421	\$24,730,447
<b>Bus Rapid Transit</b>	\$50,000,000	\$6,575,535	\$0
<b>Grand Total</b>	\$1,295,728,719	\$1,118,076,069	\$59,830,833



# Connecting with Calgarians

Attachment 5  
EC2024-0223



Almost 90% of Calgarians sampled recognize the importance of investing in the Green Line.





## Recommendation

That Executive Committee of Council:

1. Receive this report for the Corporate Record; and
2. Direct that the Closed Meeting discussions and Attachment 3 and 4 be held confidential pursuant to Sections 16 (Disclosure Harmful to Business Interests of a Third Party), 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the Freedom of Information and Protection of Privacy Act, not to be released.

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Attachment 5  
EC2024-0223



## Questions

Corporate Planning & Financial Services Report to  
Executive Committee  
2024 March 12

ISC: UNRESTRICTED  
EC2024-0105

## Charter Bylaw and Council Policy for Tax Corrections and Compassionate Penalty Relief

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### PURPOSE

The purpose of this report is to amend [Charter Bylaw 1H2018](#) and to enact a new Council Policy on “Tax Relief Delegated to Administration.” This will enable Administration to provide an updated compassionate property tax penalty relief program, and correct certain types of assessment-related errors where taxpayers incurred taxes in error within the previous two years.

### PREVIOUS COUNCIL DIRECTION

This is a report back in response to [Notice of Motion EC2023-0457](#), approved by Council at the 2023 May 09 Regular Meeting of Council. Council directed Administration to review the [Compassionate Property Tax Penalty Relief \(“Compassionate Relief”\) Program](#); recommend an updated Charter Bylaw and new Council Policy to provide compassionate penalty relief and to correct prior-year assessment errors; and to create an annual reporting mechanism to ensure compliance with the principles of fairness and equity to taxpayers.

### RECOMMENDATIONS:

That the Executive Committee:

1. Direct Administration to:
  - a. Forward Report EC2024-0105 to the 2024 June 4 Public Hearing Meeting of Council; and
  - b. Publish a notice of the 2024 June 4 Public Hearing of the Proposed Charter Bylaw under Report EC2024-0105 in two issues of a newspaper, with each issue being in consecutive weeks and no later than 2024 April 4; and
2. Recommend that Council:
  - a. Give three readings to the Proposed Charter Bylaw (Attachment 2) to amend Charter Bylaw 1H2018 to delegate authority to Administration to cancel, reduce, refund or defer taxes up to \$500,000 per taxation year in accordance with an approved Council Policy; and
  - b. Adopt the proposed Council Policy on “Tax Relief Delegated to Administration” (Attachment 3), should the proposed Charter Bylaw be fully approved by Council.

### CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

Carla Male, Chief Financial Officer and General Manager of Corporate Planning & Financial Services concurs with this report.

### HIGHLIGHTS

- Administration is recommending amendments to Charter Bylaw 1H2018 and adoption of a new Council Policy. Together, they will enable an updated Compassionate Property Tax Penalty Relief Program and allow Administration to correct for prior-year property assessment errors, to a maximum of \$500,000 per year in delegated tax relief powers (the maximum available under current regulations).
- Proposed changes include an expanded eligibility window and other updates to the Compassionate Property Tax Penalty Relief Program to be more inclusive of various

## **Charter Bylaw and Council Policy for Tax Corrections and Compassionate Penalty Relief**

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circumstances, and the ability for Administration to correct certain prior-year assessment errors.

- Delegating authority for these types of tax relief will allow The City to provide more efficient and responsive customer service, particularly for correction of prior-year errors which currently require Council's approval through a twice-annual report which has historically always been approved.

### **DISCUSSION**

#### ***Compassionate Property Tax Penalty Relief***

The current Compassionate Property Tax Penalty Relief Program was created in 2018. Through the program, eligible taxpayers who incur property tax penalties on their principal residence when they or their immediate family member has experienced a critical illness diagnosis or death in the 60 days before the tax payment deadline, may have the penalties canceled.

Administration completed a jurisdictional scan to inform revisions to the Compassionate Property Tax Penalty Relief Program. Highlights from the jurisdictional scan are included in Attachment 4, alongside a summary and analysis of the most notable changes to the existing programming.

Recommended changes to the Compassionate Property Tax Penalty Relief program include:

- More inclusive and flexible terminology to ensure the program is accessible by taxpayers with a variety of household or family structures.
- An expansion of the timeline for extraordinary circumstances to occur within 90 days of the tax payment deadline (increased from 60 days), to accommodate more circumstances, such as settling an estate or probate periods.
- Approvals for providing tax relief will be changed to the Director, Assessment & Tax/Municipal Assessor, from the Chief Financial Officer.

#### ***Correction of Prior-Year Assessment Errors***

Currently, Administration may only correct errors in property assessments within the current year. To correct errors from previous years, Council may approve a tax cancellation or refund to a taxpayer impacted by such an error. This process is facilitated twice annually, through the "Assessment & Tax Circumstances Report." However, this can result in taxpayers waiting for months for a resolution to their assessment issue due to the cadence of Council reporting.

Since at least 2008, Council has always approved Administration's Circumstances Report recommendations. Most errors on the Circumstances Report are caused by something outside the control of the property owner and are related to objective facts about a property where a correction or new information was unable to be processed prior to the year-end assessment roll system lockout. The most notable proposed change related to prior-year assessment errors is providing the delegated authorities to Administration to correct them. The criteria of errors that can be corrected through this process has also been updated to provide greater clarity and consistency in Administration's decision-making through the delegated process, while remaining consistent with current practices. The updated criteria are included in the proposed Council Policy, Attachment 3.

## Charter Bylaw and Council Policy for Tax Corrections and Compassionate Penalty Relief

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Additional background on both the Compassionate Relief Program and the Circumstances Report process, including historical costs, is included in Attachment 1.

### Next Steps

In accordance with section 9 of the City of Calgary Charter Regulation and Part 7 and sections 216.4, 231, and 606 of the Municipal Government Act, a public hearing, including advertising is required prior to the second reading of a Charter Bylaw. This also includes the ability for electors to file a petition for a vote of electors in respect of the Charter Bylaw.

Following the public hearing, if Council approves both the proposed Charter Bylaw and Council Policy, Administration will begin implementation as soon as possible. Administration intends to provide an annual report on the use of these delegated tax relief authorities to Council as part of the Annual Property Tax Exemptions and Tax Relief Expenditures Briefing, pursuant to the original direction in the Notice of Motion, and to the proposed Council Policy.

### EXTERNAL ENGAGEMENT AND COMMUNICATION

- |  |   |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken        | <input type="checkbox"/> Dialogue with interested parties was undertaken                |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

### IMPLICATIONS

#### Social

The updated criteria for the Compassionate Relief Program is intended to reduce barriers to access for more diverse household and family structures, in accordance with the [Social Wellbeing Policy](#). The proposed updates will expand access to multi-generational and extended family households, who may not qualify in the existing program. The updated program will continue to support social resilience by mitigating tax penalties for Calgary residents who are going through difficult times, such as a critical illness diagnosis or death in the family leading up to the tax payment deadline.

#### Environmental

Not applicable.

#### Economic

The proposed Charter Bylaw and Council Policy will enable Administration to provide more efficient and responsive services to taxpayers, including to cancel or refund taxes levied due to an error, helping to mitigate financial risks for taxpayers associated with property assessment errors.

#### Service and Financial Implications

Existing operating funding - base

- The current Compassionate Relief Program has used less than half of its \$25,000 annual budget in each year since the program started. New costs from the updated program are expected to remain within the existing budget.

## Charter Bylaw and Council Policy for Tax Corrections and Compassionate Penalty Relief

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- In the past five years, costs associated with corrections of prior-year assessment errors made through the Circumstances Report have remained under one-third of the existing \$1 million annual budget. Costs under the new policy are expected to remain within the existing budget.

### RISK

- Unanticipated growth in use of the Compassionate Relief Program could result in lost penalty revenues for The City beyond the \$25,000 budget. However, forecasted costs remain within the existing budget, and ongoing monitoring and reporting on the program will also permit evaluation and amendment as needed.
- A significant increase in circumstances warranting tax relief through the proposed policy could result in exceeding the maximum of \$500,000 delegated tax relief per year. To reduce this risk, Administration reviews all assessment errors corrected through this process and works to mitigate them from reoccurring where possible. Administration may also report to Council with recommendations for tax relief beyond the \$500,000 delegated maximum if it became necessary, pursuant to section 347 of the Municipal Government Act.
- Maintaining the current Compassionate Relief Program will mean the program will continue to operate with its comparatively limiting terminology and eligibility window, resulting in reduced overall accessibility of the program.
- Maintaining the status quo for correcting prior-year errors will mean taxpayers impacted by a prior-year assessment error must wait, often months at a time, for the Circumstances Report process to complete to resolve their tax issues.

### ATTACHMENT(S)

1. Background and Previous Direction
2. Proposed Charter Bylaw
3. Proposed Council Policy on Tax Relief Delegated to Administration
4. Summary and Analysis of Substantive Policy Changes
5. Presentation

#### Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Carla Male, Chief Financial Officer/General Manager	Corporate Planning & Financial Services	Approve
Eddie Lee, Director/City Assessor	Assessment & Tax	Approve
Les Tochor, Director/Deputy CFO/City Treasurer	Finance	Inform

# Background and Previous Council Direction

## Background

### Correction of Prior-Year Assessment Errors (“The Circumstances Report”)

When an error occurs on the assessment roll, Administration may only correct the error within the current year. Where an error from a prior year resulted in a property owner incurring taxes or penalties in error, Council’s approval is required to cancel or refund those taxes to the property owner.

To facilitate these corrections, Administration has historically delivered the Circumstances Report twice annually to Council, providing recommendations for the cancellation or refund of taxes incurred because of a prior-year property assessment error.

Errors that currently qualify for inclusion on the Circumstance Report are focused on situations where the assessment of a property included an objective error of fact that was not identified within the subject taxation year, and commonly include situations where:

- A property owner is not notified of a change to their assessment (e.g., an assessment account is set up in error and an assessment notice is mailed to the incorrect address);
- The City was notified of the error but did not correct it within that same year;
- Another department within The City was notified of the error, but Assessment & Tax was not informed and was therefore unable to correct it; or
- A property or business’s taxable status changed mid-year but the change was not processed correctly and must be corrected to pro-rate the amount of taxes owing.

The City currently budgets \$1 million per year for the correction of prior-year assessment errors via the Circumstance Report. Actual costs for the prior 5 years are summarized below in table 1.

<b>Year</b>	<b>Amount</b>
2019 (1, 2)	\$209,626.42
<a href="#">2020</a>	\$52,623.22
<a href="#">2021</a>	\$268,419.10
<a href="#">2022</a>	\$301,905.63
<a href="#">2023</a>	\$162,916.42

### Compassionate Property Tax Relief Program

The *Dorothy Motherwell Compassionate Property Tax Penalty Relief* program was launched in 2018 and has continued to be offered since, with one review occurring in 2019. The program allows taxpayers of owner-occupied residential properties to receive relief from property tax penalties incurred when they are unable to pay their taxes by the deadline due to a “Significant Life Event” (i.e., death or critical illness diagnosis of the taxpayer, or an “immediate family member.”). The program does not impact the tax levy, only penalties.

The City currently budgets \$25,000.00 per year for the Compassionate Property Tax Penalty Relief Program (the maximum currently available under Charter Bylaw 1H2018). Costs to The City of the program over its duration are summarized below in table 2.

<b>Table 2: Compassionate Penalty Relief Costs Since Inception</b>			
<b>Year</b>	<b>Accounts (#)</b>	<b>Total \$</b>	<b>Avg.\$/ Account</b>
2018	26	\$5,347.55	\$205.66
2019	25	\$8,216.54	\$316.02
2020	6	\$2,082.88	\$347.15
2021	15	\$2,422.99	\$161.53
2022	26	\$6,108.79	\$234.95
2023	29	\$7,789.90	\$268.61
<b>Average:</b>	<b>21</b>	<b>\$5,328.11</b>	<b>\$255.65</b>

## Previous Council Direction

<b>DATE</b>	<b>REPORT NUMBER</b>	<b>DIRECTION/DESCRIPTION</b>
2023 May 09	<a href="#">EC2023-0457</a>	<p><b>Notice of Motion – Compassionate Property Tax Penalty Relief Policy Updates</b></p> <p>Council directed Administration to: (a) recommend an updated Charter Bylaw and new Council Policy to delegate tax relief authority to Administration to cancel, reduce, refund, or defer taxes to: (i) Provide compassionate property tax relief in accordance with an updated program; and (ii) Correct prior year errors in limited circumstances where property owners incurred property tax or penalties in error (i.e., errors identified within two years after the error occurred, consistent with current practice); and (b) Create an annual reporting mechanism to ensure compliance with the principles of fairness and equity to taxpayers.</p>
2019 December 16	<a href="#">PFC2019-1105</a>	<p><b>Compassionate Property Tax Penalty Relief Report Back</b></p> <p>Following the offering of the Compassionate Property Tax Penalty Relief program for two property taxation cycles, Administration reported back with findings of the program, and Council approved the continued offering of the program in accordance with the principles and guidelines outlined to support the preliminary program.</p>
2018 July 25	<a href="#">PFC2018-0761</a>	<p><b>Delegation Bylaw to support the Compassionate Tax Penalty Relief Program</b></p> <p>Charter Bylaw 1H2018 (see below in this attachment for details about the bylaw) was presented to Council for approval. As a Charter Bylaw, a public hearing was required, but no one addressed Council with respect to Charter Bylaw</p>



		1H2018. Council approved the Charter Bylaw, which also triggered Administration to begin offering the Relief Program.
2018 June 25	<a href="#">PFC2018-0325</a>	<p><b>Compassionate Property Tax Penalty Relief</b></p> <p>Administration reported to Council with a jurisdictional scan of other municipal, provincial and federal tax relief programs, proposed criteria, guidelines and definitions for the Compassionate Property Tax Penalty Relief program. Council approved the program, with the program itself pending approval of the delegation Charter Bylaw.</p>
2017 September 11	<a href="#">NM2017-30</a>	<p><b>Notice of Motion - Dorothy Motherwell Tax Penalty Relief</b></p> <p>Arising from a taxpayer's personal circumstances interfering with their ability to pay their taxes on time, Council approved a Notice of Motion to cancel a portion of the taxpayer's taxes, and also to direct Administration to investigate other tax forgiveness programs and the impact to City tax revenues and legal ramifications of canceling taxes due to extraordinary circumstances, and to return with recommendations in Q2 2018.</p>

## Bylaws, Regulations, Council Policies

Both the existing programs and proposed Council Policy rely on several pieces of interrelated legislation, regulations and bylaws:

### Municipal Government Act (“MGA”)

**Section 305** of the MGA governs the correction of the assessment roll. Per section 305(1)(a), the assessor may correct the assessment roll for the current year only. For this reason, prior-year errors cannot be corrected under the authority of section 305, and they must instead be addressed via section 347.

**Section 347** of the MGA permits Council to, if it considers it equitable to do so, cancel or reduce tax arrears, cancel or refund all or part of a tax, or defer the collection of a tax. This is the mechanism by which penalties are cancelled or refunded for compassionate purposes, as well as the mechanism by which prior-year taxes or penalties levied or collected in error may be cancelled or refunded through the Circumstances Report.

Note that section **203(2)(d)** of the MGA normally prevents Council from delegating its power with respect to taxes under section 347, as outlined above. However, the City of Calgary Charter, 2018 Regulation modifies the MGA as outlined below to permit this delegation.

### City of Calgary Charter, 2018 Regulation (“Charter”)

**Section 4(5)(b)** of the Charter modifies section 203(2)(d) to permit Council to delegate its power with respect to taxes under section 347 to a maximum of \$500,000 per taxation year.

**Section 9(1)** of the Charter requires a public hearing in respect of the proposed bylaw in accordance with section 216.4 of the MGA, with notice provided in accordance with section 606 of the MGA.

**Section 10(4)** of the Charter requires any bylaw made under the Charter to include the words “Charter Bylaw” in its name.

### **Tax Penalty Cancellation Delegation Charter Bylaw 1H2018**

**Note:** Charter Bylaw 1H2018 would be amended by the proposed bylaw.

Charter Bylaw 1H2018 utilizes section 4(5)(b) of the Charter, outlined above, to delegate authority for up to \$25,000 in tax cancellations, reductions, refunds, or deferments to the Chief Financial Officer for the purposes of the Compassionate Property Tax Penalty Relief Program.

### **Tax Penalty Bylaw 8M2002**

Pursuant to sections 344 – 346 of the MGA, Tax Penalty Bylaw 8M2002 establishes penalties of 7% each on July 1 and October 1 following the payment deadline, and 1% on the first of each month commencing on the first day of January following the year the taxes are imposed, on any amount of taxes unpaid after the payment deadline.

Bylaw 8M2002 sets out the penalties that may be cancelled or refunded under the Compassionate Property Tax Penalty Relief Program, or when correcting a prior-year error which caused penalties to accrue, where relevant.

### **Tax Instalment Payment Plan (TIPP) Bylaw 9M2002**

Bylaw 9M2002 enables Taxpayers to pay their taxes by way of monthly instalments. While enrolled in TIPP, a Taxpayer does not incur penalties, making them ineligible for compassionate property tax penalty relief (i.e., no penalties can be incurred to relieve them of). If a TIPP agreement is terminated, such as if the Taxpayer does not pay by the monthly deadlines set out in their agreement, their taxes are deemed due and payable immediately upon termination of the agreement, and penalties may apply at that time. In this case, a Taxpayer may then qualify for compassionate relief under the proposed Council Policy.

### **Municipal Assessor Bylaw 49M2007**

Bylaw 49M2007 establishes the designated officer position of Municipal Assessor in accordance with the MGA, details the various powers, duties and functions of the Municipal Assessor, and establishes reporting lines and authority to delegate.

### **Business Improvement Area Tax Bylaw** (varies – approved annually for each Taxation Year; [2024 BIA Tax Bylaw linked for reference](#))

The BIA Tax Bylaw establishes penalties of 7% each on April 1 and July 1 following the payment deadline for BIA taxes, and 1% on the first of each month commencing on the first day of January following the year the taxes are imposed, on any amount of taxes unpaid after the payment deadline.

BIA tax penalties may be cancelled or refunded due to corrections of a prior-year error in the assessment or taxation of a business for BIA tax.

**PROPOSED TEXT OF A BYLAW TO AMEND BYLAW 1H2018, THE TAX  
PENALTY CANCELLATION CHARTER BYLAW**

1. Bylaw 1H2018, the Tax Penalty Cancellation Charter Bylaw is hereby amended.
2. The third paragraph of the preamble is deleted and replaced with the following:  
  
“**AND WHEREAS** pursuant to section 347 of the *Act* Council may cancel or reduce tax arrears or cancel or refund all or part of a tax or defer the collection of a tax;”
3. The sixth paragraph of the preamble is deleted and replaced with the following:  
  
“**AND WHEREAS** Council has approved a policy to guide the Municipal Assessor in exercising the authority delegated by this bylaw to:
  - (i) To cancel reduce or refund taxes incurred by an eligible taxpayer or assessed person;
  - (ii) To cancel, reduce or refund taxes or tax arrears, including penalties due to a qualifying prior-year error.”
4. The seventh paragraph of the preamble is deleted and replaced with the following:  
  
“**AND WHEREAS** pursuant to the Charter, Council must, before giving second reading to a proposed bylaw under the authority provided by section 4 of the Charter, hold a public hearing in respect of the proposed bylaw after giving notice of it in accordance with the *Act*.”
5. In the last paragraph of the preamble, the number “230” is deleted and replaced with “216.4”
6. Section 1 is deleted in its entirety and replaced with the following:  
  
“1. This Bylaw may be cited as the “Tax Relief Delegation Charter Bylaw”.”
7. In section 3, the word “Chief Financial Officer” is deleted and replaced with “Municipal Assessor”.
8. At the end of section 3 the words “of \$25,000 in a taxation year” is deleted and replaced with the “as permitted in section 4(5) of the Charter in a taxation year.”
9. Section 4 is deleted and replaced with the following:  
  
“4 The power delegated to the Municipal Assessor in section 3 shall only be exercised in accordance with any Council approved bylaw or policy.”
10. The following is added after section 4 as sections 4.1, 4.2 and 4.3:

- “4.1 The Municipal Assessor can further delegate the power in section 3 to any employee of the Municipality.”
  - “4.2 The Municipal Assessor shall track and report to Council at least on an annual basis, the exercise of any power noted in section 3.”
  - “4.3 Council reserves the right to exercise any of the powers noted in section 3, notwithstanding the powers being delegated to the Municipal Assessor.”
11. This Bylaw comes into force upon receiving three readings and being published on the City’s website in accordance with section 10 of the City of Calgary Charter, 2018 Regulation, AR 40/2018.

TEXT FOR DISCUSSION ONLY



**Council Policy**

**Policy Title:** Tax Relief Delegated to Administration Policy  
**Policy Number:** Assigned by the City Clerk's Office  
**Report Number:** EC2024-0105  
**Adopted by/Date:** Council / Date Council policy was adopted  
**Effective Date:** Date adopted or later as directed by Council  
**Last Amended:** Date of the last amendment, if any  
**Policy Owner:** Assessment & Tax

**1. POLICY STATEMENT**

- 1.1 In accordance with Charter Bylaw 1H2018, the Municipal Assessor may grant up to \$500,000 in Tax Relief cumulatively per Taxation Year for the following purposes:
  - (a) to cancel, reduce or refund up to three individual property tax penalties incurred:
    - (i) in respect of a Residential Property; and
    - (ii) by a Taxpayer who experiences Extraordinary Circumstances within the 90 days leading up to the tax payment deadline; or
  - (b) to cancel, reduce or refund taxes or tax arrears, including applicable penalties, that were levied because of a Qualifying Prior-Year Error.
- 1.2 The Municipal Assessor is not authorized to defer the collection of taxes under this policy.
- 1.3 The Municipal Assessor must consider the fairness, equity, and stability of the taxation system when granting Tax Relief.
- 1.4 Tax Relief available under this policy is discretionary and is contingent upon the Taxpayer or Assessed Person's application for Tax Relief meeting the requirements as stipulated in this policy.
- 1.5 Decisions made under this policy are final with no right of appeal.
- 1.6 This policy does not limit Council's power to cancel, reduce, refund or defer the collection of taxes in accordance with the *Municipal Government Act (MGA)*, s. 347.

**2. PURPOSE**

- 2.1 This policy establishes the criteria and procedures through which the Municipal Assessor may grant Tax Relief.

- 2.2 By enabling the Municipal Assessor to provide Tax Relief for the purposes established in this policy, this policy is intended to:
- (a) alleviate penalties incurred by Taxpayers of Residential Properties due to Extraordinary Circumstances outside of their control or reasonable ability to prevent or foresee;
  - (b) support Calgary Assessed Persons or Taxpayers with more efficient and responsive customer service; and
  - (c) address Qualifying Prior-Year Errors to support fairness and equity in Taxpayer responsibility.

### 3. **DEFINITIONS**

3.1 In this Council Policy:

- (a) “Assessed Person” means a person who is named on an assessment roll in accordance with *MGA*, s. 304;
- (b) “*Charter*” means the *City of Calgary Charter, 2018 Regulation*, Alta Reg 40/2018;
- (c) “Extraordinary Circumstances” means circumstances that directly impact a Taxpayer’s ability to pay their property tax by the applicable payment deadline, not including financial ability, but including the death or critical illness diagnosis of the Taxpayer or a Related Person;
- (d) “*MGA*” means the *Municipal Government Act*, RSA 2000 c. M-26;
- (e) “Municipal Assessor” means the designated officer appointed in accordance with Bylaw 49M2007, or their delegate;
- (f) “Qualifying Prior-Year Error” means an objective error, omission or misdescription of facts in the assessment or tax roll of the prior two Taxation Years:
  - (i) where the error was identified during the subject Taxation Year and not corrected in that year; or
  - (ii) where there were circumstances that made it impossible to identify the error in the subject Taxation Year; and
  - (iii) including but not limited to errors relating to:
    - (A) the physical characteristics of a property or business premises that contribute to the value of the property;
    - (B) the property type or assessment class;

- (C) assessment of a business that is no longer in operation, or is no longer at the assessed premises; or
- (D) the taxable status of a property or business, if sufficient information was provided to the Municipal Assessor during the subject Taxation Year to substantiate the property or business as partially or fully exempt from taxation; and
- (iv) not including errors, omissions or misdescriptions arising due to:
  - (A) inaccurate or incomplete information provided by the Assessed Person or Taxpayer to the Municipal Assessor about the property or business; or
  - (B) non-compliance with a request for information about the property or business made by the Municipal Assessor in accordance with *MGA*, ss. 294 and 295;
- (g) “Related Person” means a person:
  - (i) related to the Taxpayer by blood, marriage, common-law, adoption; or
  - (ii) who is a dependent of the Taxpayer and who ordinarily resides within the Taxpayer’s household;
- (h) “Residential Property” means a property that has been assigned a “class 1 – residential” assessment class pursuant to *MGA*, s. 297(1)(a) and that is used as the primary residence of the Assessed Person or Taxpayer applying for Tax Relief;
- (i) “Tax Relief” means the cancellation, reduction, or refunding of all or part of taxes or tax arrears pursuant to this policy;
- (j) “Taxation Year” means the 12-month period beginning on January 1 and ending on the next December 31 in which a tax was levied; and
- (k) “Taxpayer” means the person liable to pay a tax in accordance with *MGA*, s. 331.

**4. APPLICABILITY**

4.1 This policy applies to:

- (a) the Municipal Assessor in their use of delegated authorities related to Tax Relief; and

- (b) Assessed Persons or Taxpayers seeking Tax Relief for the purposes outlined in this policy.

4.2 This policy is subject to the *MGA* as modified by the *Charter* and Charter Bylaw 1H2018.

4.3 Applicants for Tax Relief under this policy must be the Assessed Person or Taxpayer of the subject property or tax account or an authorized person acting on the Assessed Person or Taxpayer's behalf.

## 5. **LEGISLATIVE AUTHORITY**

5.1 Pursuant to *MGA*, s. 203(2)(d) as modified by the *Charter*, s. 4(5), Council may delegate its power with respect to taxes under *MGA*, s. 347, where the total amount of taxes to be cancelled, reduced, refunded or deferred by The City of Calgary in a Taxation Year does not exceed \$500,000.

5.2 Pursuant to Charter Bylaw 1H2018, the Municipal Assessor may cancel or reduce tax arrears, or cancel or refund all or part of a tax, up to the cumulative amount as permitted by the *Charter*, s. 4(5) only in accordance with a Council Policy or bylaw and must track and report the use of Tax Relief powers to Council at least on an annual basis.

5.3 Pursuant to Bylaw 49M2007, s. 4, the Municipal Assessor may sub-delegate their authorities under this policy.

## 6. **PROCEDURE**

6.1 The Municipal Assessor may develop policies, procedures, or forms which elaborate on but do not conflict with this policy to support the implementation of this policy.

6.2 Pursuant to *MGA* ss. 294 and 295, a person must provide, on request by the Municipal Assessor, any information necessary for the Municipal Assessor to carry out this policy, including to substantiate eligibility.

6.4 Pursuant to Charter Bylaw 1H2018, s. 4.3, the Municipal Assessor must report to Council at least once per year, detailing the use of Tax Relief under this policy in the previous Taxation Year.

6.5 If the cumulative amount of Tax Relief to be granted in accordance with this policy may exceed \$500,000 in a given Taxation Year, the Municipal Assessor may recommend Tax Relief to Council for approval in accordance with *MGA*, s. 347 including the following details:

- (a) the roll number for the subject property or business;
- (b) the civic address for the subject property or business;



- (c) the total value of the recommended cancellation, reduction, or refund in respect of the subject property or business; and
- (d) the purpose of the recommended cancellation, reduction, or refund pursuant to this policy, s. 1.1.

**7. AMENDMENT(S)**

Date of Council Decision	Report/By-Law	Description

**8. REVIEWS(S)**

Date of Policy Owner's Review	Description

PROPOSED COUNCIL POLICY



## Summary and Analysis of Substantive Policy Changes

### Compassionate Relief – Canadian Jurisdictional Scan

#### Summary

While most provinces and municipalities do not offer (or do not have the necessary legislative framework to offer) formal compassionate property tax penalty relief programs, various municipalities have some form of relief, often for circumstances such as financial hardship, destruction of property, and death or serious illness. The scan below includes a summary of findings for municipalities under various legislative frameworks.

#### Scan

Jurisdiction	Summary of Findings	Legislation/Policy
Federal (Canada Revenue Agency)	Interest or penalties may be waived in extraordinary circumstances (disaster, serious illness/accident, serious emotional/mental distress, civil disturbance/disruption) or when due to the actions of the Canada Revenue Agency (CRA). The CRA may also consider financial hardship. Documentation is required to support the request, and taxpayers have a right to request a second review, and then judicial review, if unhappy with the original decision. The CRA considers things such as the taxpayer's history of payments and compliance, exercise of reasonable care, and whether they took quick action to remedy.	Canada – <i>Income Tax Act, RSC 1985, c 1 (5<sup>th</sup> Supp)</i> , s. 220(3.1)
Alberta – Airdrie	Penalties on current-year taxes due to the death of a property owner during the month of June will be waived if the executor provides a valid death certificate to the City of Airdrie within 60 days of death.	Airdrie – <i>Tax Penalty Bylaw No. B-09/2018</i> (as amended)
Alberta – Edmonton	Edmonton will consider forgiveness of penalties for residential properties not owned by a corporation, with documentation, for various reasons including: <ul style="list-style-type: none"> <li>• Death of the taxpayer or their immediate family prior to payment due date</li> <li>• Unexpected life-threatening illness of the taxpayer or their immediate family member first diagnosed or where prognosis worsened during the tax payment period.</li> <li>• Hospitalization of the taxpayer during the tax payment period.</li> <li>• Destruction or damage to the building rendering it uninhabitable.</li> </ul> Reports are provided at least annually on the use of these tax relief powers.	Alberta – <i>City of Edmonton Charter, 2018 Regulation, Alta Reg 39/2018</i>  Edmonton – Charter Bylaw 18652  Edmonton – Retroactive Municipal Tax Relief Council Policy
Manitoba - Brandon	No formal compassionate penalty relief program equivalent identified. The <i>Municipal Act</i> does not provide for cancellation of taxes in this manner.	Manitoba - <i>Municipal Act, CCSM c M225</i>

Manitoba – Winnipeg	While the <i>Municipal Act</i> does not provide for cancellation, reduction or refund of taxes for the purposes of a formal compassionate property tax penalty relief program, the <i>City of Winnipeg Charter</i> permits Winnipeg City Council to cancel any taxes it wishes, by bylaw. However, no specific application of this power for formal penalty relief programs was identified.	Manitoba - <i>Municipal Act, CCSM c M225</i>  Manitoba - <i>The City of Winnipeg Charter, SM 2002, c 39, s. 347</i>
Nova Scotia – Halifax	No formal compassionate penalty relief program equivalent identified. The <i>Municipal Government Act</i> provides for councils to be able to exempt low-income persons from all or a part of property taxes, and to establish policy to reduce taxes in the event that a building on the property is fully or partially destroyed. Halifax offers tax relief until the next annual assessment for principal residences destroyed or partially destroyed by fire.	Nova Scotia – <i>Municipal Government Act, SNS 1998, c 18, s. 69-69A</i>
Ontario - Ottawa	Similarly to Toronto but under a different legislative authority, Ottawa taxpayers may have their taxes cancelled, reduced, or refunded if they are unable to pay due to “sickness or extreme poverty.” Decisions are delegated to city administration, with appeals available to an Assessment Review Board.  This same legislative framework applies to other Ontario municipalities, excluding Toronto, with similar programs available but administered differently from one municipality to another.	Ontario – <i>Municipal Act, 2001, SO 2001, c 25, s. 357(d.1)</i>
Ontario – Toronto	Taxpayers may file a Property Tax Appeal including for “sickness or extreme poverty.” Documentation is required, such as financial statements to demonstrate an inability to pay, or a doctor’s statement. Applications are heard by an Assessment Review Board, and are determined through principles of case law.	Ontario – <i>City of Toronto Act, SO 2006, c 11, Sch A, s. 323(1)(e)</i>
Saskatchewan - Regina	No formal compassionate penalty relief program equivalent identified. The <i>Municipalities Act</i> permits municipal councils to cancel, reduce, refund or defer taxes in certain situations including “due to unforeseen hardship to the taxpayer,” if the council determines the taxes have become uncollectable. This appears to be a case-by-case basis, rather than a formal program.	Saskatchewan – <i>The Municipalities Act, SS 2005, c M-36.1, s. 274</i>

## Compassionate Property Tax Penalty Relief Program

**NOTE: Projected costs of options are based on assumptions.** Adopting multiple options to expand the scope or criteria of the program may compound in increased costs. Through regular reviews and annual reporting, Administration will monitor and recommend adjustments should there be unexpected uptake or growth in costs.

### Qualifying Circumstances for Compassionate Relief

Current	Proposed	Notes
<p>“Significant life event” is defined as a death or a critical illness diagnosis impacting the property owner or an immediate family member. Critical illnesses include:</p> <ul style="list-style-type: none"> <li>• Heart attack</li> <li>• Coronary bypass surgery</li> <li>• Stroke</li> <li>• Cancer</li> <li>• Paralysis</li> <li>• Major organ transplant: <ul style="list-style-type: none"> <li>○ Heart</li> <li>○ Liver</li> <li>○ Bone marrow</li> <li>○ Lungs</li> <li>○ Kidney</li> </ul> </li> <li>• Major organ failure (as above)</li> <li>• Multiple Sclerosis</li> <li>• Blindness</li> <li>• Deafness</li> <li>• Parkinson’s</li> <li>• Alzheimer’s</li> <li>• Loss of speech</li> <li>• Major burns</li> <li>• HIV infection</li> <li>• Brain tumour</li> <li>• Coma</li> <li>• Other serious medical condition</li> </ul>	<p>“Extraordinary Circumstances” means circumstances that directly impact a Taxpayer’s ability to pay their property tax by the applicable payment deadline, not including financial ability, but including the death or critical illness diagnosis of the Taxpayer or a Related Person.</p>	<ul style="list-style-type: none"> <li>• Adheres to the original principles of the compassionate relief program while providing additional flexibility for a wider variety of circumstances, supported by an attestation/declaration on the relief application (consistent with current practice).</li> <li>• Use of the application and declaration form relieves pressure on City employees who do not have medical expertise to determine what “other medical conditions” do or do not qualify.</li> <li>• Legislation and the proposed policy permits Administration to request additional information if needed to substantiate eligibility (e.g., death certificate, physician’s note, etc.).</li> <li>• Compassionate Relief was and is not intended to provide relief in situations where a taxpayer is financially unable to pay their taxes, but is reserved for situations where other circumstances prevented them from paying on-time.</li> <li>• A list of common eligible illnesses or conditions, like the current list, can be retained and made available, to support taxpayers’ understanding and self-selection for the program, and consistency in administration of the program.</li> </ul> <p><b>Projected Cost:</b> Approximately 5-10 additional approvals per year, based on added flexibility of the criteria. Based on an average of \$255.65 per account, this may result in \$1,278.25 - \$2,556.50 in additional costs for the program.</p>

## Eligibility Timeline for Compassionate Relief

Current	Proposed	Notes
<p>“Significant life event” must occur within the 60 days prior to payment deadline.</p>	<p>Expand eligibility timeline to <b>90</b> days prior to payment deadline.</p>	<ul style="list-style-type: none"> <li>Maintains clear timeline and parameters for ease of administering program and processing applications.</li> <li>Better accommodates circumstances such as probate periods to release funds from an estate to pay taxes (average probate period is appx. 3 months in Canada, according to <a href="https://www.insurdinary.ca">Insurdinary.ca</a> – a Canadian insurance rate comparison website partnered with organizations including Green Shield Canada, Manulife, RBC Insurance, etc.).</li> </ul> <p><b>Projected Cost:</b> Based on a 50% increase in the eligibility window, assume an additional 50% in program access. Based on a current average of \$5,328 per year, this may result in \$2,664 in additional costs for the program.</p>

## “Immediate Family Member” Definition

Current	Proposed	Notes
<p>“Immediate family member” is defined as:</p> <ul style="list-style-type: none"> <li>Current spouse (including common-law and same gender)</li> <li>Parent</li> <li>Step-parent</li> <li>Guardian</li> <li>Brother</li> <li>Child</li> <li>Step-Child</li> <li>Foster-child/ward</li> <li>Grandparent</li> <li>Step-grandparent</li> <li>Grandchild</li> <li>Step-grandchild</li> </ul>	<p>“Related Person” means a person:</p> <ul style="list-style-type: none"> <li>(i) related to the Taxpayer by blood, marriage, common-law, adoption; or</li> <li>(ii) who is dependent upon the Taxpayer and who ordinarily resides within the Taxpayer’s household.</li> </ul>	<ul style="list-style-type: none"> <li>Aligns with terminology used by the Canada Revenue Agency under the Income Tax Act.</li> <li>Aligns with the City’s <a href="#">Social Wellbeing Policy</a> to remove barriers to access penalty relief, particularly for multi-generational or extended family households who may not be eligible under current “immediate family” definition/parameters.</li> <li>Broader terminology continues to be complemented by the definition of “Extraordinary Circumstances,” in that the applicant for relief must be able to demonstrate that the circumstances directly impacted their ability to pay their taxes (e.g., providing care to a related person).</li> </ul> <p><b>Projected Cost:</b> Based on a 4.56% increase in eligible households and current average of 21 relief beneficiaries per year, assume approximately</p>

Current		Proposed	Notes						
<ul style="list-style-type: none"> <li>Step-brother</li> <li>Sister</li> <li>Step-sister</li> </ul>	<ul style="list-style-type: none"> <li>Related dependent living in same household</li> </ul>		<p>1-2 additional accounts per year (\$255.65 - \$511.3 per year in additional costs).</p> <table border="1"> <tr> <td><b>Approximate current “immediate family member” eligible households:</b> Multigenerational, one-census-family households with/without children (Calgary census metro. area, 2021<sup>1</sup>):</td> <td>365,565 (64.88%)</td> </tr> <tr> <td><b>Approximate additional “related person” eligible households:</b> Multi-family, one family with additional persons households:</td> <td>+ 25,680 (+ 4.56%)</td> </tr> <tr> <td><b>Total census households</b> (Calgary census metro. area, 2021):</td> <td>563,440 (100%)</td> </tr> </table>	<b>Approximate current “immediate family member” eligible households:</b> Multigenerational, one-census-family households with/without children (Calgary census metro. area, 2021 <sup>1</sup> ):	365,565 (64.88%)	<b>Approximate additional “related person” eligible households:</b> Multi-family, one family with additional persons households:	+ 25,680 (+ 4.56%)	<b>Total census households</b> (Calgary census metro. area, 2021):	563,440 (100%)
<b>Approximate current “immediate family member” eligible households:</b> Multigenerational, one-census-family households with/without children (Calgary census metro. area, 2021 <sup>1</sup> ):	365,565 (64.88%)								
<b>Approximate additional “related person” eligible households:</b> Multi-family, one family with additional persons households:	+ 25,680 (+ 4.56%)								
<b>Total census households</b> (Calgary census metro. area, 2021):	563,440 (100%)								

## Correction of Prior-Year Assessment Errors

### Categories of Qualifying Errors for Correction

Current	Proposed	Notes
<p>To qualify for a previous year adjustment, the error must be reported within the two years after the error occurred and meet at least one of the following criteria:</p> <ol style="list-style-type: none"> <li>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 applicable Taxation Year.</li> <li>The Assessment Business Unit was advised of the error within the applicable Taxation</li> </ol>	<p>“Qualifying Prior-Year Error” means an objective error, omission or misdescription of facts in the assessment or tax roll of the prior two Taxation Years:</p> <ol style="list-style-type: none"> <li>where the error was identified during the subject Taxation Year and not corrected in that year; or</li> <li>where there were circumstances that made it impossible to identify the error in the subject Taxation Year; and</li> </ol>	<ul style="list-style-type: none"> <li>Drafted with the City’s <a href="#">Plain Language Policy</a> in mind while balancing necessary technical language for legislative compliance and consistency in interpretation within Administration.</li> <li>Continues to enforce the expectation for property owners to review their assessment</li> </ul>

<sup>1</sup> Statistics Canada. [Table 98-10-0138-01 Household type including multigenerational households and structural type of dwelling: Canada, provinces and territories, census metropolitan areas and census agglomerations.](#)

ISC: UNRESTRICTED

Current	Proposed	Notes
<p>Year in the year the assessment error occurred but:</p> <ul style="list-style-type: none"> <li>a. failed to process the correction.</li> <li>b. failed to properly amend the assessment and issued an incorrect amended assessment notice.</li> </ul> <p>3. An assessment account is set up in error and the assessment notice is mailed to an incorrect address.</p> <p>4. Another City department(s) was notified by the taxpayer of an error to a change in business assessment and the Assessment business unit was not notified accordingly during the applicable taxation year to correct the assessment.</p>	<p>(iii) including but not limited to errors relating to:</p> <ul style="list-style-type: none"> <li>(A) the physical characteristics of a property or business premises that contribute to the value of the property;</li> <li>(B) the property type or assessment class;</li> <li>(C) assessment of a business that is no longer in operation, or is no longer at the assessed premises; or</li> <li>(D) the taxable status of a property or business, if sufficient information was provided to the Municipal Assessor during the subject Taxation Year to substantiate the property or business as partially or fully exempt from taxation; and</li> </ul> <p>(iv) not including errors, omissions or misdescriptions arising due to:</p> <ul style="list-style-type: none"> <li>(A) inaccurate or incomplete information provided by the Assessed Person or Taxpayer to the Municipal Assessor about the property or business; or</li> <li>(B) non-compliance with a request for information about the property or business made by the Municipal Assessor in accordance with <i>MGA</i>, ss. 294 and 295.</li> </ul>	<p>details during The City's Customer Review Period, ensuring corrections for prior years remain a measure of last resort.</p> <ul style="list-style-type: none"> <li>• Provides some tangible examples of the types of errors that may be considered for correction for added clarity.</li> <li>• Implementation of revised criteria is expected to remain largely consistent with current practice; no specific new additional costs are anticipated.</li> </ul>



Calgary



# Charter Bylaw and Council Policy for Tax Corrections and Compassionate Penalty Relief

EC2024-0105  
2024 March 12

# Previous Council Direction

This is a report back in response to **Notice of Motion EC2023-0457**, approved by Council at the 2023 May 09 Regular Meeting of Council.

Council directed Administration to:

- Review the Dorothy Motherwell Compassionate Property Tax Penalty Relief (“Compassionate Relief”) Program;
- Recommend an updated Charter Bylaw and new Council Policy to provide compassionate penalty relief and to correct prior year assessment or tax errors; and
- Create an annual reporting mechanism to ensure continued compliance with the principles of fairness and equity to taxpayers.

# Recommendations

That the Executive Committee:

1. Direct Administration to:

- a. Forward Report EC2024-0105 to the 2024 June 4 Public Hearing Meeting of Council;  
and
- b. Publish a notice of the 2024 June 4 Public Hearing of the Proposed Charter Bylaw under Report EC2024-0105 in two issues of a newspaper, with each issue being in consecutive weeks and no later than 2024 April 4; and

2. Recommend that Council:

- a. Give three readings to the Proposed Charter Bylaw (Attachment 2) to amend Charter Bylaw 1H2018 to delegated authority to Administration to cancel, reduce, refund or defer taxes up to \$500,000 per taxation year in accordance with an approved Council Policy;  
and
- b. Adopt the proposed Council Policy on “Tax Relief Delegated to Administration” (Attachment 3), should the proposed Charter Bylaw be fully approved by Council.



## Efficient Service Delivery

- Administration will provide tax refund/cancellations to correct errors directly
- No longer requiring the bi-annual *Circumstances Report*
- No more waiting months for a resolution



## More Accessible Supports

- Revised, more inclusive terminology and program criteria
- Larger eligibility window for Compassionate Relief (90 days)
- Error correction criteria updated for clarity and consistency.



## Updated Governance

- Delegation of authority to Director, Assessment & Tax/City Assessor
- Transparent and codified criteria for tax relief in new Council Policy
- Primed for future policy reviews



# Charter Bylaw Amendments

## Current Charter Bylaw 1H2018

Delegates authority to cancel, reduce, refund or defer taxes pursuant to MGA s. 347.

Delegates authority to the **Chief Financial Officer**.

Maximum of **\$25,000** per year.

Tax relief may be granted to **provide Compassionate Penalty Relief only**.

N/A



## Proposed Amendments

N/A

Delegates authority to the **Municipal Assessor**.

Maximum of **\$500,000** per year. (Max allowable under the *Charter*).

Tax relief may be granted **in accordance with a Council Policy or Bylaw**.

Requirement to track and report on the exercise of tax relief powers annually

# Tax Relief Delegated to Administration: Proposed Council Policy



## Compassionate Property Tax Penalty Relief

- New terminology:
  - **“Related Person”** replaces “immediate family member”
  - **“Extraordinary Circumstances”** replaces “significant life issue/event”
- Eligibility window expanded to **90 days** (increased from 60)



## Correction of Prior-Year Errors

- Allows Administration to cancel taxes incurred due to an objective error in the assessment of a property or business.
- Updated criteria from the “Circumstances Report” to be clearer to the public and to ensure the right types of errors can be corrected.



# Process and Next Steps

We are here

**March 12: Executive Committee**

**~March 25 – April 1: Advertisement of Public Hearing RE: Charter Bylaw**

**~May 31: End of 60-Day Period to File a Petition RE: Charter Bylaw**

**June 4: Public Hearing Meeting of Council**

# Recommendations

That the Executive Committee:

1. Direct Administration to:

- a. Forward Report EC2024-0105 to the 2024 June 4 Public Hearing Meeting of Council;  
and
- b. Publish a notice of the 2024 June 4 Public Hearing of the Proposed Charter Bylaw under Report EC2024-0105 in two issues of a newspaper, with each issue being in consecutive weeks and no later than 2024 April 4; and

2. Recommend that Council:

- a. Give three readings to the Proposed Charter Bylaw (Attachment 2) to amend Charter Bylaw 1H2018 to delegated authority to Administration to cancel, reduce, refund or defer taxes up to \$500,000 per taxation year in accordance with an approved Council Policy;  
and
- b. Adopt the proposed Council Policy on “Tax Relief Delegated to Administration” (Attachment 3), should the proposed Charter Bylaw be fully approved by Council.



**Infrastructure Services Report to  
Executive Committee  
2024 March 12**

**ISC: UNRESTRICTED  
EC2024-0245**

## **2024 Local Improvements Projects**

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### **PURPOSE**

The purpose of this report is to seek Council approval of proposed Bylaw 1R2024 for the undertaking, construction, and financing of owner-initiated local improvement projects. These projects include paving residential laneways and lowering the height of the curb for individual residential driveways (called driveway crossings).

### **PREVIOUS COUNCIL DIRECTION**

This program has been around for decades as an avenue for citizens to petition to have improvements in their area and community. The continuation of this program relies on the support of Council to pass these bylaws.

The bylaws are presented annually or semi-annually, with Council passing the previous bylaw in March 2023 (C2023-0302).

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

That the Executive Committee recommend to Council:

1. Approval of an increase of \$6,104,703.85 in 2024 budget appropriation to Public Services Capital Program 147-148;
2. Give three readings to proposed Bylaw 1R2024;

Forward this report to the 2024 March 19 Regular Council Meeting.

### **CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS**

**GM Michael Thompson concurs with this report.**

### **HIGHLIGHTS**

Local improvements are projects that benefit a small section of local property owners rather than the majority of Calgarians. Through the owner-initiated local improvement process, The City of Calgary and property owners facilitate and support efforts to improve neighborhood assets that increase the attractiveness and accessibility of an area.

All the proposed local improvements (locations in Wards 4-12, and 14) under Bylaw 1R2024 were initiated or requested by adjacent property owners. Annual adoption of local improvement bylaw is required to facilitate completion of these kind of projects.

The Municipal Government Act, R.S.A. 2000 c. M-26 , as modified by The City of Calgary Charter, 2018 Regulation, governs the local improvement process. Local improvement tax is assessed to adjacent benefitting properties and then added to property taxes until the costs are repaid.

## 2024 Local Improvements Projects

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For the local improvements proposed under Bylaw1R2024, there is no cost sharing between The City and property owners. All costs for these improvements are charged to the property owners.

### DISCUSSION

In accordance with the Municipal Government Act, The City follows the following steps for the owner-initiated local improvement process:

- A petition package to initiate the local improvement (“**Petition For**”) can be obtained by calling The City of Calgary at 311.
- To be sufficient, a Petition For must be signed by at least two-thirds (2/3) of the affected property owners representing at least half (1/2) the assessed value of land.
- The completed Petition For form is to be filed with The City for validation as to its sufficiency or insufficiency.
- When a sufficient Petition For is received, the proposed project is included in the next available group of local improvements.
- A Notice of Intention to Undertake a Local Improvement (“**Notice**”) is mailed by The City to each affected property owner outlining the type of proposed construction, the estimated cost and the property owner’s estimated share of the cost. It also provides an instruction on how to file a petition against, if they object to the proposed local improvement (“**Petition Against**”), to be filed within 30 days from the date of the Notice. Petition Against form can be obtained by calling The City of Calgary at 311.
- To be sufficient, a Petition Against must be signed by at least two-thirds (2/3) of the affected property owners representing at least half (1/2) the assessed value of land.
- If a sufficient Petition Against is filed within 30 days from the sending of the Notice, Council must not proceed with the local improvement (Section 396(3) of the Municipal Government Act).
- If a sufficient Petition Against is not filed within 30 days from the sending of the Notice, Council may undertake the local improvement and impose the local improvement tax at any time in the 5 years following the sending of the Notice (Section 396(4) of the Municipal Government Act, as modified by The City of Calgary Charter, 2018 Regulation).
- In all cases, The City advises affected property owners in writing if the petition (Petition For or Petition Against) is sufficient or not.
- A local improvement tax bylaw must be passed by Council in respect of each local improvement.

Bylaw 1R2024 is required for lane paving in residential areas with standard widths and new residential driveway crossings (Attachment 2).

- The scope of improvements, program costs and specific tax rates used for the 2024 local improvements projects are set forth in Bylaw 1R2024. A general listing of tax rates used by The City is included in this report (Attachment 3).

Infrastructure Services Report to  
Executive Committee  
2024 March 12

ISC: UNRESTRICTED  
EC2024-0245

## 2024 Local Improvements Projects

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### EXTERNAL ENGAGEMENT AND COMMUNICATION

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Public engagement was undertaken        | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken |
| <input checked="" type="checkbox"/> Public/interested parties were informed | <input type="checkbox"/> Public communication or engagement was not required        |

Notices for 46 local improvement projects were sent to affected property owners on 2023 November 28. Petitions Against packages were requested and sent out for 11 projects. Out of the 11, only 5 were filed for validation and all were determined to be insufficient. Petition Against Summary is included in this report (Attachment 4).

Council will be informed by Administration at the 2024 March 19 Regular Council Meeting of any petitions filed after the preparation of this report. If this occurs, it will be recommended that Council identify and approve the withdrawal of any project prior to second reading of Bylaw 1R2024, direct Administration to recalculate dollar values and amend the bylaw content accordingly. Second and third readings may be given to Bylaw 1R2024, as amended, with Council's understanding that all changes will be made by Administration and delivered to the City Clerk's office to serve as the legal corporate record.

Affected property owners will be notified in writing of Council's decision.

### IMPLICATIONS

#### Social

Owner-initiated local improvement projects can improve a specific area's livability. They can contribute to increased attractiveness and accessibility. The local improvement process provides a mechanism for adjacent residents to improve public infrastructure such as paving a lane, while sharing the cost over numerous properties.

#### Environmental

Lane paving is an effective means of dust reduction, and it offers better drainage and prevents erosion of the lane surface.

#### Economic

Low effective interest rates, as set by the Province of Alberta or other lenders and/or by way of issuances of debt in the capital markets or private placements under The City's debt capital markets and private placement program (the "**Financing Options**"), and a 15-year amortization help lower annual costs for the affected property owners.

#### Service and Financial Implications

Infrastructure Services Report to  
Executive Committee  
2024 March 12

ISC: UNRESTRICTED  
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## 2024 Local Improvements Projects

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### Self-supported funding

No anticipated financial impact

### RISK

The City's ability to complete the needed local improvement projects and provide service in a timely manner could be negatively impacted if the proposed Bylaw 1R2024 is not approved. Through the local improvement process, property owners can upgrade infrastructure to improve quality of life in their community.

### ATTACHMENT(S)

1. Background and Previous Council Direction
2. Proposed Bylaw 1R2024
3. 2024 Local Improvement Uniform Tax Rates
4. Petition Against Summary
5. Summary of Financial Impact
6. 2024 Local Improvements Projects Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Kerensa Fromherz	Infrastructure Services	Approve
Michael Thompson	Infrastructure Services	Approve

Author: D Martin, Public Spaces & Delivery, Infrastructure Services

# Background and Previous Council Direction

## Background

Local Improvement Bylaws have been around for decades and are passed annually/semi-annually. Previous Council approval was 2023 March 14 for Bylaw 1R2023

## Previous Council Direction

### Local Improvements Bylaws Timeline

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2023 March 14	C2023-0302	<b>2023 Local Improvements Projects</b> Motion carried unanimously upon third reading of bylaw 1R2023
1/24/2023	C2023-0098	<b>2022 Group One Local Improvements Projects – Amended</b> Motion carried unanimously upon third reading of bylaw 2R2022
3/8/2022	C2022-0255	<b>2022 Group One Local Improvements Projects</b> Bylaw1R2022 was motioned to be amended upon first reading to remove project 2021-655-011 under Schedule ‘A’, page 12. Motion carried under second reading as amended. Authorization for third reading to be carried for bylaw, as amended.
3/22/2021	C2021-0141	<b>2021 Group One Local Improvements Projects</b> Motion carried unanimously upon third reading of bylaw 1R2021
7/27/2020	C2020-0238	<b>2020 Group Two Local Improvements Projects</b> Motion carried unanimously upon third reading of bylaw 2R2020
3/15/2020	C2020-0778	<b>2020 Group One Local Improvements Projects</b> Motion carried unanimously upon third reading of bylaw 1R2020
7/29/2019	C2019-0876	<b>2019 Group Two Local Improvements Projects</b> Motion carried unanimously upon third reading of bylaw 2R2019
3/18/2019	C2019-0172	<b>2019 Group One Local Improvement Projects</b> Motion carried unanimously upon third reading of bylaw 1R2019



# PROPOSED

EC2024-0245  
Attachment 2

## BYLAW NUMBER 1R2024

### BEING A BYLAW OF THE CITY OF CALGARY TO AUTHORIZE:

- THE CONSTRUCTION OF THE LOCAL IMPROVEMENTS AS DESCRIBED WITHIN THE ATTACHED SCHEDULE "A";
- THE IMPOSING OF A LOCAL IMPROVEMENT TAX AGAINST THE PROPERTIES AFFECTED BY THE CONSTRUCTION OF THE LOCAL IMPROVEMENTS; AND
- TO BORROW UP TO THE MAXIMUM AMOUNT OF \$6,104,703.85 TO FINANCE THE CONSTRUCTION OF THE LOCAL IMPROVEMENTS

\*\*\*\*\*

**WHEREAS** Council of The City of Calgary ("**Council**") has reviewed report C2024-0245 for the undertaking, construction and financing of the local improvements described in the attached Schedule "A" (the "**Local Improvements**");

**AND WHEREAS** the construction of the Local Improvements has a total estimated cost of \$6,104,703.85;

**AND WHEREAS** in accordance with the MGA, the cost of the Local Improvements is to be imposed against the owners of the properties benefiting from such Local Improvements;

**AND WHEREAS** pursuant to Section 396(1) of the *Municipal Government Act*, R.S.A. 2000 c. M-26 (the "**MGA**"), The City has given proper notice of its intention to undertake and complete the construction of the Local Improvements and no sufficient petitions in respect thereof have been filed;

**AND WHEREAS** it is estimated that up to a maximum amount of \$6,104,703.85 of the cost of constructing the Local Improvements will be financed through borrowing from the Province of Alberta or other lenders and/or by way of issuances of debt in the capital markets or private placements under The City's debt capital markets and private placement program (collectively, the "**Financing Options**");

**AND WHEREAS** Council has determined it is advisable to pass a bylaw pursuant to Sections 251, 258, 263, 397 and 398 of the MGA to authorize the undertaking, construction, and financing of the Local Improvements and the imposition of the associated local improvement tax;

**AND WHEREAS** the probable lifetime of the Local Improvements financed under this Bylaw is equal to or in excess of fifteen (15) years;

# PROPOSED

EC2024-0245  
Attachment 2

**AND WHEREAS** the amount of the long-term debt of The City as at 2022 December 31 is \$2,695 million with \$332 million being tax supported debt, \$247 million being self-sufficient tax supported debt and \$2,116 million being self-supported debt and no part of the principal or interest is in arrears;

**AND WHEREAS** all required approvals for the Local Improvements will be obtained to ensure the Local Improvements are in compliance with all applicable acts and regulations of the Province of Alberta;

## **NOW THEREFORE, COUNCIL, DULY ASSEMBLED, ENACTS AS FOLLOWS:**

1. The City is hereby authorized to undertake the construction of the Local Improvements and to impose a local improvement tax against the parcels of land set out in the attached Schedule "A".
2. The City is hereby authorized to borrow the maximum amount of \$6,104,703.85 to finance the cost of constructing the Local Improvements using any one or more of the Financing Options.
3. The City shall repay the borrowing over a period not exceeding fifteen (15) years and such borrowing shall bear interest at a rate not exceeding 8% per annum.
4. The Chief Financial Officer of The City, or delegate, is hereby authorized to execute and deliver such agreements, instruments, certificates, and other documents, and do such further acts and things as may be reasonably necessary or as may be reasonably requested for the purpose of carrying out the borrowing and performing The City's obligations under any associated agreements, instruments, certificates or other documents.
5. The City shall annually levy the local improvement tax on all lands benefiting from the Local Improvements as set out in the attached Schedule "A". The persons liable to pay the local improvement tax are the owners of the lands in respect of which the local improvement tax is imposed.
6. The City shall levy and raise an amount by way of municipal taxes sufficient to pay the interest, principal, fees and other charges when due and as required on the borrowing.
7. The net amount borrowed under this Bylaw shall be applied only to the Local Improvements specified by this Bylaw.
8. Schedule "A" attached hereto is hereby declared to form part of this Bylaw.
9. This Bylaw comes into force on the date it is passed.



# PROPOSED

EC2024-0245  
Attachment 2

READ A FIRST TIME THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2024.

READ A SECOND TIME THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2024.

READ A THIRD TIME THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2024.

\_\_\_\_\_  
MAYOR  
SIGNED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2024.

\_\_\_\_\_  
CITY CLERK  
SIGNED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2024.

TEXT FOR DISCUSSION ONLY

# PROPOSED

BYLAW NUMBER 1R2024

## SCHEDULE "A"

### THE CITY OF CALGARY

#### LOCAL IMPROVEMENT BYLAW 1R2024

#### INDEX OF INITIATION/WITHDRAWAL CODES (I/W)

1. PROJECT INITIATED AT REQUEST OF PROPERTY OWNER(S)

#### INDEX OF SPECIAL ASSESSMENT CODES (S.A.)

1. UNIFORM TAX RATE PROJECT
2. COST PROJECT

#### NOTES APPLICABLE TO 2024 LOCAL IMPROVEMENT PROJECTS

- INTEREST RATE FACTOR 15 YEARS AT 5.5% = (APPLICABLE TO UNIFORM TAX RATE PROJECTS ONLY)
- FORMULA FOR DETERMINING ASSESSABLE FRONTAGE OF IRREGULAR SHAPED LOTS:  
SHORTEST WIDTH + (35% X (LONGEST WIDTH - SHORTEST WIDTH) EXCEPT FOR 'COST' TYPE  
PROJECTS WHICH WILL USE ACTUAL FRONTAGE MEASUREMENTS

# PROPOSED

BYLAW NUMBER 1R2024

THE CITY OF CALGARY

## LOCAL IMPROVEMENT BYLAW 1R2024

PROPERTY OWNERS  
ANNUAL LEVY  
RATE INCL INTEREST

PROJECT NUMBER				TOTAL EST.	ASSESSABLE		PROPERTY	EST. PROPERTY	CITY	PROPERTY OWNERS ANNUAL LEVY RATE INCL INTEREST	
IW	S.A.	WARD	LOCATION DESCRIPTION	CONSTRUCTION	METRE	UNIFORM/PAYOUT RATE	SHARE	SHARE	FOR 15 YEARS AT 5.5 %		
Code	Code	NO.		COST	FRONTAGE	FLANKAGE	(PER METRE)	(EXCL. INT.)	(EXCL. INT.)	PER METRE	PER YEAR
<p><b>Ward Number - 04</b></p> <p><b>DRIVEWAY CROSSING - RESIDENTIAL</b></p>											
2023-700-010		04	5931 DALMEAD CR NW	4,950.00	6.60	0.00	750.00	4,950.00	0.00	74.72	493.15
1	2										
TOTAL				4,950.00	6.60	0.00		4,950.00	0.00		493.15

TEXT FOR DISCUSSION ONLY

# PROPOSED

## THE CITY OF CALGARY LOCAL IMPROVEMENT BYLAW 1R2024

BYLAW NUMBER 1R2024

PROJECT NUMBER			LOCATION DESCRIPTION	TOTAL EST.	ASSESSABLE		PROPERTY	EST. PROPERTY	CITY	PROPERTY OWNERS ANNUAL LEVY RATE INCL. INTEREST	
IW Code	S.A. Code	WARD NO.		CONSTRUCTION COST	METRE FRONTAGE	FLANKAGE	UNIFORM TAXPAYOUT RATE (PER METRE)	SHARE (EXCL. INT.)	SHARE (EXCL. INT.)	FOR 15 YEARS AT 5.5% PER METRE	PER YEAR
<b>Ward Number - 05</b>											
<b>ASPHALT PAVING 6.1M LANEWAY</b>											
2023-655-008		05	LANEWAY BEHIND 7-75 CORNER MEADOWS CM NE, 53-89 CORNER MEADOWS GA, 8-76 CORNER MEADOWS PA.	159,967.02	357.70	0.00	447.21	159,967.02	0.00	44.56	15,939.11
1	1										
2023-655-018		05	LANEWAY BEHIND 15-71 SAVANNA ST NE; 175-219 SAVANNA ST NE	91,110.09	203.73	0.00	447.21	91,110.09	0.00	44.56	9,078.21
1	1										
<b>ASPHALT PAVING 8M LANEWAY</b>											
2023-656-001		05	LANEWAY BEHIND 3-73 SKYVIEW SPRINGS CR NE; 141-213 SKYVIEW SPRINGS CR NE; 337-361 SKYVIEW RANCH WY NE	211,629.92	441.77	0.00	479.05	211,629.92	0.00	47.73	21,085.68
1	1										
2023-656-002		05	LANEWAY BEHIND 68-130 TARINGTON CL NE; 150-178 TARINGTON CL NE; 192-260 TARINGTON CL NE; 296-324 TARINGTON CL NE.	233,297.35	487.00	0.00	479.05	233,297.35	0.00	47.73	23,244.51
1	1										
2023-656-007		05	LANEWAY BEHIND 8-64 MARTHA'S HAVEN GD NE; 5-83 MARTHA'S HAVEN PL NE; 658-680 MARTINDALE BV NE	231,692.53	483.65	0.00	479.05	231,692.53	0.00	47.73	23,084.61
1	1										
<b>ASPHALT PAVING 9.14M LANEWAY</b>											
2023-660-001		05	LANEWAY BEHIND 63-87 MARTINVIEW RD NE; 8-104 MARTINDALE CR NE.	147,130.63	307.13	0.00	479.05	147,130.63	0.00	47.73	14,659.31
1	1										
2023-660-003		05	LANEWAY BEHIND 62-134 SADDLERIDGE CL NE	83,273.26	173.83	0.00	479.05	83,273.26	0.00	47.73	8,296.91
1	1										
<b>TOTAL</b>				<b>1,158,100.80</b>	<b>2,454.81</b>	<b>0.00</b>		<b>1,158,100.80</b>	<b>0.00</b>		<b>115,388.34</b>

# PROPOSED

## THE CITY OF CALGARY LOCAL IMPROVEMENT BYLAW 1R2024

BYLAW NUMBER 1R2024

PROJECT NUMBER				TOTAL EST.	ASSESSABLE		PROPERTY	EST.PROPERTY	CITY	PROPERTY OWNERS ANNUAL RATE INCL INTEREST	
IW	S.A.	WARD	LOCATION DESCRIPTION	CONSTRUCTION	METRE	UNIFORM TAX/PAYOUT RATE	SHARE	SHARE	FOR 15 YEARS AT 5.5 %		
Code	Code	NO.		COST	FRONTAGE	FLANKAGE	(PER METRE)	(EXCL. INT.)	(EXCL. INT.)	PER METRE	PER YEAR
<p><b>Ward Number - 06</b></p> <p><b>DRIVEWAY CROSSING - RESIDENTIAL</b></p>											
2023-700-003		06	145 WILDWOOD DR SW	6,250.00	7.70	0.00	811.69	6,250.00	0.00	80.87	622.70
1	2										
2023-700-007		06	40 GRAFTON CR SW	4,800.00	6.40	0.00	750.00	4,800.00	0.00	74.72	478.21
1	2										
TOTAL				11,050.00	14.10	0.00		11,050.00	0.00		1,100.91

TEXT FOR DISCUSSION ONLY

# PROPOSED

## THE CITY OF CALGARY

### LOCAL IMPROVEMENT BYLAW 1R2024

**BYLAW NUMBER 1R2024**

PROJECT NUMBER			LOCATION DESCRIPTION	TOTAL EST.	ASSESSABLE		PROPERTY	EST.PROPERTY	CITY	PROPERTY OWNERS ANNUAL RATE INCL INTEREST	
IW Code	S.A. Code	WARD NO.		CONSTRUCTION COST	METRE FRONTAGE	FLANKAGE	UNIFORM TAX/PAYOUT RATE (PER METRE)	SHARE (EXCL. INT.)	SHARE (EXCL. INT.)	FOR 15 YEARS AT 5.5 % PER METRE PER YEAR	
<b>Ward Number - 07</b>											
<b>ASPHALT PAVING 4.88M LANEWAY</b>											
2023-650-001		07	LANEWAY BEHIND 905 30 AV NW; 2706 7 ST NW; 704-808 26 AV NW; 701-735 27 AV NW.	149,175.84	333.57	0.00	447.21	149,175.84	0.00	44.56	14,863.88
1	1										
2023-650-002		07	LANEWAY BEHIND 3125 - 3103 5A ST NW. 720 30 AV NW	81,785.76	182.88	0.00	447.21	81,785.76	0.00	44.56	8,149.13
1	1										
<b>ASPHALT PAVING 6.1M LANEWAY</b>											
2023-655-001		07	LANEWAY BEHIND 2739-2703 6 AV NW, 2740-2704 5 AV NW.	136,318.55	304.82	0.00	447.21	136,318.55	0.00	44.56	13,582.78
1	1										
2023-655-009		07	THE LANEWAY BEHIND 104-152 35 ST NW; 3515 3 AV NW 107-151 34A ST NW; 3504-3514 PARKDALE BV NW.	189,196.66	423.06	0.00	447.21	189,196.66	0.00	44.56	18,851.55
1	1										
2023-655-010		07	LANEWAY BEHIND 3407 3 AV NW; 109-129 34 ST NW; 104-144 34A ST NW; 3426-3446 PARKDALE BV NW.	131,457.38	293.95	0.00	447.21	131,457.38	0.00	44.56	13,098.41
1	1										
<b>DRIVEWAY CROSSING - RESIDENTIAL</b>											
2023-700-006		07	2222 44 ST NW	6,900.00	7.00	0.00	985.71	6,900.00	0.00	98.21	687.47
1	2										
<b>TOTAL</b>				694,834.19	1,545.28	0.00		694,834.19	0.00		69,233.22

TEXT FOR DISCUSSION ONLY

# PROPOSED

## THE CITY OF CALGARY

### LOCAL IMPROVEMENT BYLAW 1R2024

**BYLAW NUMBER 1R2024**

PROJECT NUMBER				TOTAL EST.	ASSESSABLE		PROPERTY	EST. PROPERTY	CITY	PROPERTY OWNERS	
IW	S.A.	WARD	LOCATION DESCRIPTION	CONSTRUCTION	METRE	UNIFORM TAXPAYOUT RATE	SHARE	SHARE	SHARE	ANNUAL RATE INCL INTEREST	
Code	Code	NO.		COST	FRONTAGE	FLANKAGE	(PER METRE)	(EXCL. INT.)	(EXCL. INT.)	PER METRE	PER YEAR
<b>Ward Number - 08</b>											
<b>ASPHALT PAVING 6.1M LANEWAY</b>											
2022-655-018		08	LANEWAY BEHIND 2704 & 2712 RICHMOND RD SW; 3003-3017 26 ST SW; 3002-3020 26A ST SW.	70,520.54	157.69	0.00	447.21	70,520.54	0.00	44.56	7,026.67
1	1										
2023-655-002		08	LANEWAY BEHIND 4730 20 ST SW; 2005-2049 46 AV SW; 2002-2050 47 AV SW.	170,378.07	380.98	0.00	447.21	170,378.07	0.00	44.56	16,976.47
1	1										
2023-655-005		08	LANEWAY BEHIND 3012 30 AV SW; 3003-3033 29 ST SW; 3002-3042 30 ST SW.	136,568.99	305.38	0.00	447.21	136,568.99	0.00	44.56	13,607.73
1	1										
2023-655-007		08	LANEWAY BEHIND 3711 & 3715 30 AV SW; 3108-3132 37 ST SW; 3104-3631 KILDARE CR SW; 3103-3716 KILKENNY RD SW.	344,213.06	769.69	0.00	447.21	344,213.06	0.00	44.56	34,297.39
1	1										
2023-655-011		08	LANEWAY BEHIND 1902-1940 34 AV SW, 1901-1931 33 AV SW, 3450 19 ST SW	135,142.39	302.19	0.00	447.21	135,142.39	0.00	44.56	13,465.59
1	1										
2023-655-013		08	LANEWAY BEHIND 3003-3213 28 ST SW, 3004-3224 29 ST SW, 2904 RICHMOND RD SW	211,955.18	473.95	0.00	447.21	211,955.18	0.00	44.56	21,119.21
1	1										
2023-655-014		08	LANEWAY BEHIND 4808 4A ST SW, 435-403 47 AV SW, 440-404 48 AV SW	136,309.61	304.80	0.00	447.21	136,309.61	0.00	44.56	13,581.89
1	1										
2023-655-015		08	LANEWAY BEHIND 2812 RICHMOND RD SW, 3004-3050 28 ST SW, 3003-3041 27 ST SW	168,307.48	376.35	0.00	447.21	168,307.48	0.00	44.56	16,770.16
1	1										
2023-655-016		08	LANEWAY BEHIND 2313 22 ST SW; 2308 24 ST SW; 2310 CROWCHILD TR SW; 2303-2419 22 AV SW; 2302-2146 23 AV SW	238,662.56	533.67	0.00	447.21	238,662.56	0.00	44.56	23,780.34
1	1										
2023-655-017		08	LANEWAY BEHIND 1003 & 1007 FRONTENAC AV SW; 2704-2910 MARQUETTE ST SW; 2703-3015 8 ST SW.	158,124.51	353.58	0.00	447.21	158,124.51	0.00	44.56	15,755.52
1	1										
<b>DRIVEWAY CROSSING - RESIDENTIAL</b>											
2023-700-002		08	1316 MONTREAL AV SW	3,950.00	4.90	0.00	806.12	3,950.00	0.00	80.32	393.57
1	2										
2023-700-004		08	2502 14A ST SW	5,250.00	6.40	0.00	820.31	5,250.00	0.00	81.73	523.07
1	2										
<b>TOTAL</b>				<b>1,779,382.39</b>	<b>3,969.58</b>	<b>0.00</b>		<b>1,779,382.39</b>	<b>0.00</b>		<b>177,297.61</b>

# PROPOSED

THE CITY OF CALGARY  
LOCAL IMPROVEMENT BYLAW1R2024

**BYLAW NUMBER 1R2024**

PROJECT NUMBER				TOTAL EST.	ASSESSABLE		PROPERTY	EST. PROPERTY	CITY	PROPERTY OWNERS ANNUAL RATE INCL INTEREST	
W	S.A.	WARD	LOCATION DESCRIPTION	CONSTRUCTION	METRE	UNIFORM TAX/PAYOUT RATE	SHARE	SHARE	FOR 15 YEARS AT 5.5 %		
Code	Code	NO.		COST	FRONTAGE	FLANKAGE	(PER METRE)	(EXCL. INT.)	(EXCL. INT.)	PER METRE	PER YEAR
<b>Ward Number - 09</b>											
<b>ASPHALT PAVING 6.1M LANEWAY</b>											
2023-655-004		09	LANEWAY BEHIND 437-401 11 ST NE, 440-404 10 ST NE	121,506.96	271.70	0.00	447.21	121,506.96	0.00	44.56	12,106.95
1	1										
2023-655-012		09	LANEWAY BEHIND 910-912 11 AV SE, 1004-1042 8 ST SE, 1005-1033 9 ST SE.	173,083.69	387.03	0.00	447.21	173,083.69	0.00	44.56	17,246.06
1	1										
<b>TOTAL</b>				<b>294,590.65</b>	<b>658.73</b>	<b>0.00</b>		<b>294,590.65</b>	<b>0.00</b>		<b>29,353.01</b>

TEXT FOR DISCUSSION ONLY



# PROPOSED

## THE CITY OF CALGARY LOCAL IMPROVEMENT BYLAW1R2024

BYLAW NUMBER 1R2024

PROJECT NUMBER				TOTAL EST.	ASSESSABLE		PROPERTY	EST. PROPERTY	CITY	PROPERTY OWNERS ANNUAL RATE INCL INTEREST	
W	S.A.	WARD	LOCATION DESCRIPTION	CONSTRUCTION	METRE	UNIFORM TAX/PAYOUT RATE.	SHARE	SHARE	FOR 15 YEARS AT 5.5 %		
Code	Code	NO.		COST	FRONTAGE	FLANKAGE	(PER METRE)	(EXCL. INT.)	(EXCL. INT.)	PER METRE	PER YEAR
<p><b>Ward Number - 10</b></p> <p><b>ASPHALT PAVING 9.14M LANEWAY</b></p>											
2023-660-004		10	LANEWAY BEHIND 226-228 ELDORADO CL NE:	107,623.37	224.66	0.00	479.05	107,623.37	0.00	47.73	10,723.02
1	1		408-412 ELDORADO PL NE; 7049-7081 CALIFORNIA BV NE								
TOTAL				107,623.37	224.66	0.00		107,623.37	0.00		10,723.02

TEXT FOR DISCUSSION ONLY

# PROPOSED

THE CITY OF CALGARY  
LOCAL IMPROVEMENT BYLAW1R2024

**BYLAW NUMBER 1R2024**

PROJECT NUMBER			LOCATION DESCRIPTION	TOTAL EST.	ASSESSABLE		PROPERTY	EST. PROPERTY	CITY	PROPERTY OWNERS	
IW Code	S.A. Code	WARD NO.		CONSTRUCTION COST	METRE FRONTAGE	FLANKAGE	UNIFORM TAX/PAYOUT RATE (PER METRE)	SHARE (EXCL. INT.)	SHARE (EXCL. INT.)	RATE INCL INTEREST FOR 15 YEARS AT 5.5 %	PER METRE
<b>Ward Number - 11</b>											
<b>ASPHALT PAVING 6.1M LANEWAY</b>											
2023-655-019		11	LANEWAY BEHIND 701-735 55 AV SW, 702-738 56 AV SW, 5600 ELBOW DR SW, 5616 ELBOW DR SW, 5633 6 ST SW	136,287.25	304.75	0.00	447.21	136,287.25	0.00	44.56	13,579.66
1	1										
<b>ASPHALT PAVING 9.14M LANEWAY</b>											
2023-660-002		11	LANEWAY BEHIND 228-236 WILLOW PARK DR SE; 10511-10527 WANETA CR SE; 10623-10639 WANETA CR SE.	116,471.43	243.13	0.00	479.05	116,471.43	0.00	47.73	11,604.59
1	1										
<b>DRIVEWAY CROSSING - RESIDENTIAL</b>											
2023-700-005		11	708 WILTON PL SE	5,850.00	7.90	0.00	740.51	5,850.00	0.00	73.78	582.86
1	2										
2023-700-008		11	176 MALIBOU RD SW	9,590.00	12.20	0.00	786.07	9,590.00	0.00	78.32	955.50
1	2										
<b>TOTAL</b>				<b>268,198.68</b>	<b>567.98</b>	<b>0.00</b>		<b>268,198.68</b>	<b>0.00</b>		<b>26,722.61</b>

TEXT FOR DISCUSSION ONLY

# PROPOSED

## THE CITY OF CALGARY

### LOCAL IMPROVEMENT BYLAW1R2024

**BYLAW NUMBER 1R2024**

PROJECT NUMBER			LOCATION DESCRIPTION	TOTAL EST.	ASSESSABLE		PROPERTY	EST. PROPERTY	CITY	PROPERTY OWNERS ANNUAL RATE INCL INTEREST	
IW Code	S.A. Code	WARD NO.		CONSTRUCTION COST	METRE FRONTAGE	FLANKAGE	UNIFORM TAX/PAYOUT RATE (PER METRE)	SHARE (EXCL. INT.)	SHARE (EXCL. INT.)	FOR 15 YEARS AT 5.5 %	
									PER METRE	PER YEAR	
<b>Ward Number - 12</b>											
<b>ASPHALT PAVING 6.1M LANEWAY</b>											
2022-655-019		12	LANEWAY BEHIND 11-87 MAHOGANY DR SE, 78-118 MAHOGANY PS SE.	113,734.45	254.32	0.00	447.21	113,734.45	0.00	44.56	11,332.50
1	1										
2023-655-003		12	LANEWAY BEHIND 112-68 MASTERS HT SE, 110-50 MASTERS CR SE	94,714.61	211.79	0.00	447.21	94,714.61	0.00	44.56	9,437.36
1	1										
2023-655-006		12	LANEWAY BEHIND 172-220 MASTERS AVE, 8008-8080 MASTERS BLVD, 7-83 MASTERS RI	226,690.75	506.90	0.00	447.21	226,690.75	0.00	44.56	22,587.46
1	1										
<b>ASPHALT PAVING 8M LANEWAY</b>											
2023-656-003		12	LANEWAY BEHIND 380-460 MARQUIS HT SE, 305-333 MAHOGANY BV SE, 118-26 MARQUIS CM SE.	226,284.06	472.36	0.00	479.05	226,284.06	0.00	47.73	22,545.74
1	1										
2023-656-005		12	LANEWAY BEHIND 37 COPPERPOND GD SE; 214-246 COPPERPOND BA SE; 180-260 COPPERSTONE GD SE; 229-251 COPPERPOND CI SE; 4-76 COPPERPOND PR SE; 100-196 COPPERPOND PA SE.	399,494.17	833.93	0.00	479.05	399,494.17	0.00	47.73	39,803.48
1	1										
2023-656-006		12	LANEWAY BEHIND 769-809 AUBURN BAY BV SE, 142-186 AUTUMN CR SE, 154-6 AUTUMN GR SE.	263,582.89	550.22	0.00	479.05	263,582.89	0.00	47.73	26,262.00
1	1										
2023-656-008		12	LANEWAY BEHIND 44-64 MAHOGANY GV SE, 134-158 MAHOGANY GV SE, 204-228 MAHOGANY GV SE	88,379.93	184.49	0.00	479.05	88,379.93	0.00	47.73	8,805.71
1	1										
2023-656-009		12	LANEWAY BEHIND 407-475 MAHOGANY TC SE; 130-194 MAHOGANY HT SE.	162,096.15	338.37	0.00	479.05	162,096.15	0.00	47.73	16,150.40
1	1										
<b>TOTAL</b>				<b>1,574,977.01</b>	<b>3,352.38</b>	<b>0.00</b>		<b>1,574,977.01</b>	<b>0.00</b>		<b>156,924.65</b>

TEXT FOR DISCUSSION ONLY

# PROPOSED

THE CITY OF CALGARY  
LOCAL IMPROVEMENT BYLAW 1R2024

**BYLAW NUMBER 1R2024**

PROJECT NUMBER			TOTAL EST.	ASSESSABLE		PROPERTY	EST. PROPERTY	CITY	PROPERTY OWNERS ANNUAL RATE INCL INTEREST	
IW	S.A.	WARD	CONSTRUCTION	METRE		UNIFORM/PAYOUT RATE	SHARE	SHARE	FOR 15 YEARS AT 5.5 %	
Code	Code	NO.	COST	FRONTAGE	FLANKAGE	(PER METRE)	(EXCL. INT.)	(EXCL. INT.)	PER METRE	PER YEAR
<b>Ward Number - 14</b>										
<b>ASPHALT PAVING 8M LANEWAY</b>										
2023-656-004		14	198,096.76	413.52	0.00	479.05	198,096.76	0.00	47.73	19,737.31
1	1		LANEWAY BEHIND LANEWAY BEHIND 6-118 LEGACY BV SE; 72-120 LEGACY MAIN ST SE; 17-109 LEGACY ME SE.							
<b>DRIVEWAY CROSSING - RESIDENTIAL</b>										
2023-700-001		14	6,750.00	9.30	0.00	725.81	6,750.00	0.00	72.31	672.48
1	2		12242 LAKE ERIE RD SE							
2023-700-009		14	6,150.00	8.40	0.00	732.14	6,150.00	0.00	72.94	612.70
1	2		112 PARKVIEW GR SE							
TOTAL			210,996.76	431.22	0.00		210,996.76	0.00		21,022.49
GRAND TOTAL			6,104,703.85	13,225.34	0.00		6,104,703.85	0.00		608,259.01

TEXT FOR DISCUSSION ONLY

THE CITY OF CALGARY  
LOCAL IMPROVEMENT BYLAW 1R2024  
FINANCING SUMMARY

TOTAL LOCAL IMPROVEMENT FINANCING REQUIRED FOR	
PROPERTY OWNERS SHARE	6,104,703.85
CITY SHARE	0.00
TOTAL ESTIMATED CONSTRUCTION COST	6,104,703.85
TOTAL LEVY AUTHORIZED BYLAW NO. 1R2024	6,104,703.85

TEXT FOR DISCUSSION ONLY



**CITY OF CALGARY  
2024 LOCAL IMPROVEMENT UNIFORM TAX RATES  
FOR PROJECTS UP TO AND INCLUDING 2024 Jan 15**

**RESIDENTIAL CONSTRUCTION**

LOCAL IMPROVEMENT TYPE CODE	DESCRIPTION OF IMPROVEMENT	PERIOD OF ASSESSMENT YEARS	UNIFORM TAX RATE PER ASSESSABLE METRE	PROPERTY	ANNUAL LEVY	PROPERTY
				OWNERS' SHARE	PER ASSESSABLE	OWNERS' LEVY
				PER ASSESSABLE METRE	PER ASSESSABLE METRE	PER ASSESSABLE METRE
	<u>Asphalt Work – New Construction</u>		<b>\$/m</b>	<b>\$/m</b>	<b>\$/m</b>	<b>\$/m</b>
650/655	Less than or equal to 7 Metres wide	15	447.21	447.21	44.56	44.56
656/660	Greater than 7 Metres wide	15	479.05	479.05	47.73	47.73





**THE CITY OF CALGARY  
LOCAL IMPROVEMENTS SYSTEM  
AUDIT TRAIL  
PETITION SUMMARY  
BYLAW 1R2024**

NUMBER OF PROJECTS PETITION AGAINST PACKAGE WAS REQUESTED:	11
NUMBER OF PETITION AGAINST FILED WITHIN 30 DAYS FROM SENDING OF NOTICE:	2
NUMBER OF PETITION AGAINST FILED AFTER 30 DAYS FROM SENDING OF NOTICE:	3
NUMBER OF PETITION AGAINST REQUESTED BUT NOT FILED:	6

**“PETITION AGAINST” SUMMARY REPORT**

**Overview of 2024 Group One Local Improvement Projects/ “Petitions Against” by Ward**

Ward #	Local Improvement Projects	Projects for which “Petitions Against” were requested*	Projects for which “Petitions Against” were requested* and filed within 30 day period under MGA	Projects for which “Petitions Against” were Filed AFTER 30 Day period under MGA	“Petitions Against”	
					Sufficient	Insufficient
1	0	0	0	0	0	0
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	1	0	0	0	0	0
5	7	3	1	0	0	1
6	2	0	0	0	0	0
7	6	0	0	0	0	0
8	12	3	0	0	0	0
9	2	1	0	1	0	1
10	1	0	0	0	0	0
11	4	0	0	0	0	0
12	8	4	1	2	0	3
13	0	0	0	0	0	0
14	3	0	0	0	0	0
<b>City Total</b>	<b>46</b>	<b>11</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>5</b>

*\*Multiple petitions requested/filed for a given project are combined and presented as one*

**BYLAW NUMBER 1R2024**

**PETITION FILED WITHIN 30 DAYS**

PROJECT NUMBER	PETITION AGAINST NUMBER	DATE PETITION RECEIVED	DAYS OVER DUE	WARD NO.	TYPE OF IMPROVEMENT/LOCATION	SUFF. SIGN % *	SUFF. LAND % **	STATUS
2023-655-008	2023-12-007	2023-12-28	0	05	ASPHALT PAVING 6.1M LANEWAY BEHIND 7-75 CORNER MEADOWS CM NE, 53-89 CORNER MEADOWS GA, 8-76 CORNER MEADOWS PA.	52.17	51.68	INSUFFICIENT
2022-655-019	2023-12-031	2023-12-28	0	12	ASPHALT PAVING 6.1M LANEWAY BEHIND 11-87 MAHOGANY DR SE, 78-118 MAHOGANY PS SE.	37.93	51.23	INSUFFICIENT

\* SUFF. SIGN – Validated percentage of registered owners who signed petition against

\*\* SUFF. LAND – Percentage of total assessed values of all properties based on registered owners who signed petition against

**PETITION FILED AFTER 30 DAYS**

PROJECT NUMBER	PETITION AGAINST NUMBER	DATE PETITION RECEIVED	DAYS OVER DUE	WARD NO.	TYPE OF IMPROVEMENT/LOCATION	SUFF. SIGN %	SUFF. LAND %	STATUS
2023-656-006	2023-12-008	2024-01-19	21	12	ASPHALT PAVING 8M LANEWAY BEHIND 769-809 AUBURN BAY BV SE, 142-186 AUTUMN CR SE, 154-6 AUTUMN GR SE.	31.67	35.99	INSUFFICIENT
2023-655-006	2023-12-032	2024-02-13	46	12	ASPHALT PAVING 8M LANEWAY BEHIND 172-220 MASTERS AVE SE, 8008-8080 MASTERS BLVD, 7-83 MASTERS RI SE.	51.85	53.11	INSUFFICIENT
2023-655-012	2023-12-013	2024-02-27	60	9	ASPHALT PAVING 6.1M LANEWAY BEHIND 910-912 11 AV SE, 1004-1042 8 ST SE; 1005-1033 9 ST SE.	43.48	31.01	INSUFFICIENT

**THE CITY OF CALGARY**  
**LOCAL IMPROVEMENTS SYSTEM**  
**2024 OUTSTANDING PETITION AGAINST SUMMARY**  
**BYLAW 1R2024**

**BYLAW NUMBER 1R2024**

PROJECT NUMBER	PETITION NUMBER	30 DAY * DEADLINE DATE	DESCRIPTION
2023-656-002	2023-12-015	2023-12-28	PETITION AGAINST HAS NOT BEEN FILED
2023-660-001	2023-12-003	2023-12-28	PETITION AGAINST HAS NOT BEEN FILED
2023-655-002	2023-12-001	2023-12-28	PETITION AGAINST HAS NOT BEEN FILED
2023-655-014	2023-12-002	2023-12-28	PETITION AGAINST HAS NOT BEEN FILED
2023-655-016	2023-12-019	2023-12-28	PETITION AGAINST HAS NOT BEEN FILED
2023-656-005	2024-01-001	2023-12-28	PETITION AGAINST HAS NOT BEEN FILED

- 30 DAY DEADLINE PERTAINS TO THE PERIOD AFTER NOTICE OF INTENTION LETTERS ARE MAILED

**SUMMARY OF FINANCIAL IMPACT**

**Program 147 – 148 / Activity 432395/433090 – LI Paving and Driveway  
Crossings Funded by Property Owners**

**Group One Bylaws Total Borrowing Requirement**

<b>Bylaw No.</b>	<b>Budget Program / Activity No.</b>	<b>Estimated Total Cost</b>
1R2024	147-148 /432395-433090	\$6,104,703.85
Total Bylaw Requirement		\$6,104,703.85
Total Funding Requirement		\$6,104,703.85
Increase In Budget Required		\$6,104,703.85





# 2024 Local Improvement Projects – EC2024-0245

2024 March 12

## **Previous Background and Council Direction**

- The Local Improvement program has been around for decades as an avenue for citizens to petition to have improvements in their area and community.
- The continuation of the program relies on the support of Council to pass these bylaws.
- The bylaws are presented to Council annually or semi-annually.
- Council passed the previous Bylaw in March 2023 (C0302).



## RECOMMENDATION(S):

### That the Executive Committee recommend to Council:

- Approval of an increase of \$6,104,703.85 in 2024 budget appropriation to Public Services Delivery Capital Program 147-148;
- Give three readings to Bylaw 1R2024.
- Forward this report to the 2024 March 19 Regular Council Meeting.

## PURPOSE

- To seek Council approval of proposed bylaw 1R2024 for the undertaking, construction, and financing of owner-initiated local improvement projects.
- These projects include paving residential laneways and lowering the height of the curb for individual driveways (called driveway crossings).

## Highlights

- Local Improvements are projects that benefit a small section of local property owners rather than the majority of Calgarians.
- Through the owner-initiated, supported and funded local improvement process, The City of Calgary and property owners facilitate and support efforts to improve neighborhood assets that increase the attractiveness and accessibility of an area.
- The participation and support of this program help to contribute to *making life better every day* for our citizens by enhancing our communities and ensuring that our City continues to be *a great place to make a living, a great place to make a life.*

## DISCUSSION

- Notices of intention to undertake 46 Local Improvement projects were sent to affected property owners.
- Petitions Against were requested and sent out for 11 projects. There were 5 petitions against that were returned and all were insufficient.

## **RECOMMENDATION(S):**

### **That Council:**

- Committee forward this report to 2024 March 19 regular council meeting.
- Approve an increase of \$6,104,703.85 in 2024 budget appropriation to Public Services Delivery Capital Program 147-148; totaling \$6,104,703.85; and
- Give three readings to Bylaw 1R2024.



Infrastructure Services Report to  
Executive Committee  
2024 March 12

ISC: UNRESTRICTED  
EC2024-0244

## 2024 Local Improvement Bylaws for Stephen Avenue Mall and Barclay Mall

### PURPOSE

The purpose of this report is to seek Council approval of proposed Bylaws 1L2024 and 2L2024 for the undertaking of enhanced maintenance of Stephen Avenue Mall and Barclay Mall as local improvements in 2024 (the “**Local Improvements**”).

### PREVIOUS COUNCIL DIRECTION

Council approved Bylaws 1L2023 and 2L2023 for the enhanced maintenance of Stephen Avenue Mall and Barclay Mall in 2023 as local improvements (Attachment 1) on 2023 March 14.

### RECOMMENDATION(S):

That the Executive Committee:

- Forward this report to 2024 March 19 Regular Council Meeting.

That the Executive Committee recommend Council:

- Give three readings to proposed Bylaw 1L2024; and
- Give three readings to proposed Bylaw 2L2024.

### CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

GM concurs with this report.

### HIGHLIGHTS

- Since the 1980’s, The City of Calgary (“**The City**”) has used the enhanced mall maintenance program to deliver enhanced maintenance to portions of Stephen Avenue Mall (8 Avenue between 1 Street SE and 4 Street SW) and Barclay Mall (3 Street SW between Barclay Parade and 9 Avenue SW) (the “**Program**”).
- It is proposed that the cost of the Program for 2024 is to be shared equally by The City and adjacent property owners through the local improvement tax Bylaws 1L2024 and 2L2024.
- The Program enables The City to improve the condition of street furniture including surface repairs, to perform additional snow and ice control, and to provide enhanced street cleaning and street lighting. Also, it helps to attract business, residents, and tourism to downtown Calgary and contribute to Calgary’s overall economy.
- Stephen Avenue Mall and Barclay Mall are important pedestrian corridors in downtown Calgary. The proposed Local Improvements will allow The City to continue to provide a vibrant, attractive, and safe space for visitors, businesses and Calgarians while encouraging sustainable modes of transportation.

Infrastructure Services Report to  
Executive Committee  
2024 March 12

ISC: UNRESTRICTED  
EC2024-0244

## 2024 Local Improvement Bylaws for Stephen Avenue Mall and Barclay Mall

### DISCUSSION

The Local Improvements are proposed to prevent deterioration of existing infrastructure, maintain, or improve accessibility, and enhance the appearance of Stephen Avenue Mall and Barclay Mall.

The costs of the Local Improvements are to be shared equally (50/50) between The City and the adjacent property owners. This aligns with the Calgary Transportation Plan by helping to facilitate and provide mobility choices in the City Centre while promoting safety for all transportation system users. A council may by law require the municipality to pay the cost of any part of a local improvement that the council considers to be of benefit to the whole municipality. The proposed Local Improvements will improve safety, cleanliness, and accessibility of the said two malls, encourage social interaction, pedestrian travel by means of walking and promotes the use of other modes of transportation such as bikes, scooters, and transit and will contribute to the heritage perseverance and vitality of downtown Calgary. Also, it helps to attract business, residents, and tourism to downtown Calgary and contribute to Calgary's overall economy.

The *Municipal Government Act*, R.S.A. 2000 c. M-26, as modified by The City of Calgary Charter, 2018 Regulation, governs the local improvement process. As required by section 396 of the MUNICIPAL GOVERNMENT ACT, a Notice of Intention to Undertake a Local Improvement ("**Notice**") is mailed to each affected property owner outlining the type of proposed construction, the estimated construction cost, the annual rate per metre and the property owner's estimated share of the cost. It also provides an instruction on how to file a petition against if they object to the proposed local improvement ("**Petition Against**"), to be filed within 30 days from the date of the Notice. Petition Against form can be obtained by calling The City of Calgary Operations Centre at 311.

To be considered sufficient, a Petition Against must be signed by at least two-thirds of the affected property owners representing at least half of the assessed property value. If a sufficient Petition Against is filed within 30 days from the sending of the Notice, Council must not proceed with the local improvement (Section 396(3) of the MUNICIPAL GOVERNMENT ACT). If a sufficient Petition Against is not filed within 30 days from the sending of the Notice, Council may undertake the local improvement and impose the local improvement tax at any time in the 5 years following the sending of the Notice (Section 396(4) of the MUNICIPAL GOVERNMENT ACT, as modified by The City of Calgary Charter, 2018 Regulation).

A local improvement tax bylaw must be passed by Council in respect of each local improvement.



Infrastructure Services Report to  
Executive Committee  
2024 March 12

ISC: UNRESTRICTED  
EC2024-0244

## 2024 Local Improvement Bylaws for Stephen Avenue Mall and Barclay Mall

### EXTERNAL ENGAGEMENT AND COMMUNICATION

- |                                     |   |                          |   |
|-------------------------------------|---|--------------------------|---|
| <input checked="" type="checkbox"/> | Public engagement was undertaken        | <input type="checkbox"/> | Dialogue with interested parties was undertaken     |
| <input type="checkbox"/>            | Public/interested parties were informed | <input type="checkbox"/> | Public communication or engagement was not required |

Notices for the Local Improvements were sent to affected property owners on 2023 December 12. No Petition Against forms were requested and filed by any affected property owner(s).

### IMPLICATIONS

#### Social

The Program assists in encouraging social interaction along Stephen Avenue Mall and Barclay Mall by improving safety, area cleanliness and accessibility. This contributes to the heritage perseveration and vitality of downtown Calgary.

#### Environmental

Because the Program improves safety, cleanliness and accessibility of Stephen Avenue Mall and Barclay Mall, it encourages pedestrian travel by means of walking and promotes the use of other modes of transportation such as bikes, scooters, and transit.

#### Economic

Attracting visitors and business to Stephen Avenue Mall and Barclay Mall foster economic activity. The cost-sharing for the Program delivers a more desirable space while limiting costs to both The City and adjacent property owners.

### Service and Financial Implications

#### Existing operating funding - base

For 2024, the estimated cost of the local Improvement for Stephen Avenue Mall is \$407,167 and the estimated cost for Barclay Mall is \$283,845 (see Table 1 below), with an estimated total amount of \$691,012. The normal maintenance costs of the said two malls (estimated at \$91,809.70 in 2023), will be deducted from the estimated total of \$691,012 and the residual costs will be shared equally between The City and the adjacent property owners benefitting from the Local Improvements.

**2024 Local Improvement Bylaws for Stephen Avenue Mall and Barclay Mall**

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The normal maintenance cost and The City’s portion of the Local Improvements will continue to be funded through the Mobility operating budget. The costs are comparable to the same as 2023.

**Table 1: Maintenance Costs – Stephen Avenue Mall and Barclay Mall**

<b>Maintenance Costs</b>	<b>2024 Stephen Avenue Mall Budget</b>	<b>2024 Barclay Mall Budget</b>
Total	\$407,167	\$283,845
Less: Normal Maintenance	\$(40,717)	\$(51,093)
Shareable Costs	\$366,451	\$232,752
Property Owners Share (50%)	\$183,226	\$116,376
City Share (50%)	\$183,226	\$116,376

The costs of the Local Improvements for 2024 are set forth in Schedule “1” of Bylaws 1L2024 (Attachment 2) and 2L2024 (Attachment 3). Maintenance related to the walking and wheeling lane on THE WEST END OF 8 AVENUE SW is not part of these Local Improvements and is funded separately under the snow clearing budget.

The local improvement tax will be levied in 2025.

**RISK**

The City’s ability to complete the enhanced maintenance of Stephen Avenue Mall and Barclay Mall that is being expected by large number of people spending time in that downtown corridor could negatively be impacted if the proposed Bylaws 1L2024 and 2L2024 are not approved.

**ATTACHMENT(S)**

1. Background and Previous Council Direction
2. Proposed Bylaw 1L2024
3. Proposed Bylaw 2L2024
4. Presentation

**Infrastructure Services Report to  
Executive Committee  
2024 March 12**

**ISC: UNRESTRICTED  
EC2024-0244**

**2024 Local Improvement Bylaws for Stephen Avenue Mall and Barclay Mall**

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Doug Morgan	Operational Services	Approve
Troy McLeod	Operational Services	Approve
Thom Mahler	Planning & Development Services	Inform
Michael Thompson	Infrastructure Services	Inform

Author: D Martin, Public Spaces Delivery, Infrastructure Services



# Background and Previous Council Direction

## Background

Council annually approves the Local Improvement bylaws required to support mall maintenance for Stephen Avenue and Barclay malls.

## Previous Council Direction

### Mall Maintenance Bylaws Timeline

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2023 March 14	C2023-0207	<b>2023 Local Improvement Bylaws for Stephen Avenue and Barclay Mall</b> Motion carried unanimously upon third reading of bylaws 1L2023 and 2L2023
3/29/2022	C2022-0299	<b>2022 Local Improvement Bylaws for Stephen Avenue and Barclay Mall</b> Motion carried unanimously upon third reading of bylaws 1L2022 and 2L2022
3/22/2021	C2021-0230	<b>2021 Local Improvement Bylaws for Stephen Avenue and Barclay Mall</b> Motion carried unanimously upon third reading of bylaws 1L2021 and 2L2021
3/16/2020	C2020-0239	<b>2020 Local Improvement Bylaws for Stephen Avenue and Barclay Mall</b> Motion carried unanimously upon third reading of bylaws 1L2020 and 2L2020



# PROPOSED

EC2024-0244  
ATTACHMENT 2

## BYLAW NUMBER 1L2024

BEING A BYLAW OF THE CITY OF CALGARY  
TO AUTHORIZE:

- THE ENHANCED MAINTENANCE OF STEPHEN AVENUE MALL TO BE UNDERTAKEN AS A LOCAL IMPROVEMENT DURING THE CALENDAR YEAR 2024; AND
- THE LEVYING OF A LOCAL IMPROVEMENT TAX IN 2025 AGAINST THE BENEFITTING PROPERTIES.

\*\*\*\*\*

**WHEREAS** pursuant to Section 393 of the *Municipal Government Act*, R.S.A. 2000 c. M-26 (the “**MGA**”), a council of a municipality may on its own initiative propose a local improvement;

**AND WHEREAS** Council of The City of Calgary (“**Council**”) has reviewed report EC2024-0244 and wishes to undertake the enhanced maintenance (including but not limited to the supply of light and electricity, snow removal, street and fixture cleaning and related maintenance operations) of Stephen Avenue Mall, as described in the attached Schedule 1, as a local improvement in 2024 (the “**Local Improvement**”);

**AND WHEREAS** it has been estimated that the total cost of the Local Improvement for the calendar year 2024 is \$366,451;

**AND WHEREAS** in accordance with the MGA, part of the cost of the Local Improvement is to be imposed against the owners of the properties benefiting from such Local Improvement based on each unit of frontage;

**AND WHEREAS** Council considers the Local Improvement to be of benefit to the whole municipality and requires The City of Calgary (“**The City**”) to pay part of the cost of the Local Improvement;

**AND WHEREAS** pursuant to Section 396(1) of the MGA, The City has given proper notice of its intention to undertake the Local Improvement and no sufficient petition in respect thereof has been filed;

**AND WHEREAS** Council has determined it is advisable to pass a bylaw pursuant to Sections 397, 398 and 405 of the MGA to authorize the undertaking of the Local Improvement and the levying of the associated local improvement tax, and to require The City to pay 50% of the total cost of the Local Improvement;

**AND WHEREAS** The City will undertake the enhanced maintenance of the Local Improvement during the calendar year 2024;

**AND WHEREAS** all required approvals for the Local Improvement will be obtained to ensure

the Local Improvement is in compliance with all applicable acts and regulations of the Province of Alberta;

TEXT FOR DISCUSSION ONLY



# PROPOSED

## BYLAW NUMBER 1L2024

### NOW, THEREFORE, COUNCIL, DULY ASSEMBLED, ENACTS AS FOLLOWS:

1. The City is hereby authorized to undertake the enhanced maintenance of Stephen Avenue Mall as a local improvement in 2024 and to levy a local improvement tax in 2025 based on the actual enhanced mall maintenance cost for 2024 but in no event shall the amount to be levied against the properties benefitting from that improvement be more than the amount corresponding to their share as set out in the attached Schedule "1".
2. The City shall levy the local improvement tax against each parcel benefitting from the Local Improvement, being the cost of that improvement over a period of one (1) year, computed by dividing the cost of the work by the total linear metres in the property fronting the affected area, with The City bearing fifty percent (50%) of the total cost. The persons liable to pay the local improvement tax to be imposed are the owners of the parcels of land in respect of which the local improvement tax is imposed.
3. The attached Schedule "1" is hereby declared to form part of this Bylaw.
4. This Bylaw comes into force on the date it is passed.

READ A FIRST TIME THIS \_\_DAY OF \_\_\_\_\_, 2024.

READ A SECOND TIME THIS \_\_DAY OF \_\_\_\_\_, 2024.

READ A THIRD TIME THIS \_\_DAY OF \_\_\_\_\_, 2024.

\_\_\_\_\_  
MAYOR  
SIGNED THIS \_\_DAY OF \_\_\_\_\_, 2024.

\_\_\_\_\_  
CITY CLERK  
SIGNED THIS \_\_DAY OF \_\_\_\_\_, 2024.

# PROPOSED

BYLAW NUMBER 1L2024

## SCHEDULE "1"

### THE CITY OF CALGARY

### LOCAL IMPROVEMENT BYLAW 1L2024

#### INDEX OF INITIATION/WITHDRAWAL CODES (I/W)

1. PROJECT INITIATED AT REQUEST OF ADMINISTRATION

#### INDEX OF SPECIAL ASSESSMENT CODES (S.A.)

1. COST PROJECT
2. COST SHARED RESIDENTIAL PROJECT: 50% PROPERTY OWNER - 50% CITY SHARE

#### NOTES APPLICABLE TO 2024 LOCAL IMPROVEMENT PROJECTS

- INTEREST RATE FACTOR 15 YEARS AT 0% = (APPLICABLE TO UNIFORM TAX RATE PROJECTS ONLY)
- FORMULA FOR DETERMINING ASSESSABLE FRONTAGE OF IRREGULAR SHAPED LOTS:  
SHORTEST WIDTH + (35% X (LONGEST WIDTH - SHORTEST WIDTH) EXCEPT FOR 'COST' TYPE  
PROJECTS WHICH WILL USE ACTUAL FRONTAGE MEASUREMENTS

# PROPOSED

## THE CITY OF CALGARY LOCAL IMPROVEMENT BYLAW 1L2024

BYLAW NUMBER 1L2024

PROJECT NUMBER			TOTAL EST.	ASSESSABLE	EST.PROPERTY	EST. PROPERTY	EST.CITY		
IW	S.A.	WARD	CONSTRUCTION	METRE	PAYOUT RATE	SHARE	SHARE		
Code	Code	NO.	COST	FRONTAGE	FLANKAGE	(PER METRE)	(EXCL. INT.)	(EXCL. INT.)	
<b>SCHEDULE 1</b>			<b>MALL MAINTENANCE</b>						
<b>(PROGRAM 132)</b>									
2023-800-001		07	BOTH SIDES OF STEPHEN (8TH) AVENUE MALL	366,451.00	1,361.39	0.00	134.59	183,225.50	183,225.50
1	1/2		FROM 1 STREET SE TO 4 STREET SW - 2024 MAINTENANCE						
<b>TOTAL</b>			<b>366,451.00</b>	<b>1,361.39</b>	<b>0.00</b>		<b>183,225.50</b>	<b>183,225.50</b>	
<b>GRAND TOTAL</b>			<b>366,451.00</b>	<b>1,361.39</b>	<b>0.00</b>		<b>183,225.50</b>	<b>183,225.50</b>	

TEXT FOR DISCUSSION ONLY

# PROPOSED

THE CITY OF CALGARY  
LOCAL IMPROVEMENT BYLAW 1L2024  
FUNDING SUMMARY

BYLAW NUMBER 1L2024

TOTAL LOCAL IMPROVEMENT FUNDING REQUIRED FOR	
PROPERTY OWNERS SHARE	183,226.00*
CITY SHARE	183,226.00*
TOTAL ESTIMATED CONSTRUCTION COST	366,451.00*
TOTAL LEVY AUTHORIZED BY BYLAW NO. 1L2024	183,226.00*

\* Amount rounded to nearest dollar

# PROPOSED

EC2024-0244  
ATTACHMENT 3

## BYLAW NUMBER 2L2024

BEING A BYLAW OF THE CITY OF CALGARY  
TO AUTHORIZE:

- THE ENHANCED MAINTENANCE OF BARCLAY MALL TO BE UNDERTAKEN AS A LOCAL IMPROVEMENT DURING THE CALENDAR YEAR 2024; AND
- THE LEVYING OF A LOCAL IMPROVEMENT TAX IN 2025 AGAINST THE BENEFITTING PROPERTIES.

\*\*\*\*\*

**WHEREAS** pursuant to Section 393 of the *Municipal Government Act* R.S.A. 2000 c. M-26 (the “MGA”), a council of a municipality may on its own initiative propose a local improvement;

**AND WHEREAS** Council of The City of Calgary (“Council”) has reviewed report EC2024-0244 and wishes to undertake the enhanced maintenance (including but not limited to the supply of light and electricity, snow removal, street and fixture cleaning and related maintenance operations) of Barclay Mall, as described in the attached Schedule 1, as a local improvement in 2024 (the “Local Improvement”);

**AND WHEREAS** it has been estimated that the total cost of the Local Improvement for the calendar year 2024 is \$232,752;

**AND WHEREAS** in accordance with the MGA, part of the cost of the Local Improvement is to be imposed against the owners of the properties benefiting from such Local Improvement based on each unit of frontage;

**AND WHEREAS** Council considers the Local Improvement to be of benefit to the whole municipality and requires The City of Calgary (“The City”) to pay part of the cost of the Local Improvement;

**AND WHEREAS** pursuant to Section 396(1) of the MGA, The City has given proper notice of its intention to undertake the Local Improvement and no sufficient petition in respect thereof has been filed;

**AND WHEREAS** Council has determined it is advisable to pass a bylaw pursuant to Sections 397, 398 and 405 of the MGA to authorize the undertaking of the Local Improvement and the levying of the associated local improvement tax, and to require The City to pay 50% of the total cost of the Local Improvement;

**AND WHEREAS** The City will undertake the enhanced maintenance of the Local Improvement during the calendar year 2024;

**AND WHEREAS** all required approvals for the Local Improvement will be obtained to ensure the Local Improvement is in compliance with all applicable acts and regulations of the Province of Alberta;

# PROPOSED

BYLAW NUMBER 2L2024

**NOW, THEREFORE, COUNCIL, DULY ASSEMBLED, ENACTS AS FOLLOWS:**

1. The City is hereby authorized to undertake the enhanced maintenance of Barclay Mall as a local improvement in 2024 and to levy a local improvement tax in 2025 based on the actual enhanced mall maintenance cost for 2024 but in no event shall the amount to be levied against the properties benefitting from that improvement be more than the amount corresponding to their share as set out in the attached Schedule "1".
2. The City shall levy the local improvement tax against each parcel benefitting from the Local Improvement, being the cost of that improvement over a period of one (1) year, computed by dividing the cost of the work by the total linear metres in the property fronting the affected area, with The City bearing fifty percent (50%) of the total cost. The persons liable to pay the local improvement tax to be imposed are the owners of the parcels of land in respect of which the local improvement tax is imposed.
3. The attached Schedule "1" is hereby declared to form part of this Bylaw.
4. This Bylaw comes into force on the date it is passed.

READ A FIRST TIME THIS \_\_\_DAY OF \_\_\_\_\_, 2024.

READ A SECOND TIME THIS \_\_\_DAY OF \_\_\_\_\_, 2024.

READ A THIRD TIME THIS \_\_\_DAY OF \_\_\_\_\_, 2024.

\_\_\_\_\_  
MAYOR  
SIGNED THIS \_\_\_DAY OF \_\_\_\_\_, 2024.

\_\_\_\_\_  
CITY CLERK  
SIGNED THIS \_\_\_DAY OF \_\_\_\_\_, 2024.

# PROPOSED

BYLAW NUMBER 2L2024

## SCHEDULE "1"

### THE CITY OF CALGARY

### LOCAL IMPROVEMENT BYLAW 2L2024

#### INDEX OF INITIATION/WITHDRAWAL CODES (I/W)

1. PROJECT INITIATED AT REQUEST OF ADMINISTRATION

#### INDEX OF SPECIAL ASSESSMENT CODES (S.A.)

1. COST PROJECT
2. COST SHARED RESIDENTIAL PROJECT: 50% PROPERTY OWNER - 50% CITY SHARE

#### NOTES APPLICABLE TO 2024 LOCAL IMPROVEMENT PROJECTS

- INTEREST RATE FACTOR 15 YEARS AT 0% = (APPLICABLE TO UNIFORM TAX RATE PROJECTS ONLY)
- FORMULA FOR DETERMINING ASSESSABLE FRONTAGE OF IRREGULAR SHAPED LOTS:  
SHORTEST WIDTH + (35% X (LONGEST WIDTH - SHORTEST WIDTH) EXCEPT FOR 'COST' TYPE  
PROJECTS WHICH WILL USE ACTUAL FRONTAGE MEASUREMENTS

# PROPOSED

## THE CITY OF CALGARY LOCAL IMPROVEMENT BYLAW 2L2024

BYLAW NUMBER 2L2024

PROJECT NUMBER			TOTAL EST.	ASSESSABLE	EST. PROPERTY	EST. PROPERTY	EST. CITY		
IW	S.A.	WARD	CONSTRUCTION	METRE	PAYOUT RATE	SHARE	SHARE		
Code	Code	NO.	COST	FRONTAGE	FLANKAGE	(PER METRE)	(EXCL. INT.)	(EXCL. INT.)	
<b>SCHEDULE 1</b>			<b>MALL MAINTENANCE</b>						
<b>(PROGRAM 132)</b>									
2023-800-002		07	BOTH SIDES OF BARCLAY MALL (3 STREET SW)	232,752.00	1,313.04	0.00	88.63	116,376.00	116,376.00
1	1/2		FROM NORTH PROPERTY LINE OF 255 BARCLAY PARADE SW TO 9 AVENUE SW - 2024 MAINTENANCE						
<b>TOTAL</b>			<b>232,752.00</b>	<b>1,313.04</b>	<b>0.00</b>		<b>116,376.00</b>	<b>116,376.00</b>	
<b>GRAND TOTAL</b>			<b>232,752.00</b>	<b>1,313.04</b>	<b>0.00</b>		<b>116,376.00</b>	<b>116,376.00</b>	



# PROPOSED

THE CITY OF CALGARY

LOCAL IMPROVEMENT BYLAW 2L2024

FUNDING SUMMARY

BYLAW NUMBER 2L2024

TOTAL LOCAL IMPROVEMENT FUNDING REQUIRED FOR

PROPERTY OWNERS SHARE	116,376.00*
CITY SHARE	116,376.00*
TOTAL ESTIMATED CONSTRUCTION COST	232,752.00*
TOTAL LEVY AUTHORIZED BY BYLAW NO. 2L2024	116,376.00*

\* Amount rounded to nearest dollar

TEXT FOR DISCUSSION ONLY



Calgary



**EC2024-0244**

EC2024-0244  
Attachment 4

# **2024 Local Improvement Bylaws for Stephen Avenue Mall and Barclay Mall**

Mar 12, 2024



## Previous Council Direction

- Council approved Bylaws 1L2023 and 2L2023 for the enhanced maintenance of Stephen Avenue Mall and Barclay Mall in 2023 as local improvements (Attachment 1) on 2023 March 14.



## Recommendations

That the Executive Committee:

- Forward this report to 2024 March 19 Regular Council Meeting

That the Executive Committee recommend Council:

- Give three readings to Bylaw 1L2024; and
- Give three readings to Bylaw 2L2024

Stephen Avenue Mall and Barclay Mall are important pedestrian corridors in Calgary's city centre and this enhanced maintenance program has been achieved through Local Improvement Bylaws. The improvements attract business, residents and tourism to the downtown and contribute to Calgary's economy overall.

- Funding for enhanced maintenance is shared equally between The City of Calgary and the adjacent property owners.
- The program enables The City to improve the condition of street furniture, including benches, bike racks and waste receptacles.
- The program provides an increased level of maintenance for activities such as surface repairs, snow and ice control, street cleaning, and street lighting.



# 2024 Maintenance Costs

Maintenance Costs	2024 Stephen Avenue Mall Budget	2024 Barclay Mall Budget
Total	\$ 407,167	\$ 283,845
Less: Normal Maintenance	\$ (40,717)	\$ (51,093)
Sharable Costs	\$ 366,451	\$ 232,752
Property Owners Share (50%)	\$ 183,226	\$ 116,376





## Recommendations

That the Executive Committee:

- Forward this report to 2024 March 19 Regular Council Meeting

That the Executive Committee recommend Council:

- Give three readings to Bylaw 1L2024; and
- Give three readings to Bylaw 2L2024



Law, Legislative Services & Security Report to  
Executive Committee  
2024 March 12

ISC: UNRESTRICTED  
EC2024-0037

## **Board, Commission and Committee Public Member Remuneration and Expense Policy**

### **PURPOSE**

The purpose of this Report is to recommend the adoption of a proposed Council Policy on remuneration and expenses for Public Members serving on Council-established Boards, Commissions and Committees (“BCCs”).

### **PREVIOUS COUNCIL DIRECTION**

On 2023 January 24, in response to Notice of Motion EC2022-1371, Council directed Administration to return to Executive Committee by Q1 2024 with an equitable remuneration and expense policy applying to all Council-established BCCs that have Public Members appointed by Council, where The City is responsible for the payment of remuneration and expenses, which incorporates:

- A consideration of the unique mandates, terms of reference and legislated requirements that apply to tribunals and other BCCs;
- Best practices identified through a scan of remuneration and expense policies or volunteer Public Members in comparable jurisdictions and organizations; and
- Input from Boards, Commissions, and Committees on the draft policy, before it is presented to Council.

### **RECOMMENDATIONS:**

That with respect to Report EC2024-0037, the Executive Committee recommend that Council:

1. Adopt the proposed Council Policy on “Remuneration and Expenses for Public Members Serving on Council-Established Boards, Commissions and Committees” (Attachment 1), to be effective 2026 January 1;
2. Direct Administration to develop and present a budget submission to Mid-Cycle Adjustments to Service Plans and Budgets to support the direct and related administration costs of implementing the proposed Council Policy; and
3. Direct that Confidential Attachment 3B remain confidential pursuant to section 17 (Disclosure harmful to personal privacy) of the *Freedom of Information and Protection of Privacy Act*.

### **CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS**

The City Solicitor and General Counsel concurs with this report.

### **HIGHLIGHTS**

- The proposed Council Policy recognizes the value of Public Member contributions to civic decision-making and promotes equity and the reduction of barriers to participation.
- Implementing the proposed Council Policy is expected to increase public interest in participation on Council-established BCCs, contributing to good governance.
- The proposed Council Policy is aligned with Council’s Strategic Direction to build Social resilience by promoting community engagement and participation.

## **Board, Commission and Committee Public Member Remuneration and Expense Policy**

### **DISCUSSION**

Public Members are individuals who have been appointed to serve on a BCC by Council who provide valuable expertise, experience and perspectives that contribute to good governance. Public Members are not employees of The City of Calgary.

#### *Process*

Council directed Administration to present an equitable remuneration and expense Council Policy for Public Members (Attachment 1), which has been developed in five phases:

1. Identification of in-scope BCCs (Attachment 2);
2. Engagement of an external consultant Sage Analytics Inc., (“SAGE”) to research best practices and develop policy options (Attachment 3A and Confidential Attachment 3B);
3. Development of a draft Council Policy;
4. Engagement of BCCs and Administrative Resources to gather input on the draft Council Policy; and
5. Finalization of the proposed Council Policy and related cost estimates.

More detailed information on the work done in each phase can be found in Attachment 4.

#### *Council Policy Framework*

The proposed Council Policy reflects consideration of recommendations from SAGE and the input of BCCs (Attachment 5). It acknowledges the full scope of Public Members’ contributions by remunerating their participation in BCC meetings, providing an allowance for technology costs, and reimbursing reasonable expenses, including accessibility supports and dependent care. The proposed Council Policy also provides for different amounts of remuneration for Public Members who fulfill or act in leadership roles on BCCs, as Chairs, Co-Chairs and Vice-Chairs, to reflect their additional responsibilities and obligations.

The proposed Council Policy establishes a framework for Public Member remuneration and reimbursement of expenses for Council to consider when establishing or updating BCC governance documents. The remuneration and reimbursement of expenses for Public Members serving on BCCs which already have bylaws that provide for those payments will continue to be determined by those bylaws, unless amended, because Council’s bylaws supersede its policies.

Exclusions from the proposed Council Policy include the following:

- Public Members serving on Business Improvement Areas, Civic Partners, Wholly Owned Subsidiaries, or boards, commissions and committees established by these bodies;
- Members of Council and their staff, Administration members appointed to BCCs and employees of The City of Calgary;
- Public Members who receive remuneration, allowances or reimbursement of expenses relating to their service on a Council-established BCC from other sources;
- Public Members’ service on a BCC subcommittee, unless established by Council; and
- Public Members who opt out of receiving remuneration for personal reasons.

A high-level estimate of the Corporate cost to implement the proposed Council Policy, after considering existing BCC remuneration and expense expenditures, is approximately \$1,380,000. Further details of costs are provided in Attachment 6.

### **Board, Commission and Committee Public Member Remuneration and Expense Policy**

The proposed Council Policy provides for transparency by requiring that the total annual remuneration and expense reimbursement for BCC Public Members be published online.

#### *Next Steps*

The City Clerk's Office will coordinate refining resource and cost estimates with impacted Departments to support Administration's comprehensive submission to Mid-Cycle Adjustments to Service Plans and Budgets for Council's consideration in 2024 November. From 2025 onwards, each Department will propose Service Plan and Budget allocations, and administer the remuneration and expense payments for those BCCs supported within their Department.

#### **EXTERNAL ENGAGEMENT AND COMMUNICATION**

- |                                     |   |                                     |   |
|-------------------------------------|---|-------------------------------------|---|
| <input type="checkbox"/>            | Public engagement was undertaken        | <input checked="" type="checkbox"/> | Dialogue with interested parties was undertaken     |
| <input checked="" type="checkbox"/> | Public/interested parties were informed | <input checked="" type="checkbox"/> | Public communication or engagement was not required |

An external consultant, SAGE, researched remuneration practices in comparable jurisdictions, and provided recommendations to support development of an equitable policy for Public Member remuneration and reimbursement of expenses (Attachment 3A). SAGE conducted interviews and surveys of BCC Chairs, Co-Chairs, Vice Chairs, and City Administrative Resources (Confidential Attachment 3B). The City Clerk's Office also facilitated engagement sessions with BCC leadership and Administrative Resources to collect feedback and suggestions on the draft Council Policy.

#### **IMPLICATIONS**

##### **Social**

Adoption of the proposed Council Policy would promote equity and reduce barriers to participation in Council-established BCCs and is expected to attract a more diverse range of community members as candidates. This aligns with *The Social Wellbeing Policy*, CP2019-01.

##### **Environmental**

Not applicable.

##### **Economic**

Not applicable.

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

##### **Existing operating funding – base**

If approved, increases to Departmental budgets would be required to pay the costs of remuneration, allowances, and expense reimbursements for Public Members who are not currently receiving those payments, as well as additional temporary and permanent resources required to design, develop, and implement new processes, including:

- City Clerk's Office - two additional temporary resources to support implementation, including training delivery to the in-scope BCCs on the new Council policy, and one

**Board, Commission and Committee Public Member Remuneration and Expense Policy**

permanent resource to support the anticipated continued incremental recruitment management workload, and deliver ongoing training for expenses and remuneration;

- Finance and Payroll - two additional permanent resources to support remuneration and expense processing; and
- Departmental Administrative Resources - additional resources may be required to administer and manage remuneration and expenses.

**RISK**

Successful implementation of the proposed Council Policy is dependent on Council allocating sufficient budget to meet the costs of Public Member remuneration and expenses, as well as the administrative costs of implementing the Council Policy; however, those budget allocations will not be considered until Council’s Meeting on Mid-Cycle Adjustments to Service Plans and Budgets in 2024 November.

**ATTACHMENTS**

1. Proposed Council Policy
2. In-scope BCCs
- 3A. SAGE Analytics – Recommendations and Summary
- 3B. CONFIDENTIAL: SAGE Analytics – Survey Responses
4. Summary of Work Phases
5. SAGE Recommendations and BCC Engagement Summary
6. Cost Estimate Summary
7. Background and Previous Council Direction
8. Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Jill Floen (City Solicitor & General Counsel)	Law, Legislative Services and Security	Approve
Katarzyna Martin (City Clerk/ Director)	Law, Legislative Services and Security	Approve
Carla Male (Chief Financial Officer/General Manager)	Corporate Planning and Financial Services	Consult
Chris Arthurs (General Manager)	People, Innovation and Collaboration Services	Consult
David Duckworth (Chief Administrative Officer)	Chief Administrator’s Office	Inform
Stuart Dalglish (Chief Operating Officer)	Chief Operating Officer	Inform
Katie Black (General Manager)	Community Services	Inform
Debra Hamilton (Acting General Manager)	Planning and Development Services	Inform
Doug Morgan (General Manager)	Operational Services	Inform
Michael Thompson (General Manager)	Infrastructure Services	Inform

Author: Jeremy Fraser

**Council Policy**

**Policy Title:** **Remuneration and Expenses for Public Members Serving on Council-Established Boards, Commissions and Committees**  
**Policy Number:** **[To be assigned]**  
**Report Number:** **EC2024-0037**  
**Adopted by/Date:** **Council / [Date Council policy was adopted]**  
**Effective Date:** **2026 January 01**  
**Last Amended:**  
**Policy Owner:** **City Clerk's Office**

**1. POLICY STATEMENT**

- 1.1. Boards, Commissions and Committees (BCCs) provide *Council* with advice, decisions and recommendations and make adjudications regarding important civic matters. BCCs have an important role in bringing together Calgarians, *Council* and The City of Calgary Administration in achieving the common purpose of building and strengthening the community, and ensuring that the collective interests of Calgarians are well served.
- 1.2. *Public Members* of BCCs provide valuable skills, expertise, experience and perspectives that contribute to good governance and strengthen relationships with Calgarians.
- 1.3. This Council Policy shall be interpreted in a manner consistent with the promotion of equity, the reduction of barriers for Calgarians to participate as *Public Members* of BCCs, and the advancement of *Council's* strategic priorities.
- 1.4. This Council Policy shall be reviewed in alignment with requirements of the Council Policy on the *Council Policy Program* (CC046), to ensure that the payment of remuneration, allowances and expenses to *Public Members* reflect best practices.
- 1.5. This Council Policy will be available on The City of Calgary's website and can be viewed by anybody prior to making an application for a *Council* appointment to a *City BCC*.

**2. PURPOSE**

- 2.1. The purpose of this Council Policy is:
  - 2.1.1. To acknowledge that remuneration, allowances and the reimbursement of expenses recognize the value of the service and contributions of *Public Members* to *City BCCs*, including subject-matter expertise and lived experience.
  - 2.1.2. To establish a framework for the equitable remuneration of *Public Members* for their service on *Council-established City BCCs*.

- 2.1.3. To provide remuneration, allowances and reimbursement of expenses to promote a reduction of barriers to participation on *City BCCs* and create opportunities for participation by traditionally underrepresented groups.

### 3. **DEFINITIONS**

In this Council Policy:

- a. "Administration Member" means an employee of The City of Calgary who has been appointed to a *City BCC*, or their designate. An *Administration Member* may or may not be a voting member of a *City BCC*;
- b. "Administrative Resource" means an employee of The City of Calgary who is assigned as a subject-matter expert or administrative support to a *City BCC*. An *Administrative Resource* is not a member of a *City BCC*;
- c. "Administrative Tribunal" means an independent quasi-judicial body that conducts hearings on individual cases, issues written decisions, is governed by the rules of administrative law and whose members are appointed by *Council*;
- d. "Business Improvement Area" ("BIA") means a *BIA* established under the *Municipal Government Act*, RSA 2000, c M-26;
- e. "Civic Partner" means a Partner as set out in the *Investing in Partnerships Policy* (CP2017-01), as amended from time to time, that falls within the Civic Partner Partnership Categories;
- f. "City Board, Commission or Committee" ("City BCC") means a board, commission, committee, subcommittee or other body established by *Council* under the *Municipal Government Act*, RSA 2000, c M-26, or as required or allowed by other statutes, but does not include *Business Improvement Areas*, *Civic Partners*, *Wholly Owned Subsidiaries or boards, commissions or committees established by these bodies*;
- g. "Council" means the council of the City of Calgary;
- h. "Governance Document" means a document that outlines a *City BCC's* structure and includes items such as eligibility criteria, composition, mandate, and term lengths. A *Governance Document* may include legislation, regulations, bylaws, policies, ministerial orders or terms of reference;
- i. "Public Member" means an individual who has been appointed to a *City BCC* by *Council* and who is not a member of *Council* or a member of their staff, or an *Administration Member* appointed to a *City BCC* and, for greater clarity, is not an employee of The City of Calgary for the purposes of this Council Policy;
- j. "Reasonable expense" means an expense that demonstrates prudence, good judgement, moderation and is defensible to an impartial observer or Calgarian; and

- k. "Wholly Owned Subsidiary" refers to an organization in which The City of Calgary is the sole shareholder, governed by an independent board of directors.

#### 4. **APPLICABILITY**

- 4.1. This Council Policy does not supersede or replace legislation, regulation, ministerial orders or bylaws.
- 4.2. Where not specified elsewhere in this Council Policy, this Council Policy applies to *City BCCs* with *Public Members* appointed by *Council*.
- 4.3. *Council* shall consider this Council Policy when establishing or updating *Governance Document(s)* for a *City BCC*.
- 4.4. In providing for *Public Member* remuneration, allowances and the reimbursement of expenses, *Council* shall consider this Council Policy; however, *Council* may provide for remuneration, allowances or reimbursement of expenses for *Public Members* which differ from those set out in this Council Policy to accommodate the unique mandates and legislated requirements that apply to *Administrative Tribunals* and other *City BCCs*.
- 4.5. This Council Policy does not apply to a *City BCC* established by bylaw which provides for *Public Member* remuneration, allowances or reimbursement of expenses on terms other than those provided in this Council Policy.
- 4.6. This Council Policy does not apply to *Civic Partners*, *Business Improvement Areas* and *Wholly Owned Subsidiaries* or boards, commissions or committees established by these bodies.
- 4.7. This Council Policy does not apply to *City BCC* subcommittees, unless they are established by *Council* and include *Public Members* appointed by *Council*.
- 4.8. This Council Policy does not apply to members of *Council* or their staff, *Administration Members* appointed to a *City BCC* or employees of The City of Calgary.
- 4.9. *Public Members* who receive remuneration, allowances or reimbursement of expenses relating to service performed on, or on behalf of, a *City BCC* from an employer, organization or other entity are not eligible for remuneration, allowances or reimbursement of expenses under this Council Policy.

#### 5. **LEGISLATIVE AUTHORITY**

- 5.1. This Council Policy complies and is aligned with requirements under the *Municipal Government Act*, RSA 2000, c M-26, the *Police Act*, RSA 2000, c P-17, and other applicable legislation:

- 5.1.1. This Council Policy aligns with section 201(1) of the *Municipal Government Act*, RSA 2000, c M-26, Part 6: “A council is responsible for (a) developing and evaluating the policies and programs of the municipality.”
- 5.1.2. This Council Policy is consistent with sections 454.1 and 454.2 of the *Municipal Government Act*, RSA 2000, which require *Council* to prescribe the remuneration and expenses, if any, paid to members and Chairs appointed by *Council* to the Composite Assessment Review Board and the Local Assessment Review Board.
- 5.1.3. This Council Policy is consistent with section 28(5) of the *Police Act*, RSA 2000, c P-17, Part 3: “The council may provide for the payment of reasonable remuneration or of a gratuity or allowance to members of the commission.”

## 6. PROCEDURE

### 6.1. Remuneration

- 6.1.1. *Public Members* may be remunerated for participating in regular meetings of *City BCCs* (either in-person or virtually), as reflected by *the City BCC* meeting minutes, and annual meeting of *Council – Boards, Commissions and Committees*; and, any other meeting where participation is at the request of *Council*.
- 6.1.2. A *Public Member* who is the Chair, Co-Chair or Vice-Chair of a *City BCC*, including a *Public Member* who is acting for the Chair, Co-Chair or Vice-Chair, may be remunerated at a rate that is higher than that of other *Public Members* to account for additional accountabilities, responsibilities and duties.
- 6.1.3. Remuneration rates for *Public Members*, including Chairs, Co-Chairs, and Vice-Chairs, are set out in Schedule 1 – Remuneration Rates for *Public Members*.
- 6.1.6. Remuneration paid to *Public Members*, including Chairs, Co-Chairs and Vice-Chairs, for duties and responsibilities other than those established in section 6.1.1 of this Council Policy may be provided for in *City BCC Governance Documents*, to accommodate the unique mandates, terms of reference and legislated requirements that apply to *Administrative Tribunals* and other *City BCCs*.

### 6.2. Allowances

- 6.2.1. *Public Members* may claim an annual allowance of up to \$600 for technology costs if they participate in *City BCC* meetings remotely.



### 6.3. Expenses

6.3.1. *Public Members* may be reimbursed for *reasonable expenses* incurred to fulfill their duties on a *City BCC*, including costs for:

- a. Accessibility supports – costs for accessibility services, technology or other supports incurred by a *Public Member* experiencing a disability, as defined in the *Accessible Canada Act*, that are required by the *Public Member* to participate in *City BCC* meetings, if not provided by The City of Calgary Administration or funded by another source;
- b. Dependent care – costs for the care of a dependent of the *Public Member*, including a child, elder or a person with special needs, for the duration of a *City BCC* meeting (as reflected by meeting minutes), and reasonable travel time to and from an in-person *City BCC* meeting, up to \$1,000 annually;
- c. Transit – transit fares for *Public Members* to attend in-person meetings of a *City BCC*;
- d. Parking – costs of on-street, parkade or surface lot parking that *Public Members* incur in order to attend in-person meetings of a *City BCC*;
- e. Meals – costs for meals when a *Public Member* participates in *City BCC* duties in-person for a period longer than four (4) continuous hours, where no meal is provided by The City of Calgary Administration, and the *Public Member* is expected to work through a meal break. Meal costs must be aligned with those set out in the *Supporting Procedures for Reimbursement of Employee Business Expenses*; and
- f. Tobacco products and tobacco accessories – when purchased for use or gifting in cultural ceremonies, and truth and reconciliation activities.

6.3.2. The following are not reimbursable expenses:

- a. Mileage;
- b. Taxi or ride-share expenses, unless approved by a *City BCC* Chair as a *reasonable expense*;
- c. Valet parking;
- d. Alcohol and cannabis; and
- e. Monthly or annual transit passes.

6.4. Reporting and compliance

- 6.4.1. *Public Members* shall conduct themselves with honesty and integrity in reporting on attendance and duties as they relate to remuneration, allowances and expense reimbursement.
- 6.4.2. *Public Members* shall be responsible for complying with procedures established by *Administrative Resources*, ensuring that meeting minutes correctly reflect their attendance at *City BCC* meetings and submitting timesheets and receipts for expenses, or proof of payment where receipts are not available, to the *Administrative Resource*.
- 6.4.3. Chairs and *Administrative Resources* of *City BCCs* will approve remuneration, allowances or reimbursement of *reasonable expenses* where required by this Council Policy.
- 6.4.4. The payment of remuneration, allowances and reimbursement of expenses is contingent upon *Public Members* providing the necessary banking and related information to the *Administrative Resource* in a timely manner.
- 6.4.5. The frequency of payment of remuneration, allowances and reimbursement of expenses to *Public Members* shall be established by The City of Calgary Administration.
- 6.4.6. A *Public Member* shall submit a written request to the appropriate *Administrative Resource* if they choose to opt out of receiving remuneration, allowances or the reimbursement of expenses for any reason.
- 6.4.7. *Administrative Resources* for applicable *City BCCs* must annually provide the City Clerk's Office with the total amount of remuneration, allowances and expense reimbursements provided to *Public Members* in a given year. The City Clerk's Office will publish this information through The City of Calgary's website.

7. **SCHEDULE(S)**

- 7.1. Schedule 1 – Remuneration Rates for *Public Members*

8. **AMENDMENT(S)**

Date of Council Decision	Report/By-Law	Description



9. **REVIEW(S)**

Date of Policy Owner's Review	Description

PROPOSED COUNCIL POLICY

**SCHEDULE 1**

**Remuneration Rates for *Public Members***

	Up to and including 2 hours in a day	More than 2 hours and up to and including 4 hours in a day	More than 4 hours in a day
<i>Public Member</i>	\$100	\$180	\$350
<i>Public Member Co-Chairs, Vice-Chairs</i>	\$125	\$225	\$415
<i>Public Member Chairs</i>	\$150	\$270	\$475

## In-Scope Boards, Commissions and Committees

For the purposes of the proposed Council Policy on Remuneration and Expenses for Public Members Serving on Council-established Boards, Commissions and Committees (“BCCs”), the following BCCs were considered in scope:

- Advisory Committee on Accessibility
- Anti-Racism Action Committee
- Arts Commons Advisory Committee
- Assessment Review Board
- Audit Committee
- Beltline Community Investment Fund Committee
- BiodiverCity Advisory Committee
- Calgary Aboriginal Urban Affairs Committee
- Calgary General Hospital Legacy Fund Review Committee
- Calgary Planning Commission
- Calgary Police Commission
- Calgary Salutes Coordinating Committee
  - Education and Training Subcommittee
  - Friends of HMCS Calgary Subcommittee
  - Heritage and History Subcommittee
- Calgary Transit Access Eligibility Appeal Board
- Climate Advisory Committee
- Combative Sports Commission
- Community Peace Officer Oversight Committee
- Council Advisory Committee on Housing (to be established in 2024)
- Event Centre Committee
- Green Line Board
- Licence and Community Standards Appeal Board
- Multisport Fieldhouse Committee
- Social Wellbeing Advisory Committee
- Subdivision and Development Appeal Board
- Urban Design Review Panel
- Ward Boundary Commission

## **SAGE Analytics Inc. Research and Reporting Ten BCCs Selected for Evaluation**

### City Advisory Bodies

- Anti-Racism Action Committee
- Beltline Community Investment Fund Committee
- Calgary Aboriginal Urban Affairs Committee
- Calgary Transit Access Eligibility Appeal Board
- Social Wellbeing Advisory Committee
- Urban Design Review Panel

### Adjudicative Bodies

- Assessment Review Board
- Subdivision and Development Appeal Board

### City Regulatory Bodies

- Calgary Planning Commission
- Combative Sports Commission

## **Out-of-Scope BCCs**

For the purposes of the proposed Council Policy on Remuneration and Expenses for Public Members Serving on Council-established BCCs, the BCC Classifications outlined below, as described in Council Policy CP2016-03, were considered out of scope:

- Administration Committees
  - Committees established by Administration
- Business Improvement Areas
  - Group of businesses, within a defined geographic area working on local improvements and economic development
  - Funded by an annual tax collected from the area's businesses
- Civic Partners
  - Established as an organization operating independently from The City
- External BCCs
  - Not established by The City of Calgary
- Wholly Owned Subsidiaries
  - Established as a corporation of which The City is a shareholder



**CITY OF CALGARY**  
**BCC REMUNERATION & EXPENSE**  
**POLICY RESEARCH**  
**DECEMBER 2023**

**CITY OF CALGARY  
BCC REMUNERATION POLICY RESEARCH  
SAGE ANALYTICS INC.**

December 12, 2023

**Tanya Woo**

**Leader, Municipal Boards & Governance**

City Clerk's Office | Council & Governance Services

City of Calgary

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Calgary, AB T2P 2M5

T 403.268.5901 | [Tanya.Woo@calgaryarb.ca](mailto:Tanya.Woo@calgaryarb.ca)

**Re: BCC Remuneration & Expense Policy Research**

Dear Ms. Woo,

The SAGE Analytics Inc. team has conducted objective, third-party policy research for the City of Calgary BCC remuneration and expense practices.

Details of our internal and external research findings are provided for your consideration, and we trust that this research will be helpful to inform policy development. We appreciated engaging with you, your team, and many of your BCC members throughout this project. A shared enthusiasm and passion for the City of Calgary was noted among these diverse groups.

Thank you for the opportunity to serve the City of Calgary. We remain available to present the research findings to administration and/or Council, and to respond to any questions that you may have.

Sincerely,



Shari-Anne Doolaege, MPA, Q.Med, Q.Arb., CLGM  
President, SAGE Analytics Inc.

*This policy research is intended for the confidential, internal, exclusive use of City of Calgary officials. SAGE Analytics Inc. takes no responsibility for any third-party use of the contents of this report.*



**CITY OF CALGARY  
BCC REMUNERATION POLICY RESEARCH  
SAGE ANALYTICS INC.**

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**CITY OF CALGARY  
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SAGE ANALYTICS INC.**

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**CITY OF CALGARY  
BCC REMUNERATION POLICY RESEARCH  
SAGE ANALYTICS INC.**

## **1. EXECUTIVE SUMMARY**

Council directed administration to return to Executive Committee by Q1 2024 with an equitable remuneration and expense policy applying to all Council-established BCCs that have Public Members appointed by Council.

Administration engaged SAGE Analytics Inc. (SAGE) to conduct independent internal and external research to inform BCC policy development. SAGE is a governance consulting firm with related expertise in municipal governance, policy development, tribunals, and community engagement.

Research findings, policy considerations, and recommendations are contained within this SAGE policy research report. This objective research is intended to provide an informative, peaceful policy development path for decision makers.

Internal research included a subset of 10 BCCs from the ~86 total BCCs for the City of Calgary. This sample of 10 BCCs included advisory, adjudicative, and regulatory bodies. Three of the 10 BCCs provided remuneration to public members.

The external research included a jurisdictional scan of eight comparator organizations, as well as a few additional communities where specific BCC competitors were found.

Calgary BCC **advisory** bodies did not receive remuneration for full and half-day rates. Expense reimbursements were minimal and often unclear. Unpaid advisory board members were common in external research. Benchmark data showed a \$200 daily remuneration rate from Calgary's closest comparator, the City of Edmonton.

Calgary BCC **adjudicative** bodies did receive remuneration. Expense reimbursements were generous in comparison to other Calgary BCCs as this was the only group to receive a \$50/month/member equipment allowance to participate in electronic hearings. Calgary met or exceeded the benchmark remuneration rates, and benchmark expense reimbursement practices.

Calgary BCC **regulatory** bodies varied in the remuneration policy. Members in one commission received remuneration and expense reimbursement, while public members in another commission did not receive remuneration. This was consistent with some external comparators, though it did not match the benchmark comparator where members were paid \$200 per day.

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Overall, the City of Calgary BCC remuneration and expense practices are not equitable between the sample of Calgary BCCs.

Survey responses from the internal research showed that 20% of members felt that the current remuneration practice was acceptable where some BCCs provided remuneration to public members, and some BCCs did not. The majority of respondents (41%) felt that the current remuneration practice was not acceptable, and the remaining respondents were unsure or felt it did not apply to their BCC.

Sentiments varied from public members where 85% of adjudicative members would *not* volunteer time for the BCC without pay. In contrast, 88% of advisory/regulatory members would volunteer on their BCC without pay.

The time commitment was a challenge for many public members. The BCC roles often a heavier workload than they expected, and 20% of public members reported using some vacation time to serve on a BCC. Sixty-six percent (66%) of public members felt appreciated for their BCC work.

Two BCCs involved public members serving in a mix of operational roles. This was not consistent with best practices or benchmark data.

Some of Council's strategic initiatives rely heavily on volunteer public members, particularly for the socially focused advisory bodies. Best practices and benchmark data had a stronger administrative presence to ensure consistent resources were available to achieve corporate strategies.

Policy development considerations include a spectrum of options, and range from: **Maintaining** the status quo (no change); **Matching** the benchmark (consistent with Edmonton); and **Transforming** the BCC remuneration process. The later option, transformative process could achieve equity in remuneration and expenses among Calgary BCCs and may have the highest budget impact.

Respectfully submitted,

*Shari-Anne Doolaege*

Shari-Anne Doolaege, MPA, Q. Med, Q.Arb., CLGM  
President, Sage Analytics Inc.

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## **2. BACKGROUND AND PROJECT OVERVIEW**

### **2.1 Council Directive**

The BCC Remuneration and Expense Policy project was initiated by City Council through a directive to administration on January 24, 2023:

<https://pub-calgary.escribemeetings.com/FileStream.ashx?DocumentId=232920>

### **9.3 COMMITTEE REPORTS**

9.3.1 Notice of Motion - Establishment of a Remuneration and Expense Policy for Council - Established Boards, Commissions, and Committees, EC2022-1371

Moved by Councillor Penner Seconded by Councillor Mian

That with respect to Notice of Motion EC2022-1371, the following be adopted:

NOW THEREFORE BE IT RESOLVED THAT COUNCIL

1. Direct Administration to return to Executive Committee by Q1 2024 with an equitable remuneration and expense policy applying to all Council-established BCCs that have Public Members appointed by Council where The City is responsible for the payment of remuneration and expense which incorporates:
  - A consideration of the unique mandates, terms of reference and legislated requirements that apply to tribunals and other BCCs; and
  - Best practices identified through a scan of remuneration and expense policies and practices for volunteer Public Members in comparable jurisdictions and organizations; and
  - Input from Boards, Commissions, and Committees on the draft policy, before it is presented to Council;

And further be it resolved,

That Council directs Administration to return to Council through Executive Committee no later than Q2 2023 with a list of BCCs to be considered for disbandment.

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## **2.2 Project Timeline**

- **May 2, 2023:** SAGE proposal submitted.
- **May 26, 2023:** Contract signed.
- **June 2023:** Internal research, document review, interviews, survey developed.
  - **June 30, 2023:** Survey paused to complete City Privacy Impact Assessment (PIA).
  - **September 15, 2023:** Surveys revised and deployed.
  - **October 3, 2023:** Survey completion deadline extended by one week – to October 10, 2023, due to low response rate.
- **July-August 2023:** External research / Jurisdictional scan.
- **October-November 2023:** Data analysis.
- **November-December 2023:** Report writing.
- **December 12, 2023:** Report submission.

## **2.3 Risk Assessment - PIA**

A detailed privacy impact assessment (PIA) was completed by the City of Calgary Access and Privacy Office during this project. The September 8, 2023 PIA report states, “The PIA enables The City to exercise due diligence in identifying potential risks to the privacy of individuals and mitigate those identified risks by implementing preventive and corrective measures.”

The City Privacy team provided guidance to SAGE to identify, manage, and mitigate privacy risk for City employees and public members participating in this project. Specific considerations include:

- EDIB-focused questions were not part of the original survey questions but were subsequently incorporated at the request of The City’s Diversity Data Strategy Project (DDSP).
- A FOIP statement was added to the surveys. A FOIP statement was not included during the interviews as these were already completed. Interview participation was voluntary.

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**2.4 SAGE Team**

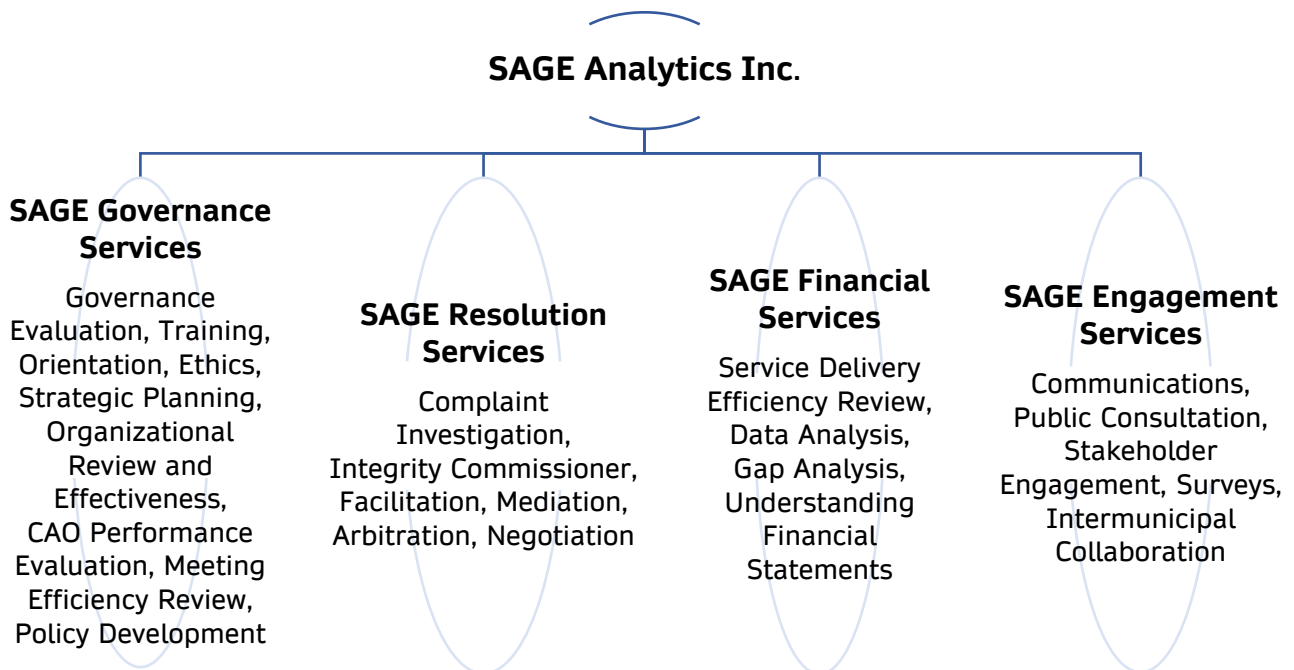
SAGE Analytics Inc. (SAGE) is a woman-owned, Alberta-based municipal consulting firm. SAGE has a diverse ~20-member team of associates.

The following SAGE team members participated in this project due to their general BCC knowledge and expertise:

1. **Shari-Anne Doolaeye**, MPA, Q.Med, Q.Arb, CLGM, SAGE President
2. **Christopher Cambridge**, MEng, PEng(R), SAGE Governance Associate
3. **Cameron Fani**, MPA, BCom, SAGE Engagement Services Associate
4. **Ted Gillespie**, SAGE Governance Associate, Operations Lead
5. **Vesna Higham**, BA, LL.B., SAGE Governance Associate
6. **Kanwal Lali**, CPA, CMA, B.Sc., SAGE Finance Associate
7. **Caroline McAuley**, RD, MBA, ICD.D, SAGE Governance Associate
8. **Judy Tran**, BCom, CPA, CMA, SAGE Finance Associate
9. **Hélène Wirzba**, MD, PhD, CE, SAGE Evaluation Associate

**2.4.1. SAGE Corporate Structure**

SAGE maintains an associate model where team members are engaged on a per-project basis to align with the required subject matter expertise.



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### **3. INTERNAL RESEARCH AND ANALYSIS**

#### **3.1 Research Sample Size**

The City of Calgary has ~86 Boards, Commissions, and Committees (BCCs). Details are available at: <https://www.calgary.ca/council/meetings/boards-commissions-and-committees.html>

Several BCCs include public members who are recruited and appointed to serve the city based on their area of interest or expertise. A representative research sample of 10 BCCs were selected by city administration to participate in this research. This included a cross-section of Advisory, Adjudicative, and Regulatory bodies, as shown below:

##### **1. Advisory Bodies**

1. Anti-Racism Action Committee
2. Beltline Community Investment Fund Committee
3. Calgary Aboriginal Urban Affairs Committee
4. Calgary Transit Access Eligibility Appeal Board
5. Social Wellbeing Advisory Committee
6. Urban Design Review Panel

##### **2. Adjudicative Bodies**

7. Assessment Review Board
8. Subdivision and Development Appeal Board

##### **3. Regulatory Bodies**

9. Calgary Planning Commission
10. Combative Sports Commission

#### **3.2 Process**

SAGE conducted research through document review, interviews, and surveys for each of the 10 BCCs included in the research.



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### **3.2.1. Document Review**

SAGE reviewed several guiding documents for the 10 BCCs, such as terms of reference or bylaw to establish the BCC and determine compensation.

Some BCCs used a skills matrix for recruitment. Each BCC is unique and requires public members to have specific skills and qualities. Adjudicative bodies require specific training and ongoing professional development. In contrast, socially-focused advisory board primarily require lived experience.

### **3.2.2. Interviews**

Interviews were conducted with each BCC leadership (chair, vice-chair or equivalent) and administrative support. These interviews were voluntary, though encouraged. Participation was strong in.

These interviews provided SAGE with insights on the reality of each BCC. Interview questions focused on the following areas.

1. **Remuneration and Expenses:** Describe the current policies and practices for your BCC.
2. **Mandate:** What are your guiding documents, mandate, bylaw?
3. **Membership:** Describe your BCC membership.
4. **Recruitment:** Does the remuneration and expense allowance impact member recruitment and involvement?
5. **External Research:** What jurisdiction/s are most comparable with your BCC?
6. **Other:** Is there anything we should be aware of during this project?

Some interviewees provided additional comments to describe the various context of their operating environment. Interviews were encouraged, though voluntary. The interview response rate was nearly 100%. Participants showed enthusiasm for the project and seemed to appreciate the opportunity to 'give voice' to their BCC. Some themes from anonymized interview comments are included in the internal research analysis of this report.

### **3.2.3. Surveys**

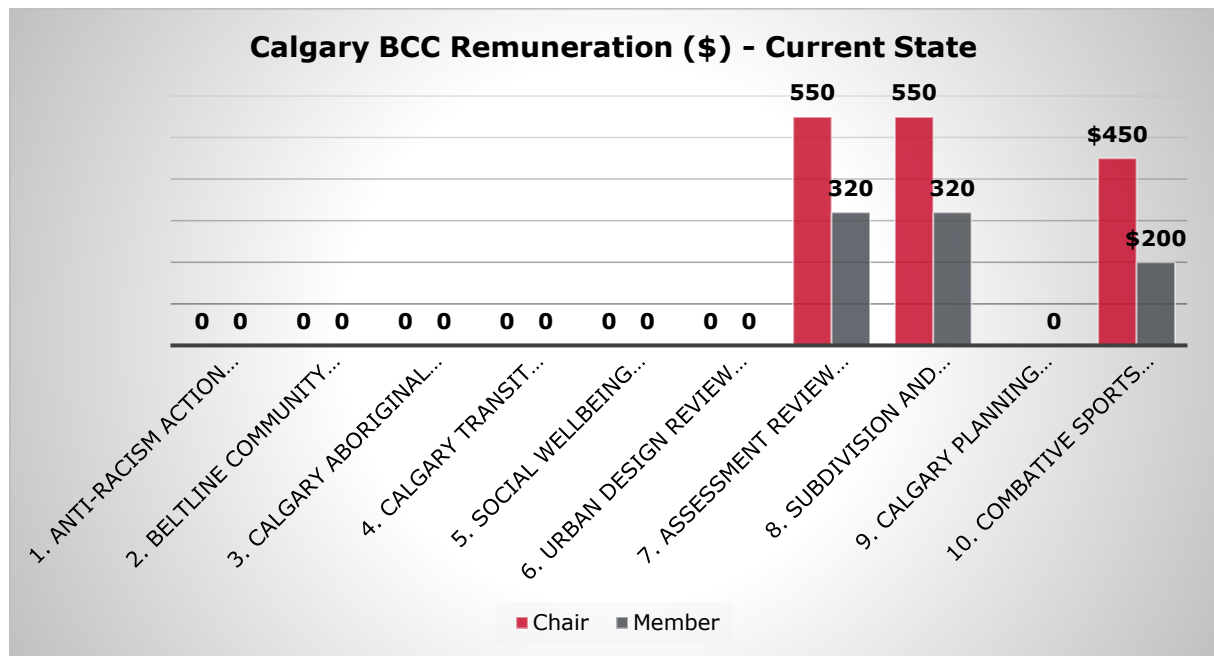
Surveys were developed and deployed to the public members for each of the 10 BCCs participating in this research.

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**3.3 Current State – Calgary BCC Compensation**

**3.3.1. Remuneration**

The bar graph below shows the current state of remuneration between the 10 Calgary BCCs included in this internal research. Rates are based on a full-day remuneration comparison.



The current state data shows:

- **Advisory** bodies (1-6): Public members do not receive remuneration. Equity is achieved within this group as all are paid equally \$0.00.
- **Adjudicative** bodies (7-8): Equity is achieved between the ARB and SDAB public member remuneration.
- **Regulatory** bodies (9-10): Public members are paid in the Combative Sports Commission, and not on the Calgary Planning Commission. Equity is not achieved within this group.
- **The totality** of the data shows that equity is not achieved in the City of Calgary BCC public member remuneration. Some BCCs provide remuneration, and some do not.

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### **3.3.2. Expenses**

Internal research showed that expense policies were not equitable among Calgary BCCs. Additionally, the expense policies were not transparent and fully shared with all members.

An equipment allowance is provided only to the adjudicative boards (ARB, SDAB). Public members receive \$50/month to compensate for the use of their personal equipment and internet connection to attend electronic hearings. Other BCCs similarly held meetings by electronic means though these public members were not compensated for the use of their personal equipment and internet connection.

Free parking or reimbursement was typically provided to all BCCs during onsite meetings. Transit reimbursement was not consistent. Some members were not aware that they could be reimbursed for their transit expenses.

Conference expense reimbursement was provided for the adjudicative Subdivision and Development Appeal Board and the regulatory Combative Sports Commission, as well as per diem rates paid during attendance.

Training was provided for adjudicative and regulatory board members. Limited in-house training and orientation was provided for advisory boards.

Meals were sometimes provided during in-person meetings. Adjudicative boards were not provided meals. All members had access to standard coffee, tea, and water while on site. Meals expense was not applicable during remote electronic meetings.

Childcare stipends were available to some advisory boards upon request. Some members were not aware of this expense compensation option.

Public members have shown generosity by incurring costs and using their personal resources to fulfill their BCC roles. Without related expense reimbursement, public members are indirectly subsidizing the City in the advancement of BCC mandates.

The current state of BCC expense reimbursement shows an inequitable 'mixed bag' of practices with no consistent guiding policy such as the [expense reimbursement procedures](#) in place for City employees.

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### **3.4 Survey Data and Analysis**

The following 19 subsections show the survey response details provided from public members in the 10 participating BCCs.

Data collectors are grouped as follows:

1. Advisory Bodies and Regulatory Bodies
2. Adjudicative Bodies

SAGE 'rolled up' the data for the Advisory Bodies and Regulatory Bodies due to the limited survey responses within some of these collector groups.

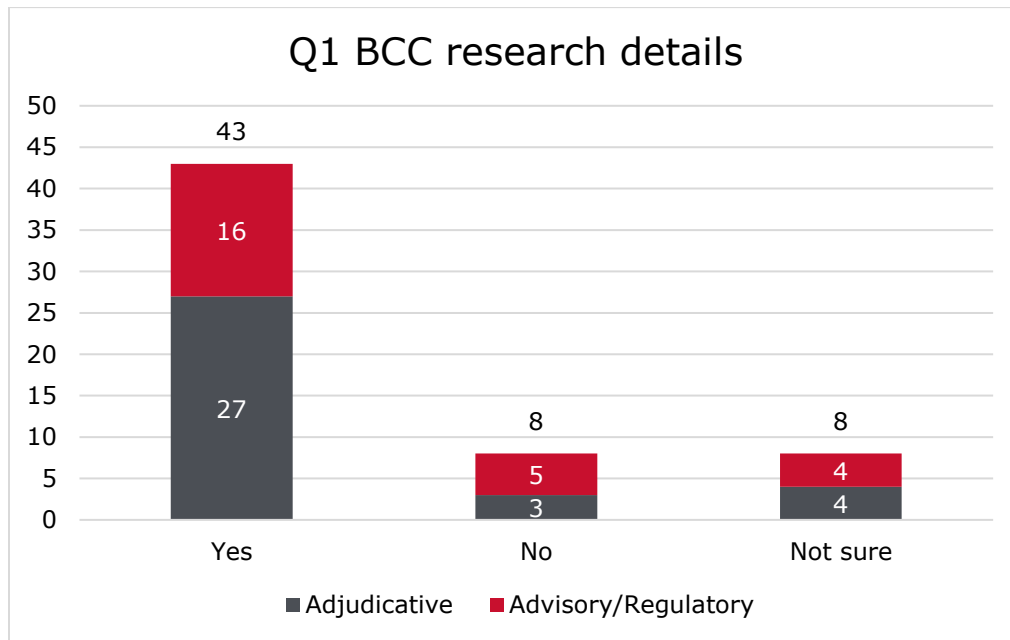
Survey sections include BCC Involvement, Demographic Information, and Comments.

The survey question wording is provided for context and ease of reference, as shown below in **Q1**. A detailed survey template sample is provided in an appendix.

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**3.4.1. Q1. BCC research details**

**Q1:** Are the internal research details for your BCC correct?



Most participants (73%) agreed that the details are correct when presented with information on their BCC guiding documents, membership, time commitment, and remuneration. A notable number disagreed or were unsure (26%).

The adjudicative boards primarily commented on remuneration for cancellations and the remuneration rate, and the advisory/regulatory boards primarily commented that the actual time commitment was higher than stated.

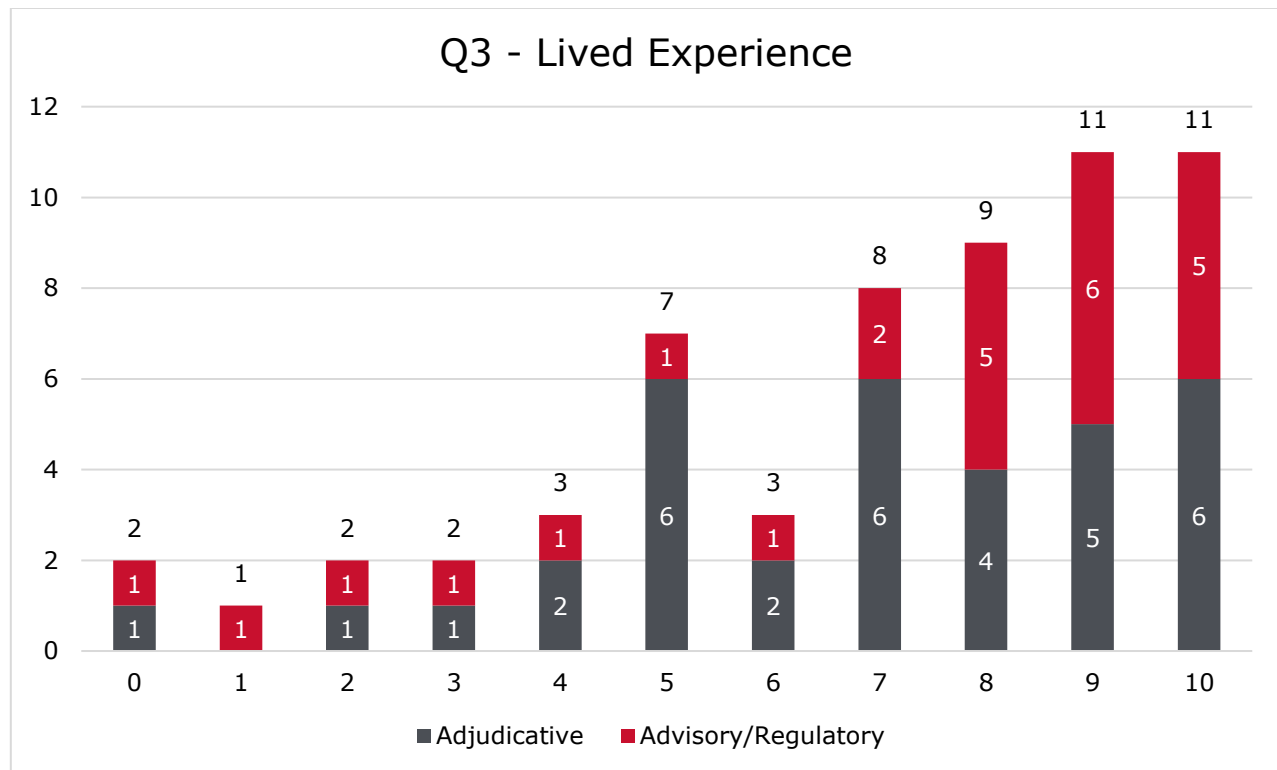
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**BCC Involvement**

**3.4.3. Q3. Lived experience**

**Lived Experience and Professional Competency:**

**Q3-Q4:** Several BCC recruitments involve both lived experience and professional or technical competency. Use the sliding scales below to show how important each of these aspects are for you to fulfill your BCC appointment responsibilities.

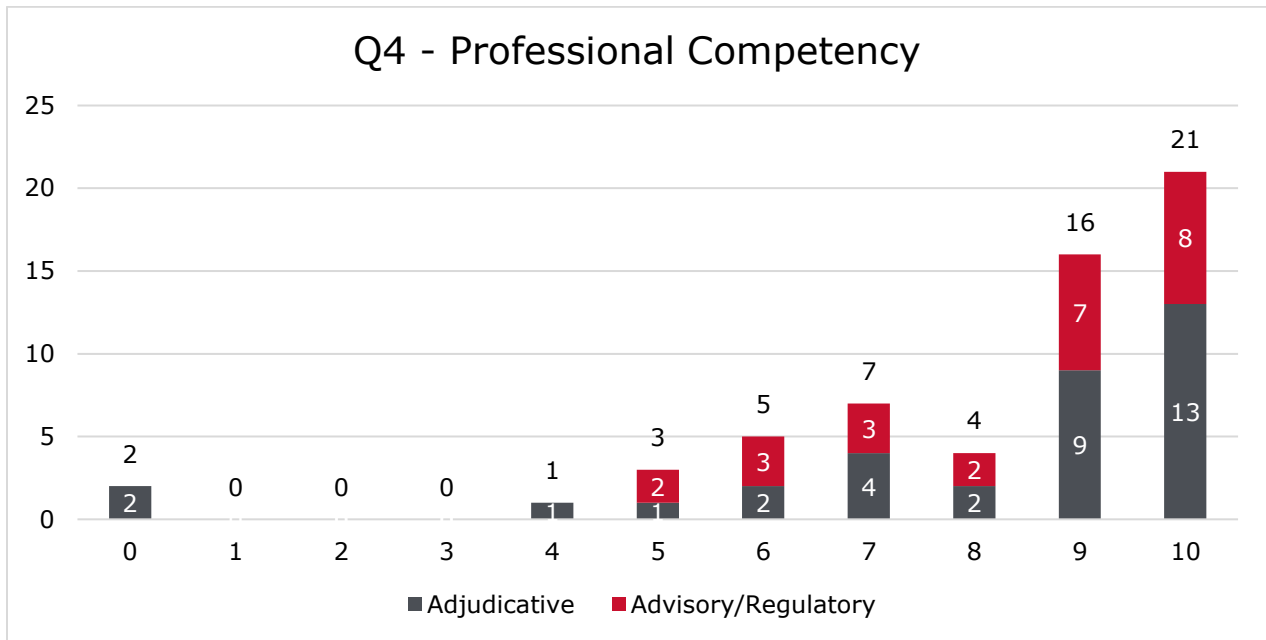


Recruitment for certain BCCs was more weighted on an individual’s lived experience, rather than their professional education.

The majority (83%) of BCC members consider lived experience highly important in fulfilling duties, rating it 5 or higher.

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**3.4.4. Q4. Professional competency**

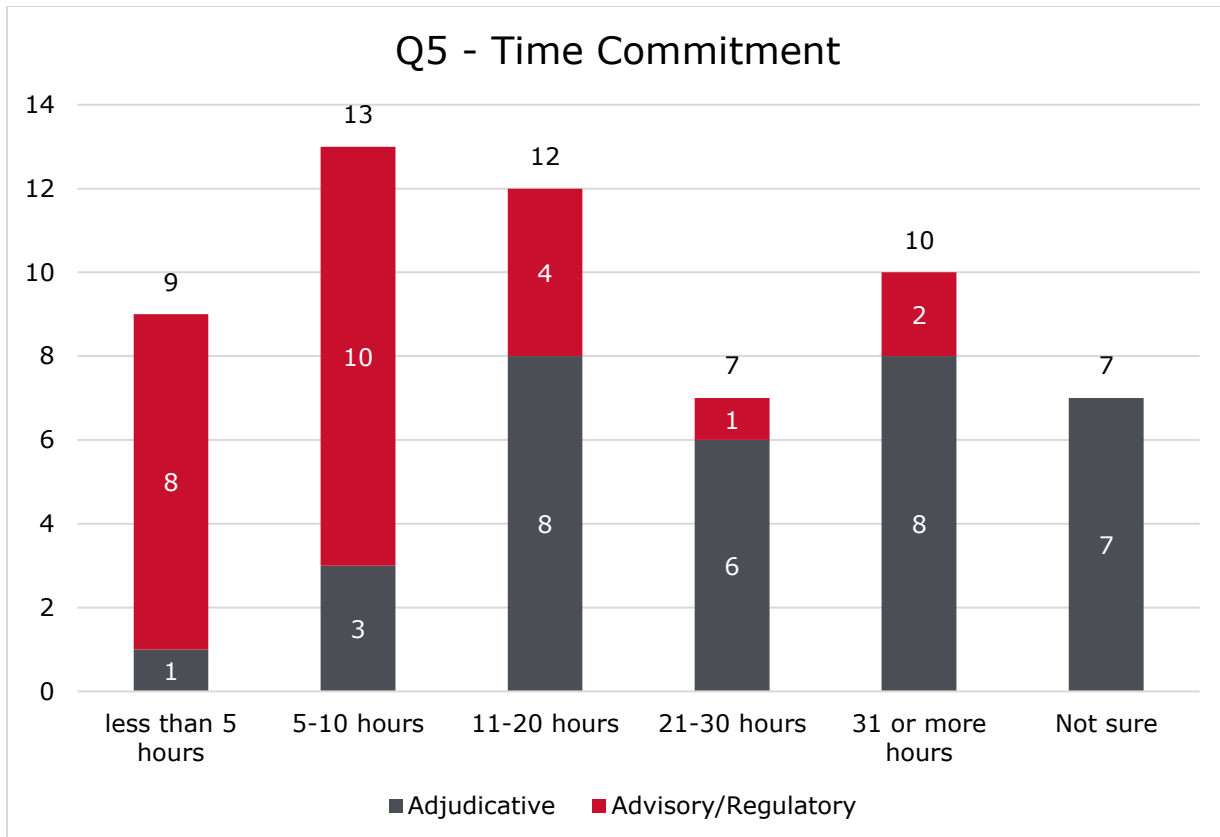


The majority (96%) of BCC members consider professional competence highly important in fulfilling duties, rating it 5 or higher. There is a higher degree of agreement on professional competency than lived experience, as even more responses are clustered at the high end of the scale.

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**3.4.5. Q5. Time commitment**

**Q5:** How much time do you dedicate to this BCC in an average month (including meetings, meeting prep, and all activities)?



Time commitment demands surfaced as a theme through the research. Actual time spent by BCC public members was often more than expected.

A detailed Time Commitment Table was developed by SAGE and is provided in s. 3.5.2 of this report.

Various comments describing the data and time commitment details are provided below, grouped by social/civic advisory boards, adjudicative boards, and regulatory boards.



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**Social Advisory Boards**

These boards meet on a monthly basis, 10 to 12 times a year for meetings approximately two hours in length, with additional hours for work and preparation. Generally, the time commitment for members is 4-5 hours per month and with chairs spending and additional 2-4 hours (6-8 hours total). Meetings occur after work hours at or after 4:30pm.

**Civic Advisory Boards**

The Beltline Community Investment Fund Committee is a new committee and will determine time requirements after the first year. The Chair may call a meeting at least four times a year.

The Calgary Transit Access Eligibility Appeal Board meets monthly. Members spend 1-3 hours per month for preparation and 3 hours for the hearing for a total of 4 hours per month. Chairs spend an additional hour (5 hours total) to discuss matters with administration. Meetings occur in the evening, hearings occur during typical work hours.

The Urban Review Design Panel meets every two weeks and spend 4.5 - 12 hours per meeting, for a total of approximately 12 hours per month. The chairs spend approximately one hour extra per meeting and spend time on reports to administration and council.

**Adjudicative Boards**

Assessment Review Board members attend hearings generally April through November. Time commitment for hearings involves time for preparation, attending the hearing, and decision-making. There are additional time requirements for training.

Members are required to work during daytime hours. Chairs and Vice chairs have significant higher time commitment than members as their responsibilities involve more management duties. The Chair's time commitment is full-time from March to December, and part-time December to March. The number of hearings is decreasing from prior years.

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The Subdivision and Development Appeal Board meets weekly, members spend approximately 12 hours per month. The Chair spends 70-80 hours per month, and Vice-Chairs spend 30-40 hours per month. Meetings occur during daytime hours.

Adjudicative members generally report higher levels of time commitment than advisory boards. Overall, the time commitment is reflective of the time expectations as described on the overview descriptions of the BCC as posted on the City's website.

**Regulatory Boards**

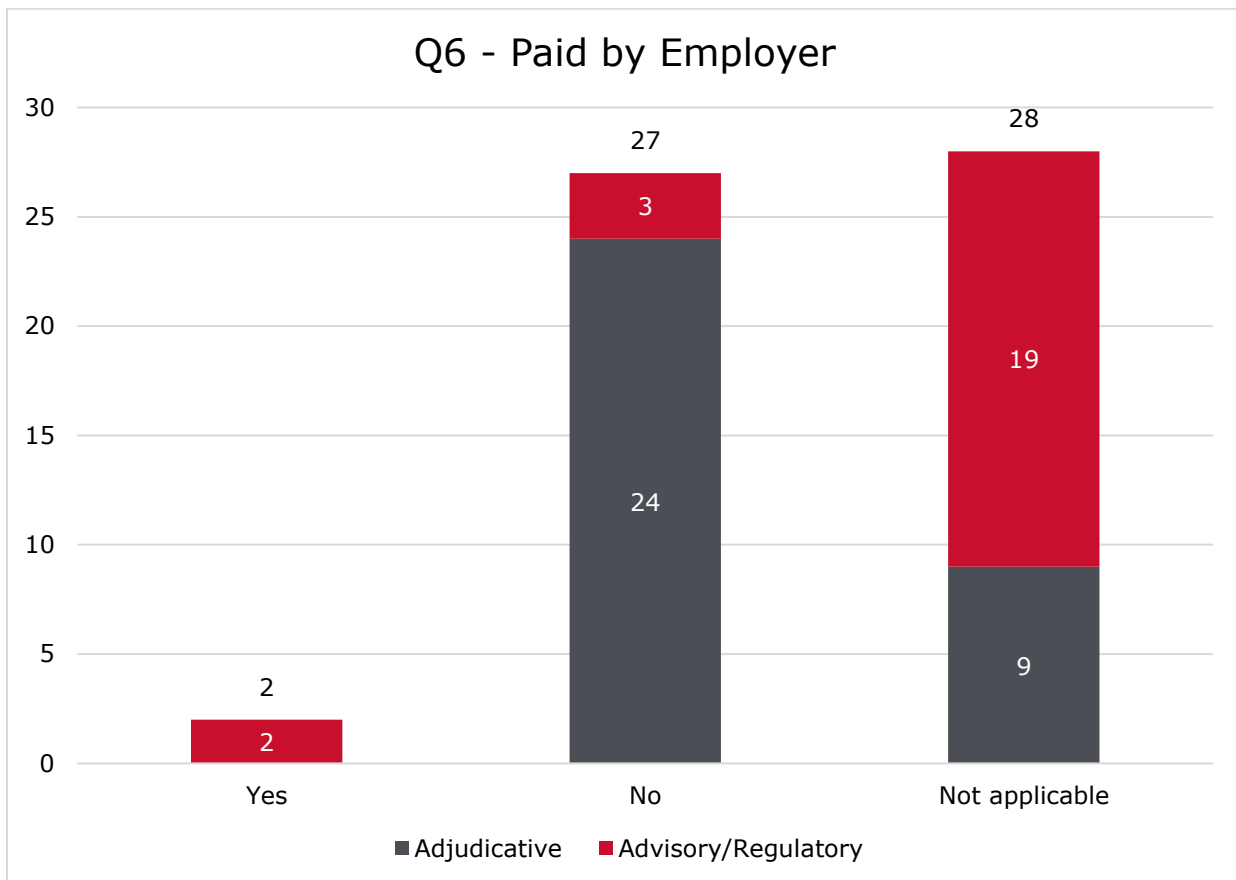
The Calgary Planning Commission meets two times per week. Meeting preparation is approximately 3 hours and meetings average 4 hours but may be longer depending on the agenda (total 7 hours). Meetings occur during daytime hours.

The Combative Sports Committee meets at least 5 times a year. Members spend 2-5 hours per week, 15 hours per week during combative events. Chairs spend 10-20 hours per week and 30-50 hours during combative events.

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**3.4.6. Q6. Paid by employer**

**Q6:** My participation on this BCC is part of my regular employment with the City of Calgary, or another employer.



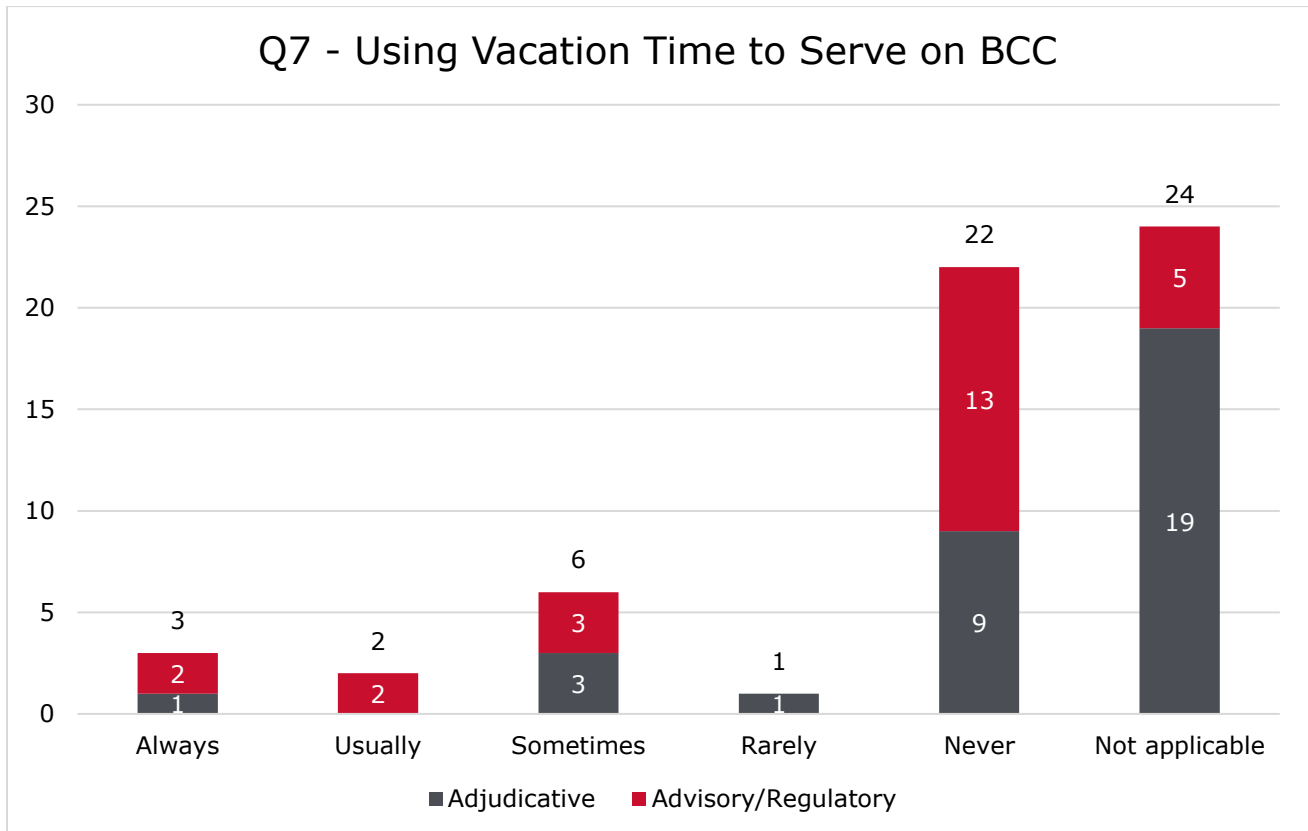
Only two public members serve on BCCs as part of their regular employment. The remaining members were not compensated to serve on the BCC through their regular employment, or regular employment was not applicable for them, such as retired members.

This question was not applicable to the majority of advisory/regulatory board members.

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**3.4.7. Q7. Use of vacation time**

**Q7:** I am not employed by the City of Calgary, and I use some vacation time from my employment to participate on this BCC.



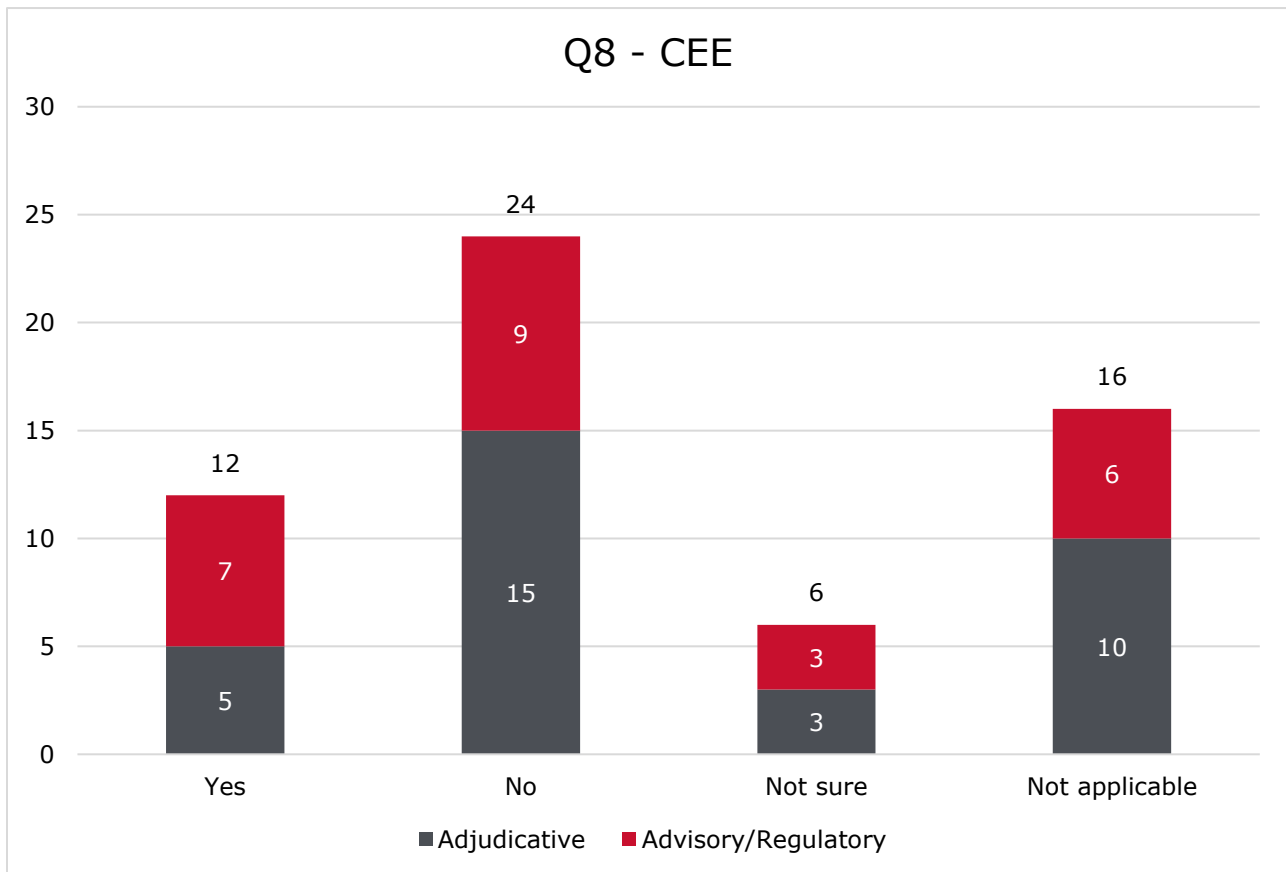
The majority of public members do not use vacation time to participate in their BCC roles. However, 20% of members used some vacation time to serve on the BCC.

The question was not applicable to the majority of adjudicative members. These members may be retired.

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**3.4.8. Q8. Professional development credits**

**Q8:** My BCC involvement qualifies for professional development credits or continuing education and engagement (CEE) for a professional organization that I belong to.



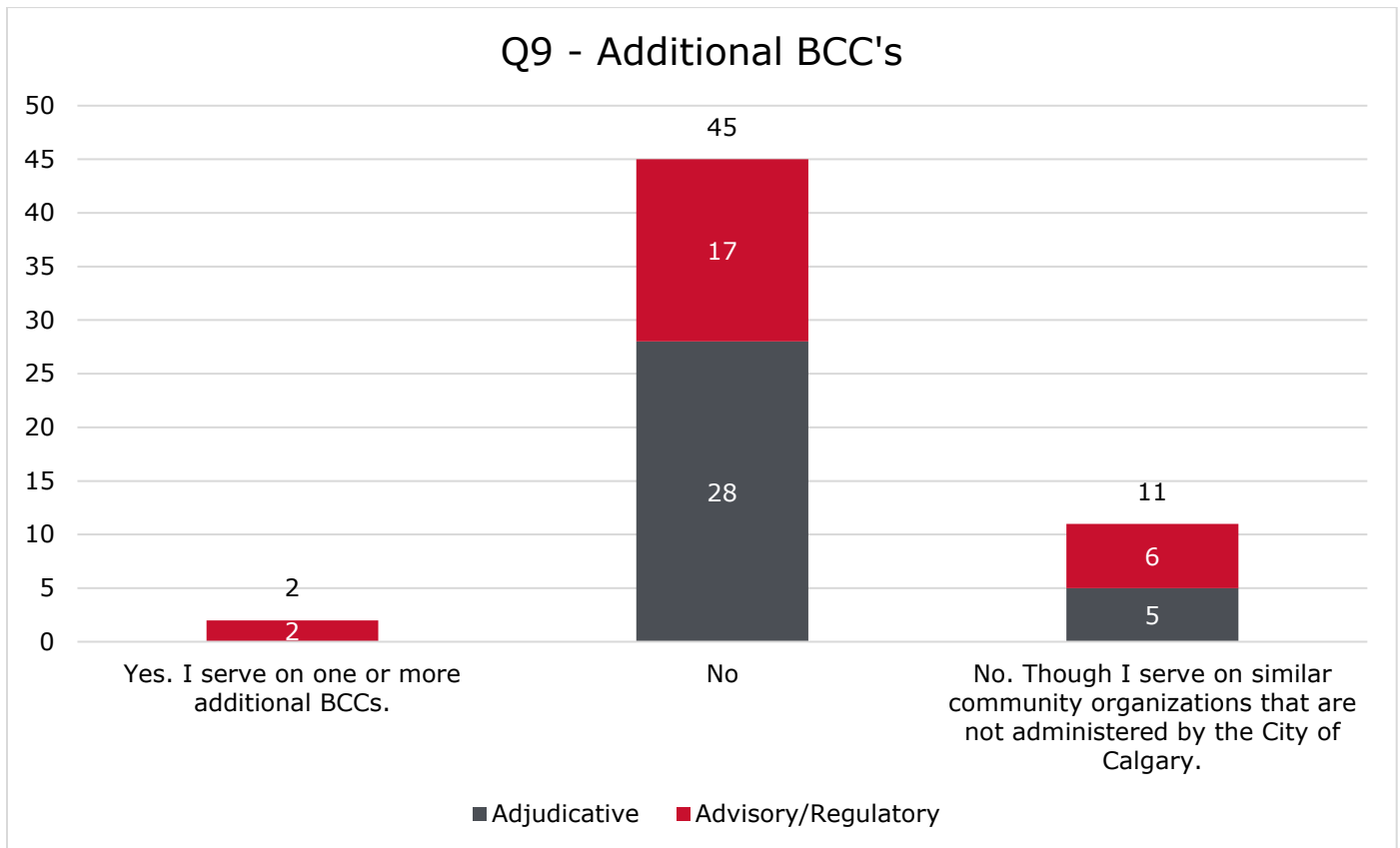
BCC involvement does not qualify for CEE for most members (41%) and was not applicable for 27% of members.

CEE credits were applicable to 20% of public members as part of their ongoing professional development requirements for their profession.

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**3.4.9. Q9. Additional BCCs**

**Q9:** Do you serve on other BCCs or sub-committees for the City of Calgary?

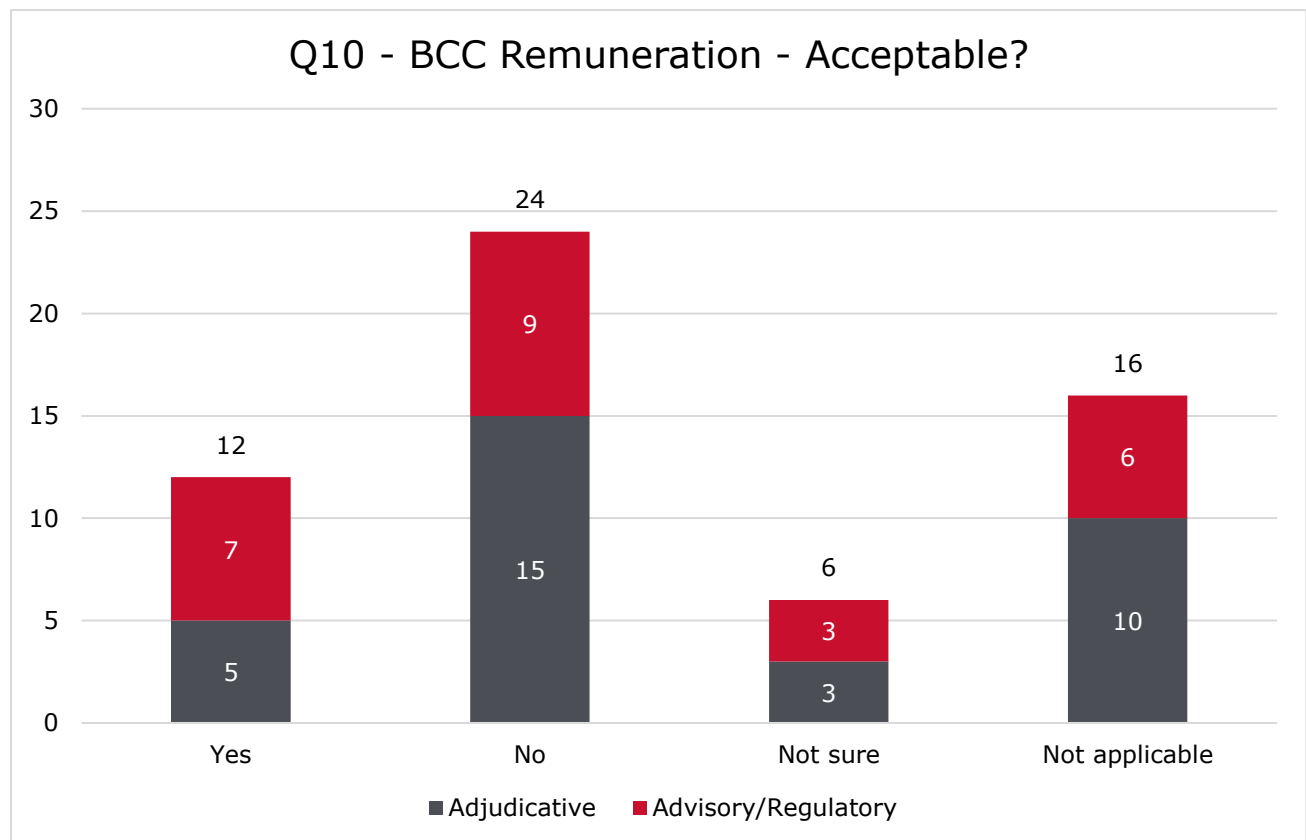


The majority (76%) of members do not concurrently serve on other BCC's. A few (18%) serve on other community organizations.

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**3.4.10. Q10. BCC Remuneration**

**Q10:** Some City of Calgary BCCs provide remuneration to their public members and some BCCs have volunteer public members. In your opinion, is this current remuneration practice acceptable?



The majority (41%) of members do not agree it is acceptable to remunerate some BCC members, while others are not remunerated.

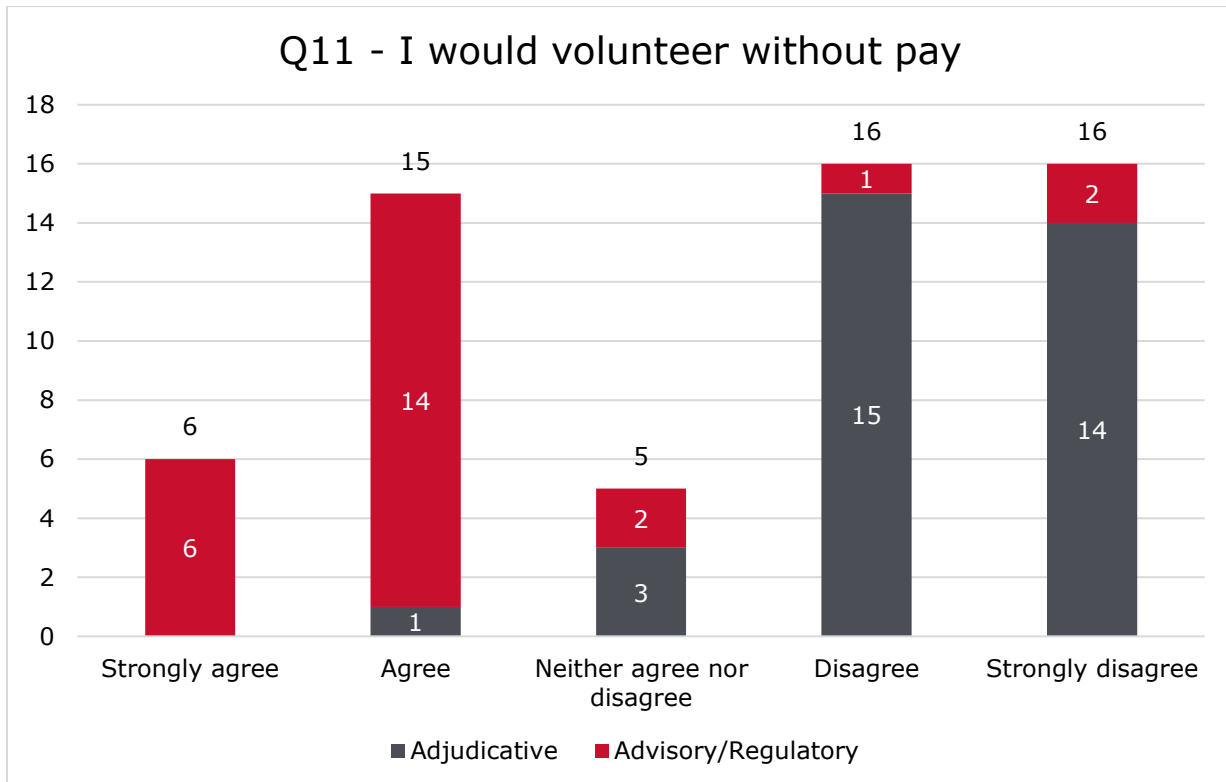
Some members (38%) were either 'not sure' or felt that the remuneration policy question was 'not applicable' to their BCC.

20% of members find the current remuneration practice acceptable.

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**3.4.11. Q11. Volunteer**

**Q11:** I would volunteer (or continue to volunteer) my time to fulfill my BCC responsibilities without pay. Rate your level of agreement.



The majority of adjudicative members (85%) would not volunteer without pay. Prior survey comments show a high level of time commitment involved and some dissatisfaction with current remuneration levels.

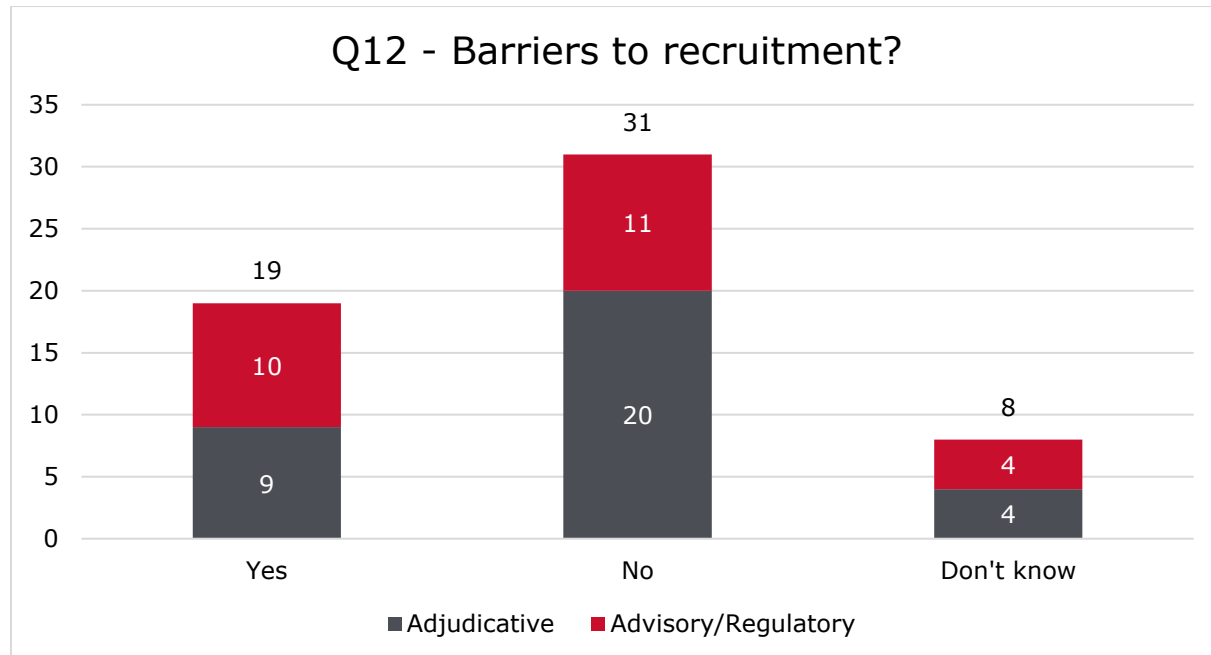
The majority of advisory/regulatory members (88%) would volunteer to serve on their BCC without pay.



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**3.4.12. Q12. Recruitment barriers**

**Q12:** In your opinion, are there any barriers to BCC recruitment or ongoing public member participation?



52% of members felt there are no barriers to recruitment or ongoing public member participation. The majority of respondents holding this sentiment are from the adjudicative boards (20/31).

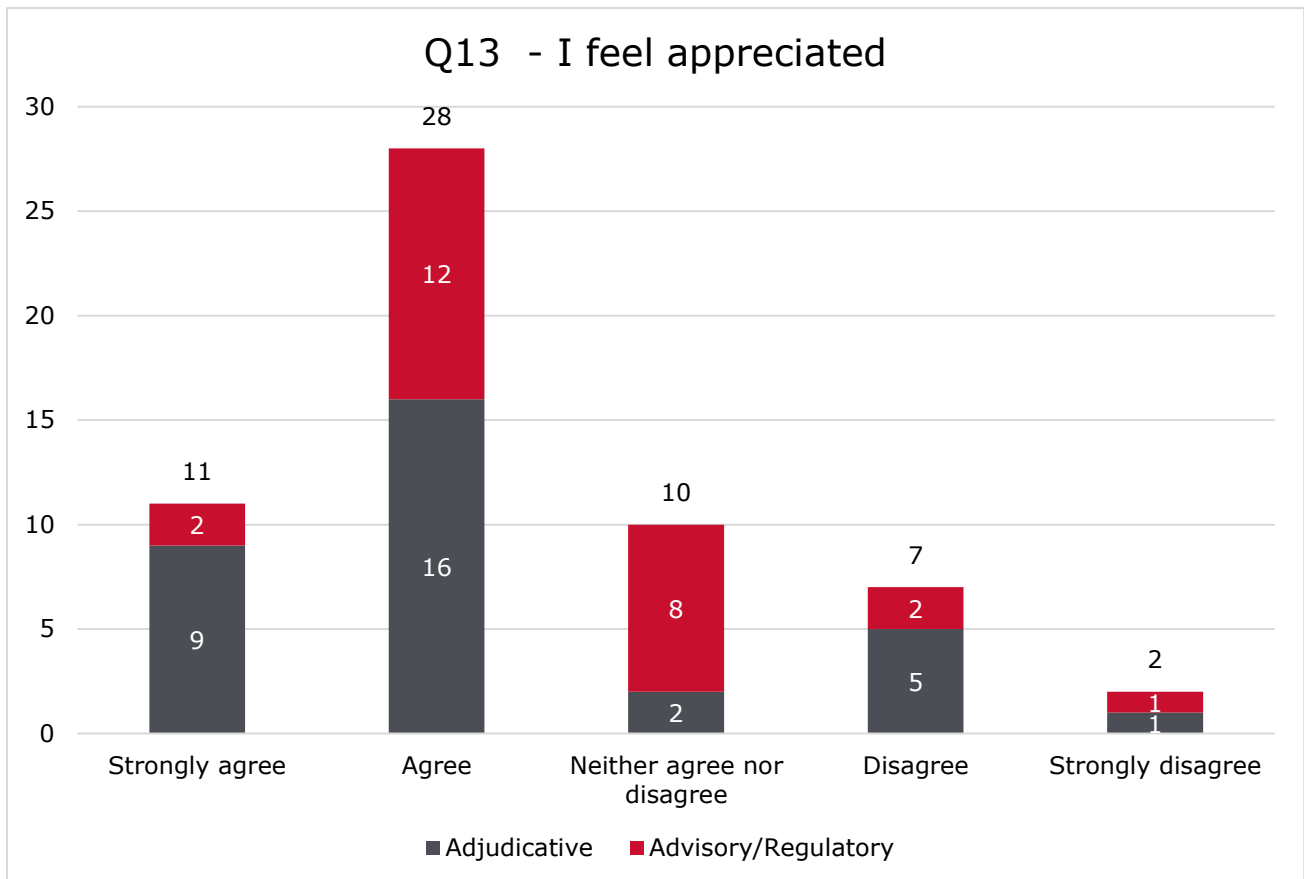
32% of members felt there were barriers to BCC recruitment and retention.

Additional details on recruitment challenges were shared during the interview stage of this project and provided in s. 3.6 of this report.

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**3.4.13. Q13. Appreciation**

**Q13:** I feel appreciated for the work I do in my BCC role. Rate your level of agreement.



The majority of BCC public members (66%) feel appreciated for their work.

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**Demographic Information**

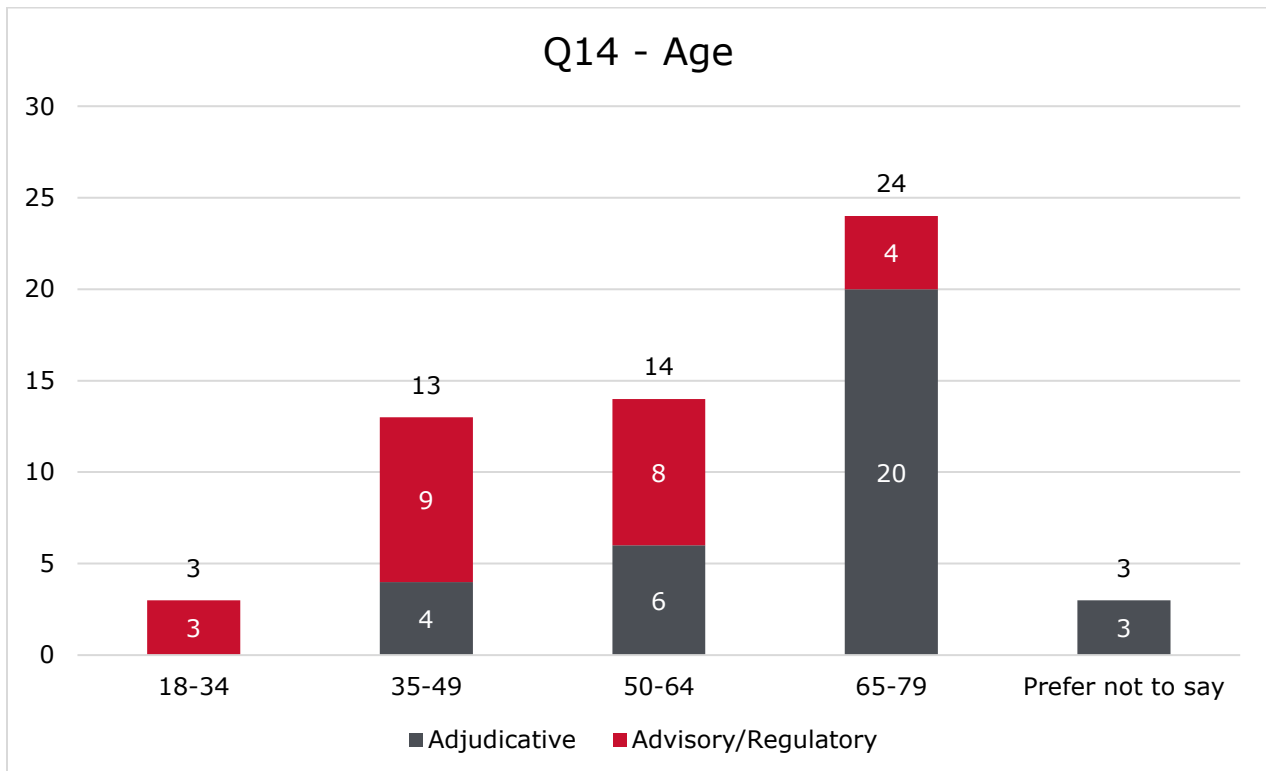
\*SAGE Note: Collection and analysis of demographic information was added to the project scope during the project, in consultation with the project manager and privacy team. All responses were voluntary, and members could select 'prefer not to say' as a response option.

Member responses to these questions will allow SAGE to analyze board member composition and the intersectionality of factors.

**Tell us about yourself.**

**3.4.14. Q14. Age**

**Q14:** What is your current age?



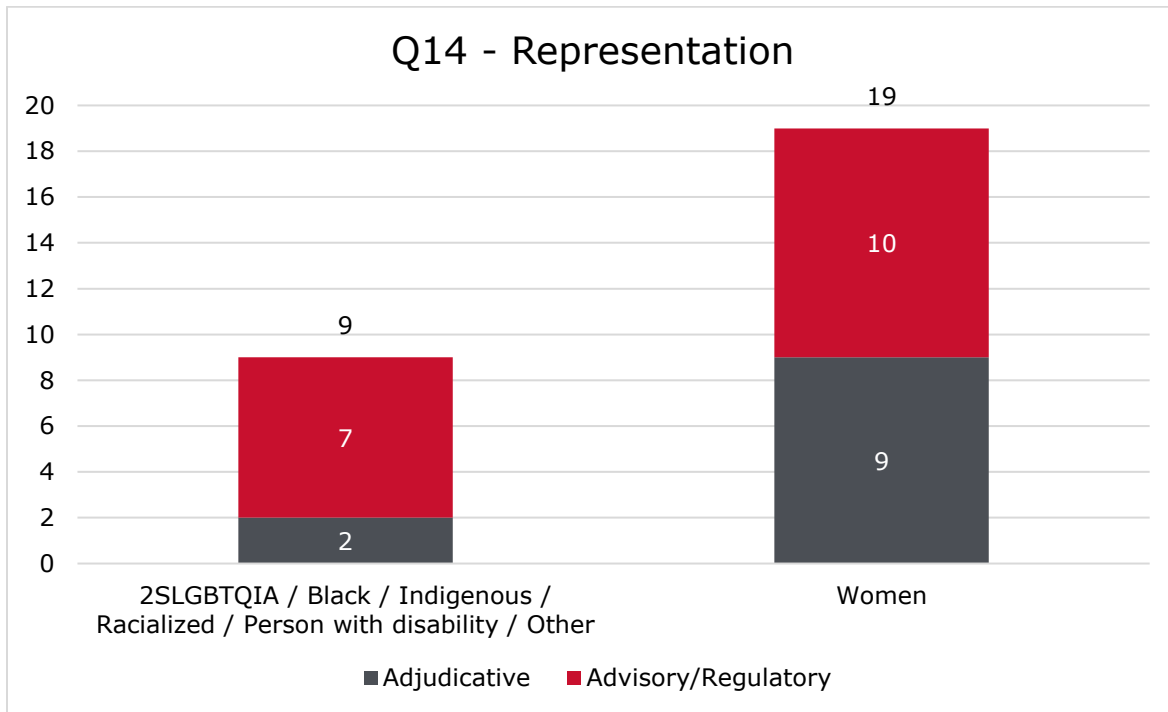
64% of respondents were age 50 or older.

5% were between 18-34 years old.

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**3.4.15. Q15. Representation**

**Q15:** Do you identify as a member of any of the following communities or populations whose voices have been traditionally underrepresented? Select all that apply.



This data shows that 19/59 (32%) respondents were women, and 9/59 (15%) were from traditionally underrepresented populations.

The intersectionality of diverse groups was not analyzed due to the small sample size in the survey responses.

This data set indicates that Calgary BCC public member positions have a low percentage of traditionally underrepresented populations. The internal research shows limited diversity on Calgary BCCs.

This data set may have limited reliability due to the low survey response rate; however, the adjudicative data is the most reliable due to the 62% participation rate from that BCC group.

The data set is based on a sample of 10/~86 total BCCs. It is unclear if the results of this data set could be extrapolated to the remaining ~76 BCCs.

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\*SAGE Note: A lack of board member diversity is a systemic and societal issue. A lack of diversity is known to limit corporate thinking, such as displayed in the following cartoon by marketoonist.com:

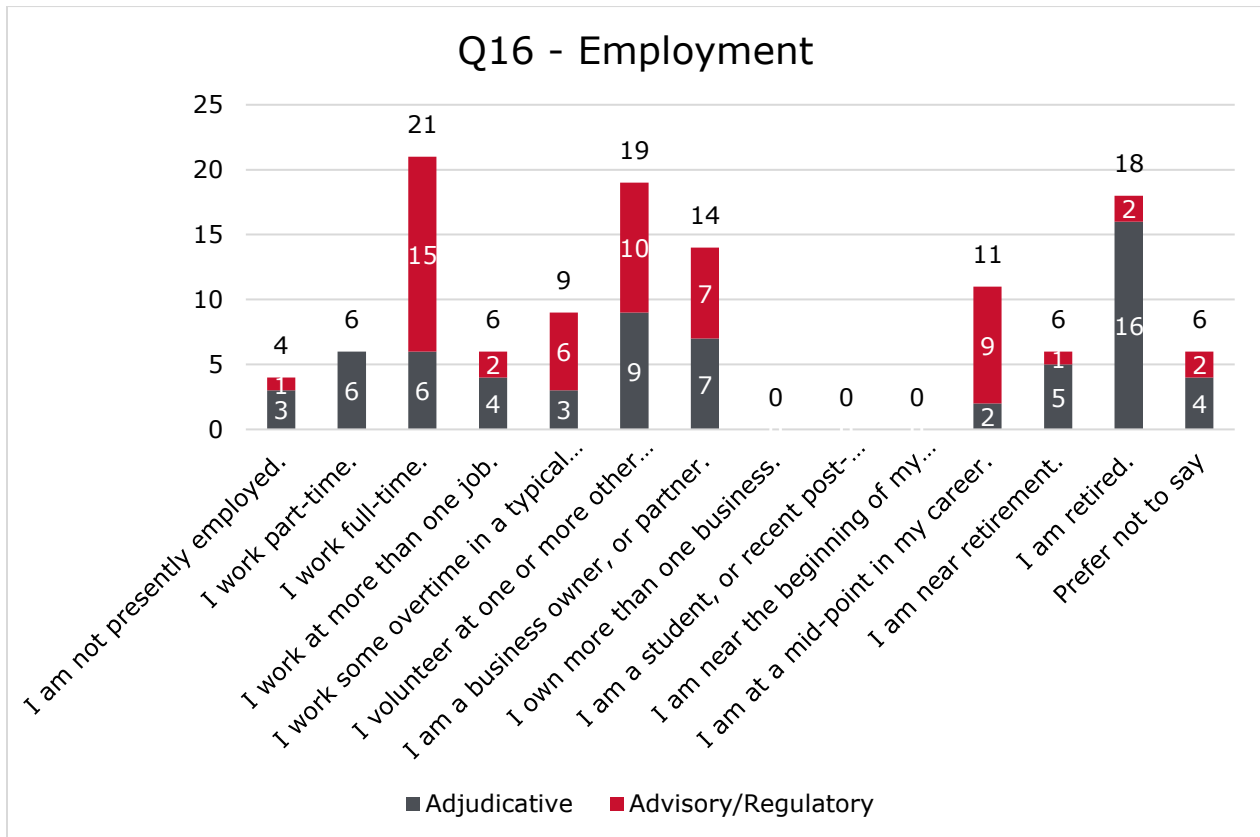


© marketoonist.com

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**3.4.16. Q16. Employment**

**Q16:** Describe your professional involvement **in addition to** your BCC appointment. Select all that apply.



The data shows that 21 public members work full time in addition to their BCC responsibilities.

19 members volunteer at other organizations.

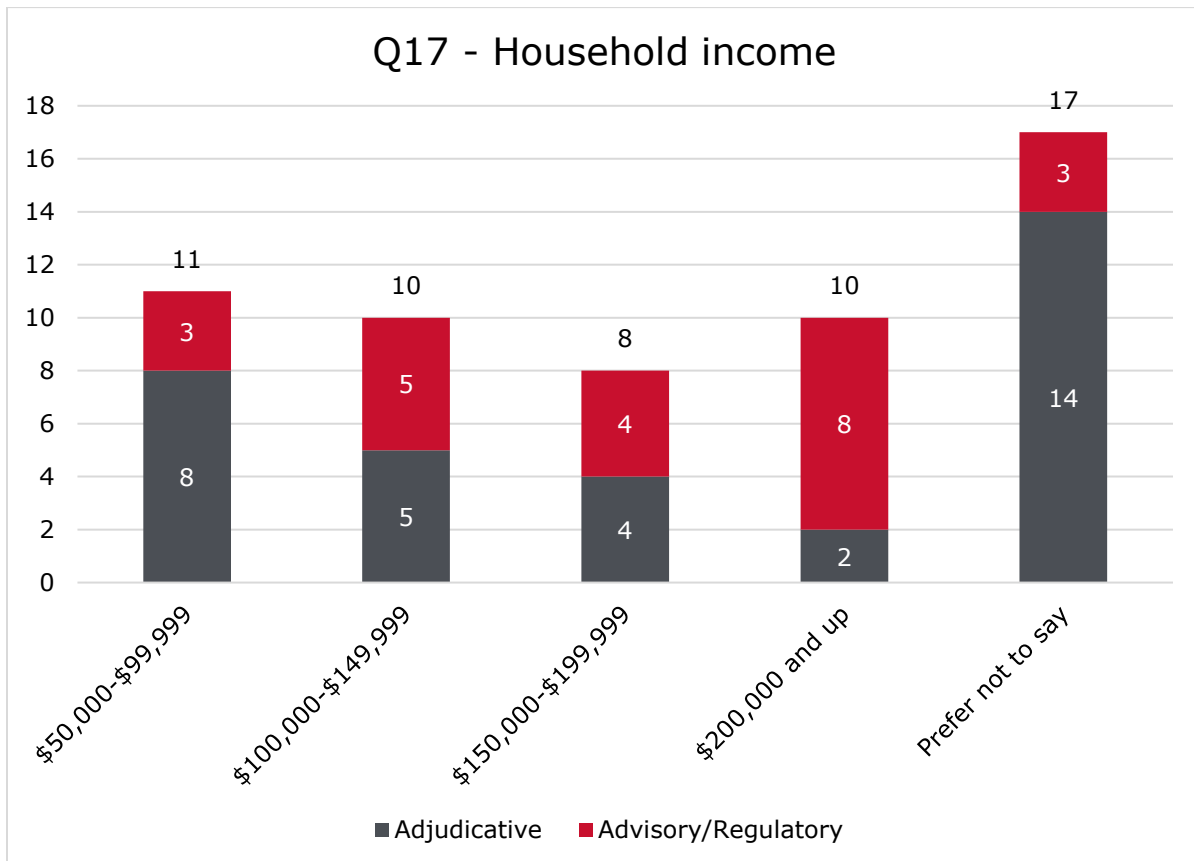
18 are retired, including 16 adjudicative board members.

No members represented the student population, or at the beginning of their career.

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**3.4.17. Q17. Household income**

**Q17:** What is your approximate average household income?

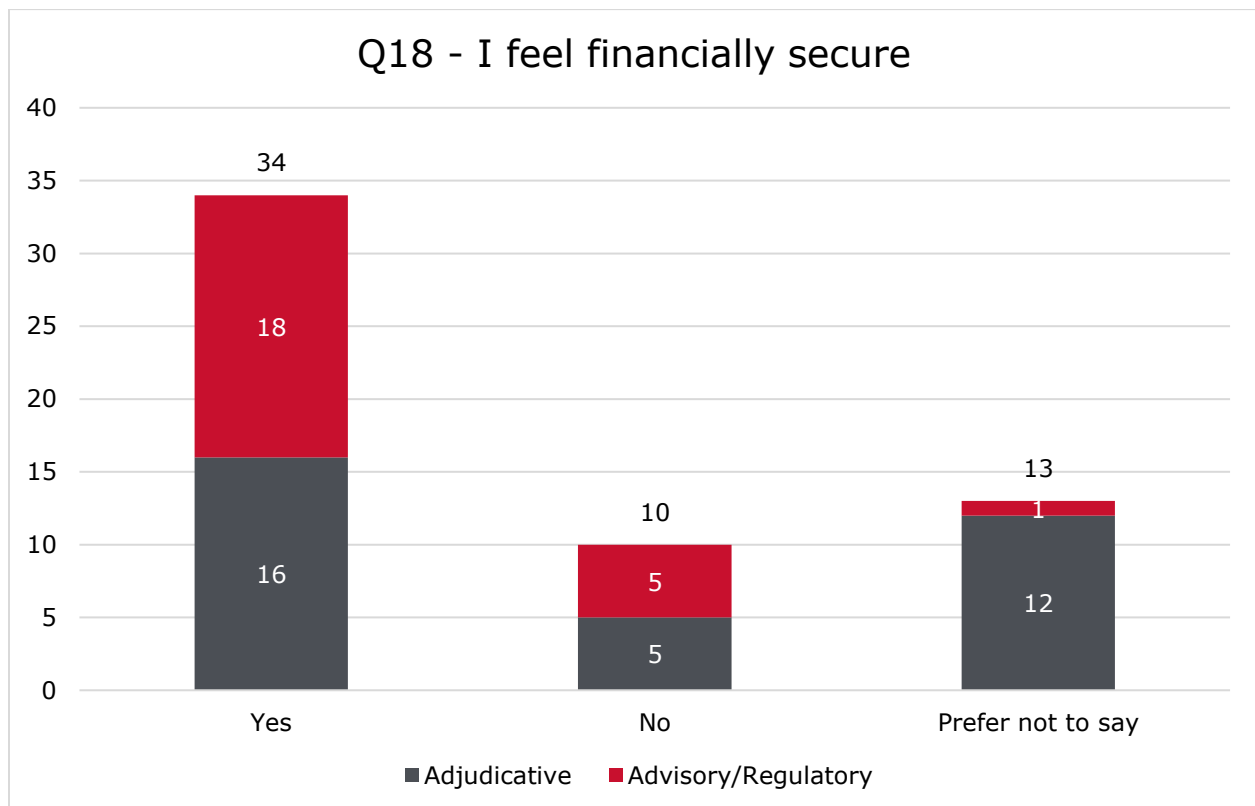


Responses showed a wide range of household income, and several respondents 'preferred not to say.'

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**3.4.18. Q18. Financially secure**

**Q18:** I feel financially secure.



The majority of respondents (58%) felt financially secure.

17% did not feel financially secure.

13 respondents 'preferred not to say.'



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**3.5 Internal Research – Additional Considerations**

**3.5.1. Survey Response Rate**

The survey was open from September 15, 2023 to October 10, 2023.

The survey data provides general information for policy decision makers. It is not scientific nor statistically valid.

The response rate is 45% (59 responses out of 132). Survey response rates are shown below, for each collector group. Color coding is used for ease of reference in the more detailed table on the next page.

<b>Survey Collector Group</b>	<b>Rate of Participation in survey</b>	<b>Percentage of Responses in Survey</b>
<b>Social Advisory Boards</b>		
Anti-Racism Action Committee	14%	8%
Calgary Aboriginal Urban Affairs Committee		
Social Wellbeing Advisory Committee		
<b>Civic Advisory Boards</b>		
Beltline Community Investment Fund Committee	50%	25%
Calgary Transit Access Eligibility Appeal Board		
Urban Design Review Panel		
<b>Adjudicative Boards</b>		
Assessment Review Board	62%	58%
Subdivision and Development Appeal Board		
<b>Regulatory Boards</b>		
Calgary Planning Commission	45%	8%
Combative Sports Commission		
<b>Total</b>		100%

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The table below shows the actual number of survey responses from public members for each BCC compared with the potential number of responses. The 'Total Responses per Collector Group' data was used to determine the survey response rate percentages in the preceding page.

	<b>Actual Number of Survey Responses per BCC</b>	<b>Potential Number of Public Member Responses</b>	<b>Survey Participation Rate</b>	<b>Survey Response % per BCC</b>	<b>Total Responses per Collector Group</b>
Anti-Racism Action Committee	2	9	22%	3%	5
Beltline Community Investment Fund Committee	5	11	45%	8%	15
Calgary Aboriginal Urban Affairs Committee	1	13	8%	2%	
Calgary Transit Access Eligibility Appeal Board	4	7	57%	7%	
Social Wellbeing Advisory Committee	2	14	14%	3%	
Urban Design Review Panel	6	12	50%	10%	
Assessment Review Board	25	33	76%	42%	34
Subdivision and Development Appeal Board	9	22	41%	15%	
Calgary Planning Commission	3	6	50%	5%	5
Combative Sports Commission	2	5	40%	3%	
<b>Totals</b>	<b>59</b>	<b>132</b>	<b>45%</b>	<b>100%</b>	<b>59</b>

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Some BCCs include city staff and/or Council members who serve concurrently with public members. The survey was designed to capture responses from all BCC members – both public members and city officials. Upon deployment, only public members were invited to participate in the survey. Components of certain questions, such as 'Q6 Paid by employer' captures data that was 'not applicable' to typical public members.

Focussing on public members only, and excluding city staff and Council members, this survey had a total of 132 eligible participants.

Due to the high number of responses from the two adjudicative boards, the total survey responses are therefore presented as comprising two groups: adjudicative and advisory/regulatory in order to interpret the data more precisely.

The adjudicative boards had a participation rate of 62% and represent 58% of the survey responses, and the experiences and demographics of these members dominate the overall results of the survey.

In reviewing the composition of the adjudicative boards, the following circumstances may explain the trends in the survey results.

- The nature of the work attracts more retired professionals due to the irregular schedule and higher time commitment level to attend hearings and training sessions.
- The higher number of retirees is reflected in the higher number of members in the 65-79 age category for adjudicative members compared to the higher number of younger members on the advisory/regulatory boards.

The social advisory boards had the lowest level of participation (14%) and represent 8% of the survey results. The results of the survey may not accurately represent these boards.

The civic and regulatory boards had good participation rates (50% and 45%), however as smaller boards, they represent a smaller portion of the total survey results.

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The September 2023 timing of the survey may have impacted response rates because it immediately preceded Council's BCC (re)appointments in the Fall of 2023. If a public member was not seeking reappointment, they may have chosen not to 'volunteer' more of their time to share input through this process.

SAGE engaged with the leadership for each of the 10 participating BCCs through the interview process. In June 2023, SAGE also met with a couple of the social-focused advisory committees to introduce the project and to invite their participation through the project survey. This project appeared to be met with enthusiasm 'across the board.' Members seemed encouraged by Council's leadership and interest to provide monetary recognition for their time and input. Based on the enthusiasm observed, it was a bit surprising to see a relatively low survey response rate from some participating BCCs.

This survey process is not the only way for public member voices to be heard. Participants could also be engaging directly with their local officials.

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**3.5.2. Calgary BCCs Time Commitment Table**

**Advisory Bodies**

	Meeting Frequency	Meeting days and time	Time Requirement - Members	Time Requirement - Chair	Location
<b>Anti-Racism Action Committee</b>	Monthly	2nd Tuesday, 4:30pm	- 10-12 monthly meetings (2 hours monthly) - 10-12 working group meetings plus action items (2 hours monthly) - Attendance at community events and activities (6 hours annually)	- 10-12 monthly meetings (2 hours monthly) - 10-12 working group meetings (1 hour monthly) - 12-24 monthly meetings – meet formally once a month, additional meetings and follow up as required (2-4 hours monthly) - 4 leadership meetings yearly – meet with City of Calgary leadership on a quarterly basis (1 hour quarterly) - Attendance at community events and activities (12 hours annually)	Hybrid
<b>Beltline Community Investment Fund Committee</b>	The Committee will meet at least four times a year at the call of the Chair.		For Members and the Chair: o This is a new committee; time requirement contributions will be determined during the course of the first year.		Hybrid possible
<b>Calgary Aboriginal Urban Affairs Committee</b>	Monthly	2nd Tuesday at 5:00 p.m. – 7:00 p.m.	Not Available	Not Available	Hybrid
<b>Calgary Transit Access Eligibility Appeal Board</b>	Monthly	3rd Tuesday, typically, 5-8pm	o 1 – 3 hours per month to review documentation prior to each hearing o 3 hours per month to attend the appeal hearing	o Same as above with the addition of 1 extra hour per month to meet with Administration if required and/or assist with recruitment for new members	Hybrid
<b>Social Wellbeing Advisory Committee</b>	Monthly, 10 meetings per year, September to June.	3rd Wednesday of each month from 5-7pm (excluding July and August).	o 10 hours/year on agenda preparation (e.g., reviewing provided materials to prepare for meetings). o 20 hours/year in meetings (e.g., 10 – two-hour monthly meetings).	o 5 – 10 hours/year for email correspondence and agenda preparation.	Hybrid
<b>Urban Design Review Panel</b>	Every 2 weeks	Alternate Wednesdays at 12:30 pm The Panel may be split by the Chair into sub-panels, with each sub-panel meeting on alternate weeks. o Additional meetings may be convened when necessary during periods of high file volume or to hold discussion sessions on topics of interest or concern.	o 25-32 meetings per year; 145 hours per year. o 13 - 16 meetings per sub-panel, 73 hours per year per sub-panel For Members: o 4.5 - 12 hours per meeting	For the Chair and/or Vice-Chair: o 5 - 13 hours per meeting o Preparation and presentation of Annual Report to Council o Participation in shortlisting and recommendation of new members	Hybrid

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**Adjudicative Bodies**

	Meeting Frequency	Meeting days and time	Time Requirement - Members	Time Requirement - Chair	Location
<b>Assessment Review Board</b>		Monday to Thursday; beginning in late April until late October or early November <ul style="list-style-type: none"> <li>• Morning Session begin at 9:00 am</li> <li>• Afternoon Session begin at 1:30 pm</li> </ul>			Hybrid
<b>Subdivision and Development Appeal Board</b>	Weekly, generally every Thursday at 8:30 a.m. Occasionally, meetings are held on Tuesdays at 8:30 AM in addition to the Thursday meetings.		<ul style="list-style-type: none"> <li>o Approximately 12 hours per month (varies) with a total of approximately 150 hours per year.</li> </ul>	<ul style="list-style-type: none"> <li>o Chair: approximately 70 - 80 hours per month (varies) with a total of 800 – 1000 hours per year.</li> <li>o Vice-Chair: approximately 30 – 40 hours per month (varies) with a total of 350 – 500 hours per year</li> </ul>	Hybrid

**Regulatory Bodies**

	Meeting Frequency	Meeting days and time	Time Requirement - Members	Time Requirement - Chair	Location
<b>Calgary Planning Commission</b>	2 times per month	Two meetings per month, on Thursdays. Official CPC meeting commences at 1:00 PM and runs on average for four hours. Meeting length is subject to the agenda size and complexity.	Official CPC meeting commences at 1:00 PM and runs on average for four hours. Meeting length is subject to the agenda size and complexity. Prior to the official meeting, a pre-meeting is held at 12:15 PM – 12:50 PM to discuss administrative business. Attendance at both, meetings is expected. Members must be available to attend CPC meetings during or after regular business hours as some meetings may run into the evening. The CPC Agenda package will be available six days in advance of the CPC meeting for review. For an average meeting length, members should expect to spend approximately three hours reading and reviewing reports in advance of CPC meetings.		Hybrid
<b>Combative Sports Commission</b>	The Commission shall meet at the call of the Chair and not less than five (5) times per year.		<ul style="list-style-type: none"> <li>o 2-5 hours/week (15+ hours on the week of a combative sports event)</li> </ul>	10-20 hours/week (30-50 hours on the week of a combative sports event)	Hybrid

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## **4. EXTERNAL RESEARCH / JURISDICTIONAL SCAN**

Eight organizations were identified as part of the project scope, selected by city administration, with research pointing to some limited data from other areas, including Halifax, Portland, Medicine Hat, and Grande Prairie.

Participating Organizations:

1. City of Edmonton (pop. 1.1M, 2022)
2. Province of Alberta (pop. 4.6M, 2023)
3. Province of Ontario (pop. 15.11M, 2022)
4. City of Ottawa (pop. 1.017M, 2021)
5. City of Mississauga (pop. 771,891, 2022)
6. City of Winnipeg (pop. 749,607, 2021)
7. City of Regina (pop. 242,685, 2022)
8. City of Vancouver (pop. 662,248, 2021)

\*Population figures are estimated during non-census years.

In addition to the above list, the jurisdictional scan led to limited comparator data in additional municipalities:

9. Halifax Regional Municipality
10. Portland, Oregon (beltline)
11. City of Grande Prairie (combative sports)
12. City of Medicine Hat (combative sports, planning commission)
13. City of Lethbridge (combative sports)
14. Province of British Columbia (assessment review)
15. City of Toronto (aboriginal affairs advisory)

The external analysis compares the city's committees with similar committees from these external organizations. There was not always a perfect BCC match. Some BCCs had more comparator organizations than others.

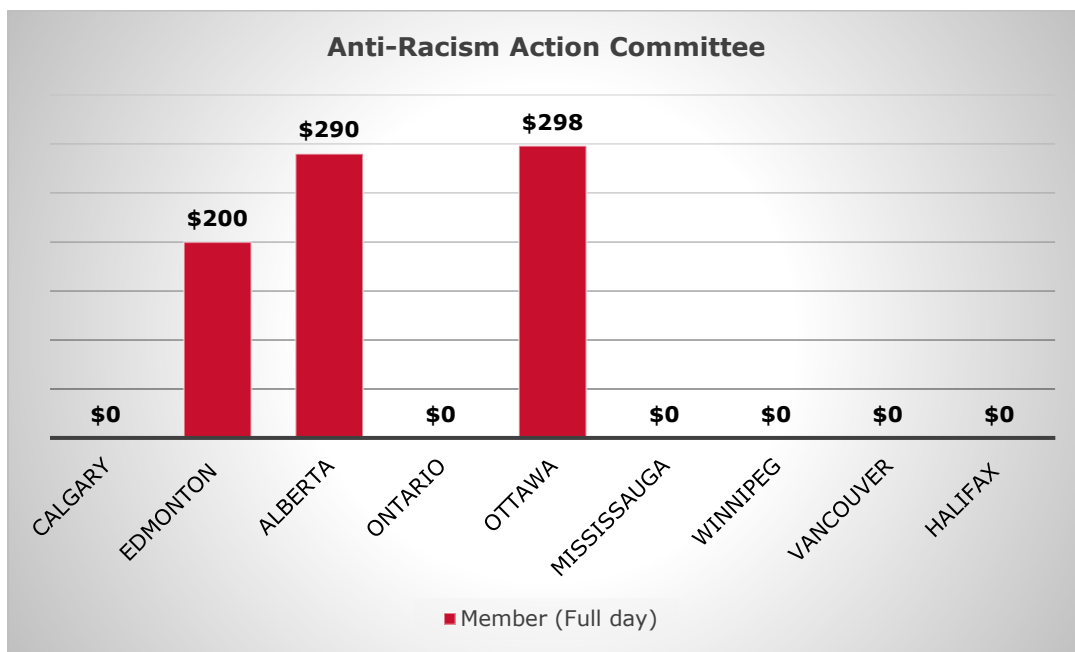
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The **public member daily rate** for was used as a common unit of comparison across the jurisdictional scan. Data is organized in bar graphs and tables for each BCC to show how the City of Calgary lines up with comparator organizations.

### 4.1 Advisory Bodies

The comparator strategy uses the public member full day remuneration rate as this is the best 'common denominator' data point for comparison across BCCs and jurisdictions.

#### 4.1.1. Anti-Racism Action Committee



Calgary did not provide remuneration for the Anti-Racism Action Committee public members. This was common among the comparator jurisdictions. Three of eight (3/8) comparators provided remuneration.



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**Anti-Racism Action Committee** compared with:

Edmonton	Anti-Racism Advisory Committee
Alberta	Premier's Council on Missing Murdered and indigenous women
Ontario	Anti-Racism Directorate
Ottawa	Anti-Racism Advisory Table
Mississauga	Combating Racism, Discrimination and Hatred Advisory Committee
Winnipeg	Human Rights Committee
Regina	No comparable committee
Vancouver	Racial and Ethno-Cultural Equity Advisory Committee
Halifax	African Descent Advisory Committee

<b>Anti-Racism Action Committee Comparison</b>										
	Calgary	Edmonton	Alberta	Ontario	Ottawa	Mississauga	Winnipeg	Regina	Vancouver	Halifax
	Anti-Racism Action Committee	Anti-Racism Advisory Committee	Premier's council on Missing Murdered and indigenous women	Anti-Racism Directorate	Anti-Racism Advisory Table	Combating Racism, Discrimination and Hatred Advisory Committee	Human Rights Committee	No comparable committee	Racial and Ethno-Cultural Equity Advisory Committee	African Descent Advisory Committee
<b>Honorarium</b>										
Chair (Full)	Nil.	\$250	\$383	Nil.	\$200	Nil.	Nil.		Nil.	Nil.
Chair (Half)	Nil.	\$125	\$219	Nil.	N/A	Nil.	Nil.		Nil.	Nil.
Member (Full)	Nil.	\$200	\$290	Nil.	\$298	Nil.	Nil.		Nil.	Nil.
Member (Half)	Nil.	\$100	\$164	Nil.	N/A	Nil.	Nil.		Nil.	Nil.
<b>Expenses</b>										
Parking	Yes	Yes	No info.	Nil.	Yes	No info.	Nil.		Yes	Nil.
Transit	Nil.	Yes	No info.	Nil.	Yes	No info.	Nil.		Yes	Nil.
Mileage	Nil.	Yes	No info.	Nil.	Yes	Yes	Nil.		Yes	Nil.
Caregiving	Nil.	Yes	No info.	Nil.	Yes	No info.	Nil.		Yes	Nil.

Notes:

- Vancouver: Expenses reimbursed are unspecified.

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**4.1.2. Beltline Community Investment Fund Committee**

Beltline Community Investment Fund Committee Comparison											
	Calgary	Edmonton	Alberta	Ontario	Ottawa	Mississauga	Winnipeg	Regina	Vancouver	Halifax	Portland
	Beltline Community Investment Fund Committee	No comparable committee	No comparable committee	No comparable committee	No comparable committee	No comparable committee	Downtown BIZB	No comparable committee	No comparable committee	No comparable committee	Development Review Advisory Committee
<b>Honorarium</b>											
Chair (Full)	Nil.						Nil.				Nil.
Chair (Half)	Nil.						Nil.				Nil.
Member (Full)	Nil.						Nil.				Nil.
Member (Half)	Nil.						Nil.				Nil.
Member (Yearly)	N/A						N/A				
<b>Expenses</b>											
Parking	Nil.						No info.				Yes
Transit	Nil.						No info.				Yes
Mileage	Nil.						No info.				Yes
Caregiving	Nil.						No info.				Yes

Calgary did not provide remuneration for the Beltline Community Investment Fund Committee public members. This was common among all the comparator jurisdictions.

Comparative analysis of the Beltline Community Investment Fund Committee faced limitations due to a lack of peer committees for comparison.

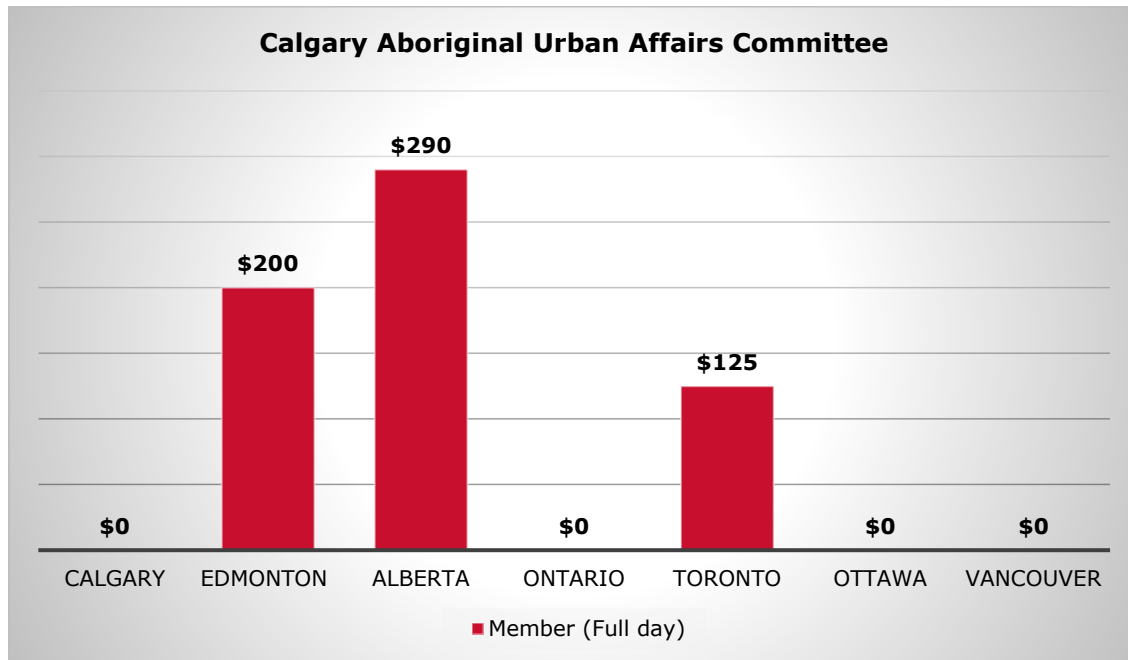
Some comparators were proposed following the internal interviews, but they were not ideal for comparison after follow-up.

- For example, a peer committee in Portland, Oregon, was identified. However, in alignment with Federal legislation (Volunteer Protection Act), the municipality caps compensation to \$500 per year for all volunteers, including those who serve on committees. It is unclear how this compensation is provided.
- The Vancouver Park Board (VPB) was also suggested as a potential peer. However, as the VPB is elected by the public, making it unique in Canada, those serving on the board are compensated as elected officials would, under bylaw<sup>1</sup>.

<sup>1</sup> As of writing, Commissioners receive \$18,743.38 per year. And the Board Chair earns a slightly higher amount of \$23,428.65 per year. See Park Board Remuneration By-Law No.11484.

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**4.1.3. Calgary Aboriginal Urban Affairs Committee**



Calgary did not provide remuneration for the Calgary Aboriginal Urban Affairs Committee public members. This was common among the comparator jurisdictions. Three of six (3/6) comparators provided remuneration.

**Calgary Aboriginal Urban Affairs Committee** compared with:

Edmonton	Woman's Advocacy Voice of Edmonton Committee
Alberta	Indigenous Wisdom Advisory Panel
Ontario	No comparable committee
Toronto	Toronto Aboriginal Affairs Committee
Ottawa	Aboriginal Working Committee
Mississauga	No comparable committee
Winnipeg	No comparable committee
Regina	No comparable committee
Vancouver	Urban Indigenous Peoples' Advisory Committee
Halifax	No comparable committee

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**Calgary Aboriginal Urban Affairs Committee Comparison**

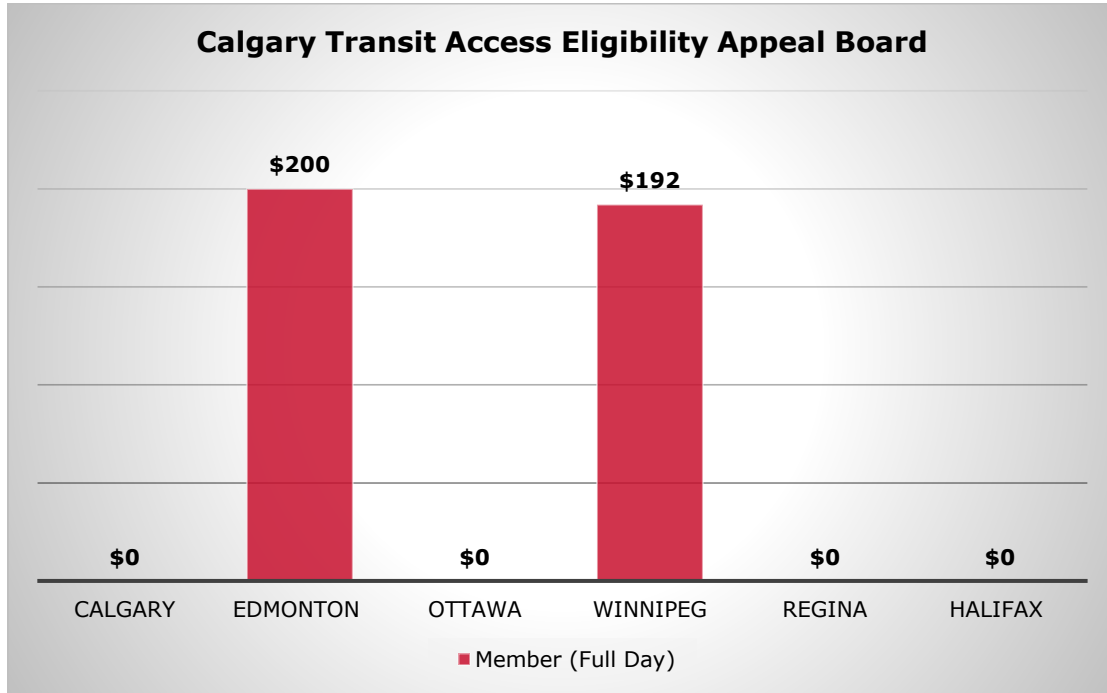
	Calgary	Edmonton	Alberta	Ontario	Toronto	Ottawa	Mississauga	Winnipeg	Regina	Vancouver	Halifax
	Calgary Aboriginal Urban Affairs Committee	Woman's Advocacy Voice of Edmonton Committee	Indigenous Wisdom Advisory Panel	No comparable committee	Toronto Aboriginal Affairs Committee	Aboriginal Working Committee	No comparable committee	No comparable committee	No comparable committee	Urban Indigenous Peoples' Advisory Committee	No comparable committee
<b>Honorarium</b>											
Chair (Full)	Nil.	\$250	\$383		N/A	Nil.				Nil.	
Chair (Half)	Nil.	\$125	\$219		N/A	Nil.				Nil.	
Member (Full)	Nil.	\$200	\$290		\$125	Nil.				Nil.	
Member (Half)	Nil.	\$100	\$164		N/A	Nil.				Nil.	
<b>Expenses</b>											
Parking	Nil.	Yes	Yes		No info.	Yes				Yes	
Transit	Nil.	Yes	Yes		No info.	Yes				Yes	
Mileage	Nil.	Yes	Yes		No info.	Yes				No info.	
Caregiving	Nil.	Yes	No info.		No info.	Yes				No info.	

**Notes:**

- Toronto: The City of Toronto has a similar committee and it was added to the comparison.

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**4.1.4. Calgary Transit Access Eligibility Appeal Board**



Calgary did not provide remuneration for the Calgary Transit Access Eligibility Appeal Board public members. This was common among the comparator jurisdictions. Two of five (2/5) comparators provided remuneration.

**Calgary Transit Access Eligibility Appeal Board** compared with:

Edmonton	Edmonton Transit Service Advisory Board
Alberta	No comparable committee
Ontario	No comparable committee
Ottawa	Para Transpo Eligibility Appeals Panel
Mississauga	No comparable committee
Winnipeg	Transit advisory committee
Regina	Accessibility Access Eligibility appeal board
Vancouver	No comparable committee
Halifax	Active Transportation Advisory Committee

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**Calgary Transit Access Eligibility Appeal Board Comparison**

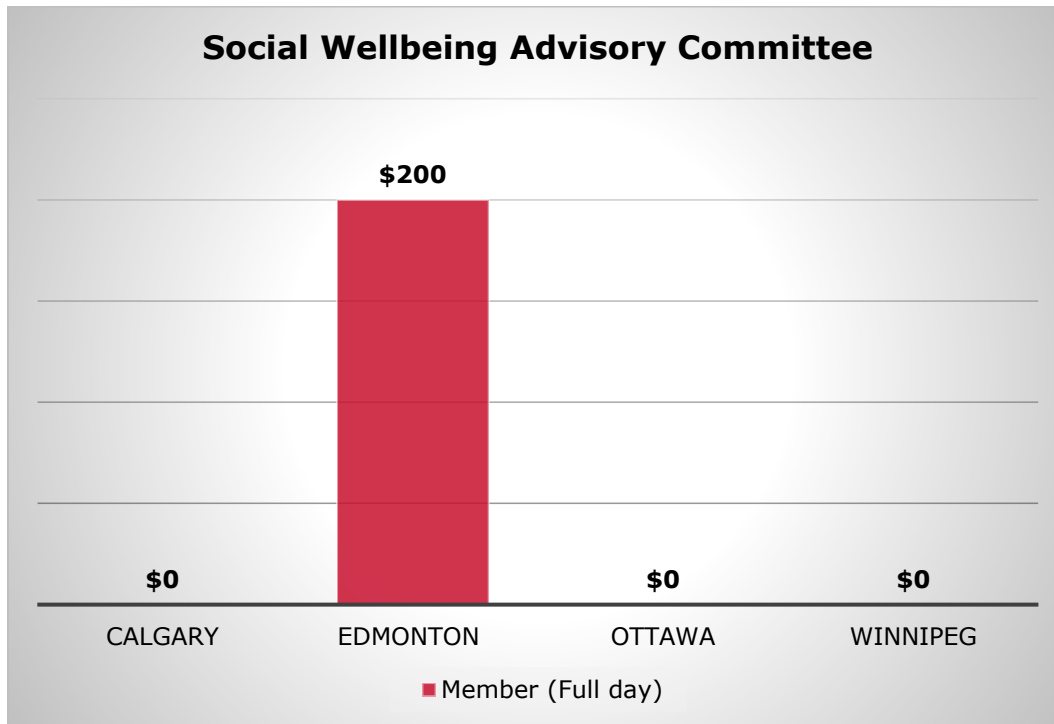
	Calgary	Edmonton	Alberta	Ontario	Ottawa	Mississauga	Winnipeg	Regina	Vancouver	Halifax
	Calgary Transit Access Eligibility Appeal Board	Edmonton Transit Service Advisory Board	No comparable committee	No comparable committee	Para Transpo Eligibility Appeals Panel	No comparable committee	Transit Advisory Committee	Accessibility Access Eligibility appeal board	No comparable committee	Active Transportation Advisory Committee
<b>Honorarium</b>										
Chair (Full)	Nil.	\$250			Nil.		\$336	Nil.		Nil.
Chair (Half)	Nil.	\$125			Nil.		\$190	Nil.		Nil.
Member (Full)	Nil.	\$200			Nil.		\$192	Nil.		Nil.
Member (Half)	Nil.	\$100			Nil.		\$109	Nil.		Nil.
<b>Expenses</b>										
Parking	Nil.	Yes			Yes		Nil.	Nil.		Yes
Transit	Nil.	Yes			Yes		Nil.	Nil.		Yes
Mileage	Nil.	Yes			Yes		Nil.	Nil.		Yes
Caregiving	Nil.	Yes			Yes		Nil.	Nil.		Yes

**Notes:**

- Calgary: While not captured in the table or graph, honoraria for departing members is \$50. This appears to be unique among the comparators.

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**4.1.5. Social Wellbeing Advisory Committee**



Calgary did not provide remuneration for the Social Wellbeing Advisory Committee public members. This was common among the comparator jurisdictions. One of three (1/3) comparators provided remuneration.

**Social Wellbeing Advisory Committee** compared with:

Edmonton	Social Wellbeing Advisory Committee
Alberta	No comparable committee
Ontario	No comparable committee
Ottawa	Community Safety and Wellbeing Advisory Committee
Mississauga	No comparable committee
Winnipeg	Human Rights Committee of Council
Regina	No comparable committee
Vancouver	No comparable committee
Halifax	No comparable committee

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<b>Social Wellbeing Advisory Committee Comparison</b>										
	Calgary	Edmonton	Alberta	Ontario	Ottawa	Mississauga	Winnipeg	Regina	Vancouver	Halifax
	Social Wellbeing Advisory Committee	Social Wellbeing Advisory Committee	No comparable committee	No comparable committee	Community Safety and Wellbeing Advisory Committee	No comparable committee	Human Rights Committee of Council	No comparable committee	No comparable committee	No comparable committee
<b>Honorarium</b>										
Chair (Full)	Nil.	\$250			Nil.		Nil.			
Chair (Half)	Nil.	\$125			Nil.		Nil.			
Member (Full)	Nil.	\$200			Nil.		Nil.			
Member (Half)	Nil.	\$100			Nil.		Nil.			
<b>Expenses</b>										
Parking	Yes	Yes			Yes		No info.			
Transit	Nil.	Yes			Yes		No info.			
Mileage	Nil.	Yes			Yes		No info.			
Caregiving	Nil.	Yes			Yes		No info.			

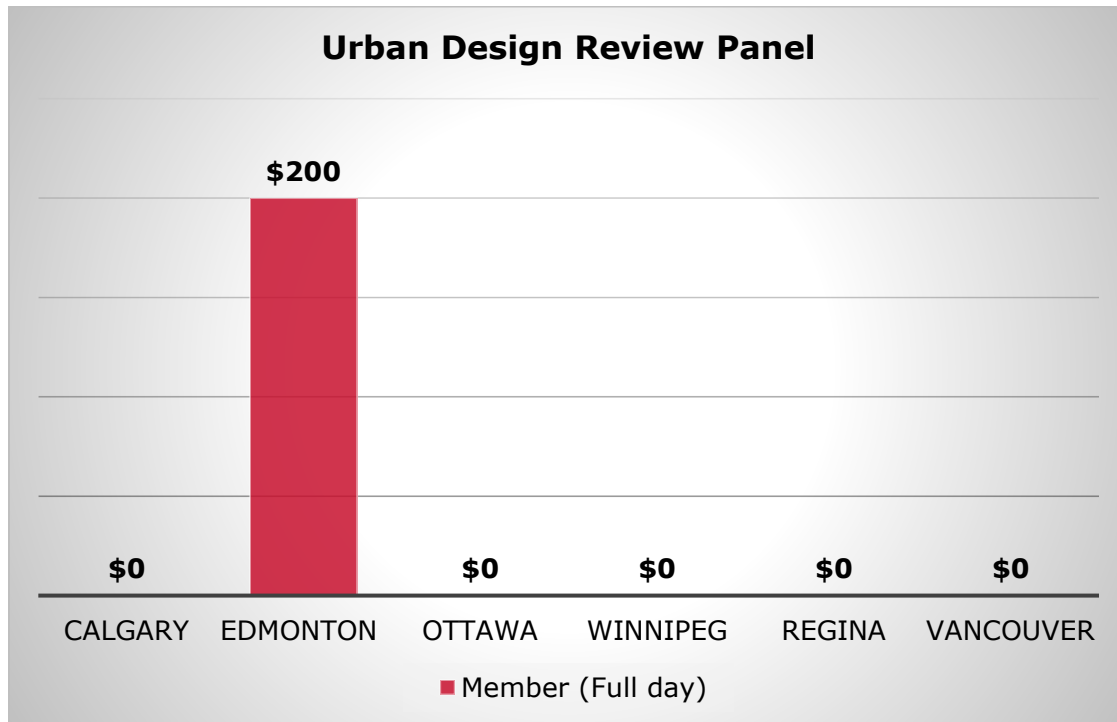
**Notes:**

- Calgary: An administration report referenced a \$20 meeting per diem; however, public members reported no remuneration.



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**4.1.6. Urban Design Review Panel**



Calgary did not provide remuneration for the Urban Design Review Panel public members. This was common among the comparator jurisdictions. One of five (1/5) comparators provided remuneration.

**Urban Design Review Panel** compared with:

Edmonton	Edmonton Design Committee
Alberta	No comparable committee
Ontario	No comparable committee
Ottawa	Urban Design Review Panel
Mississauga	No comparable committee
Winnipeg	Urban Design advisory committee
Regina	City Centre Core Development Advisory Committee
Vancouver	Urban Design Panel
Halifax	Design Review Committee

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<b>Urban Design Review Panel Comparison</b>										
	Calgary	Edmonton	Alberta	Ontario	Ottawa	Mississauga	Winnipeg	Regina	Vancouver	Halifax
	Urban Design Review Panel	Edmonton Design Committee	No comparable committee	No comparable committee	Urban Design Review Panel	No comparable committee	Urban Design advisory committee	City Centre Core Development Advisory Committee	Urban Design Panel	Design Review Committee
<b>Honorarium</b>										
Chair (Full)	Nil.	\$250			Nil.		Nil.	Nil.	Nil.	Nil.
Chair (Half)	Nil.	\$125			Nil.		Nil.	Nil.	Nil.	Nil.
Member (Full)	Nil.	\$200			Nil.		Nil.	Nil.	Nil.	Nil.
Member (Half)	Nil.	\$100			Nil.		Nil.	Nil.	Nil.	Nil.
<b>Expenses</b>										
Parking	Yes	Yes			Yes		No info.	No info.	No info.	No info.
Transit	Nil.	Yes			Yes		No info.	No info.	No info.	No info.
Mileage	Nil.	Yes			Yes		No info.	No info.	No info.	No info.
Caregiving	Nil.	Yes			Yes		No info.	No info.	No info.	No info.

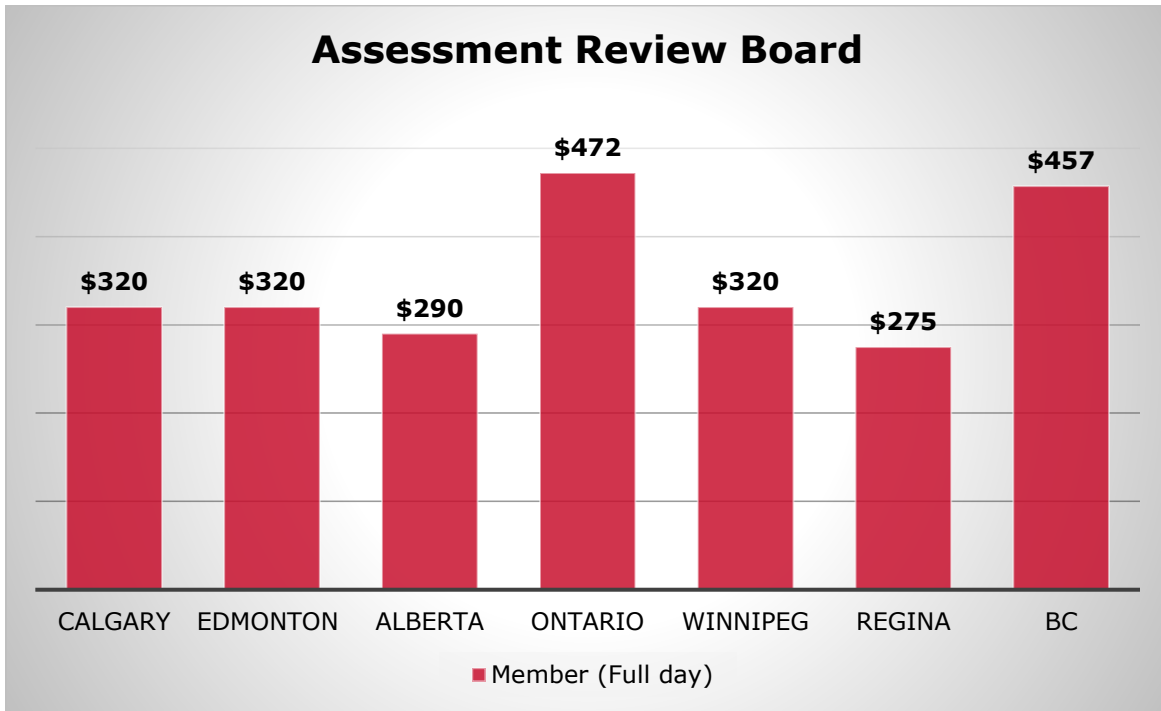
**Notes:**

- Halifax: Related bylaw states that each member may receive an honorarium and be reimbursed for necessary expenses. However, these amounts and expense categories are not specified.
- Calgary: An administration report referenced a \$62 meeting per diem; however, members reported no remuneration.

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**4.2 Adjudicative Bodies**

**4.2.1. Assessment Review Board**



Calgary provided competitive remuneration for the Assessment Review Board (ARB) public members. This was common among the comparator jurisdictions.

This adjudicative board research has the most data and detailed analysis.

**Assessment Review Board** compared with:

Edmonton	Assessment Review Board
Alberta	Land and Property Rights Tribunal
Ontario	Ontario Assessment Review Board
Ottawa	No comparable committee
Mississauga	No comparable committee
Winnipeg	Board of Revision
Regina	Board of Revision
Vancouver	Property Assessment Review Panel
Halifax	Nova Scotia Assessment Appeal Tribunal (NSAAT)

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<b>Assessment Review Board Comparison</b>										
	Calgary	Edmonton	Alberta	Ontario	Ottawa	Mississauga	Winnipeg	Regina	Vancouver	Nova Scotia
	Assessment Review Board	Assessment Review Board	Land and Property Rights Tribunal	Ontario Assessment Review Board	No comparable committee	No comparable committee	Board of Revision	Board of Revision	Property Assessment Review Panel	Nova Scotia Assessment Appeal Tribunal (NSAAT)
<b>Honorarium</b>										
Chair (Full)	\$550	\$425	\$383	\$744			\$480	\$375	\$645	See note
Chair (Half)	N/A	\$230	\$219	N/A			\$240	N/A	\$323	""
Member (Full)	\$320	\$320	\$290	\$472			\$320	\$275	\$457	""
Member (Half)	\$170	\$170	\$164	N/A			\$160	N/A	\$228.5	""
Chair (Hourly)	N/A	N/A	N/A	N/A			\$60	N/A	N/A	""
Member (Hourly)	N/A	N/A	N/A	N/A			\$40	N/A	N/A	""
<b>Expenses</b>										
Parking	Nil.	Yes	Yes	Yes			Nil.	Nil.	Yes	""
Transit	Nil.	Yes	Yes	Yes			Nil.	Nil.	Yes	""
Mileage	Nil.	Nil.	Yes	Yes			Nil.	Nil.	Yes	""
Caregiving	Nil.	Nil.	No info.	Yes			Nil.	Nil.	Yes	""

The Calgary ARB has the following remuneration rates:

<b>Position</b>	<b>Full Day</b>	<b>Half Day</b>
Chair	550	N/A
Vice Chair	475	260
Member - Presiding Officer	425	230
Member - Regular	320	170

A full day is defined as time up to 8 hours, and a half day is time up to 4 hours. Presiding officer and decision writers receive \$425 per day. Side panel members and decision reviewers received \$320 per day. All members receive \$320 per day for training sessions.

These rates are the same for SDAB members as there is equity in remuneration among the adjudicative bodies.

There are differences in duties and organizational structure when comparing remuneration between jurisdictions. Although the adjudicative function of a property assessment appeal board is similar, there can be differences in the roles and responsibilities of board members and the allocation of work between the administration and public appointees.

The structure of the Calgary ARB consists of one chair, two vice-chairs, and three presiding officers. The chair and vice chairs also serve as presiding officers. This structure was reported to be similar to the appeal boards in BC.

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The Calgary ARB chair performs the scheduling of complaints, works with City administration on governance, reviews board decisions, establishes policies and procedures, conduct performance evaluations, instructs legal counsel, and manages training. It is full time from March to December, and part time from December and March. The role requires leadership and competency on the duties listed with a background in quasi-judicial boards, real estate, property management/development/appraisal and law. The position profile describes the compensation can be between \$100,000-\$130,000 per year at the per diem rate.

The Calgary ARB chairs noted that the remuneration competes with the potential employment earnings of members in their fields. As the members are highly experienced professionals the current rates are not competitive with typical compensation rates. It is challenging to attract members while competing against the labour market.

This role is similar to the chair role in BC; however, this is a provincial role and is paid on a per annum rate that is then prorated.

- BC Chair: \$168,000 per annum
- BC Vice Chair: \$134,000 - \$143,000 per annum

The other BC ARB members are paid a per diem rate, either \$625 or \$500 per day depending on their role in the panel for each hearing.

No comparable committee at the City of Vancouver. BC Government's Property Assessment Review Panel is used instead.

The BC Property Assessment Review Panel members are paid on a per diem basis, with a higher rate if the member is the chair of the panel of the hearing. Panel members must commit full time for a two-month period (February to March) and may sit for 1-2 days in smaller communities or 15-20 days in larger communities. All complaints are heard within this two-month period. The review panel lists desirable skills in assessment, real estate and business, but notably, experience in law is not listed. Experience is also not mandatory.

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The Ontario Assessment review board is under a group of adjudicative tribunals for the province. The Ontario ARB is managed by an Executive Chair and the ARB is managed by an associate chair and two full-time vice chairs and one part-time vice chair. The associate chair position is most similar to the ARB Chair position. The recruitment process for adjudicators is rigorous and merit-based, and adjudicators undergo an average of six months training before taking a full schedule of hearings.

The ON remuneration structure is based on an annual rate for full-time appointees that is also dependent on the year what year they are in their term.

- Associate Chair: \$174,184 to \$199,059
- Vice Chair: \$136,545 to \$156,077
- Members: \$110,482 to \$126,273
- Part-time members are paid a per diem rate as charted below.

Comparatively, the BC and Ontario remuneration rates are the highest. The member biographies show that members are highly educated and well experienced in the areas of real estate, property management or appraisal and law. The chair roles involve high level management duties in addition to adjudication and require full-time work.

The AB Land and Property Rights Tribunal (LPRT) is a close comparable for Calgary. These members chair all composite assessment review board (CARB) hearings alongside the Calgary ARB members. They perform the same tasks as ARB members during local assessment review board hearings. The LPRT members are paid \$450 per day as CARB panel chair (presiding officer).

The Edmonton and Winnipeg ARBs are structured differently than Calgary.

The Edmonton ARB consists of one chair and 23 members for a total of 24 members. The chair is the chair of an administrative committee comprised of the chair and three other members. Duties include chairing committee meetings, evaluating member performance, acting as a liaison and reporting to the Clerk and Council on behalf of the Committee.

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Notably different from Calgary is that the Edmonton ARB chair does not schedule hearings, manage training, instruct legal counsel and is not primarily responsible for leading administrative policies and procedures for the Board. These responsibilities are managed by ARB administration. Accordingly, the chair position is a part-time position like the other members, and only receives a monthly stipend of \$425 to compensate for additional duties.

The Edmonton 'chair' rate of \$425/day applies to members serving as Presiding Officers during a LARB hearing and decision writing duties.

The members are responsible for attending hearings and writing decisions. During hearings a board officer (administration) is present to assist with facilitating the hearing and acts as a resource for board members. The board officer reviews each decision twice, once with the writer and again after full panel review before finally issuing the decision.

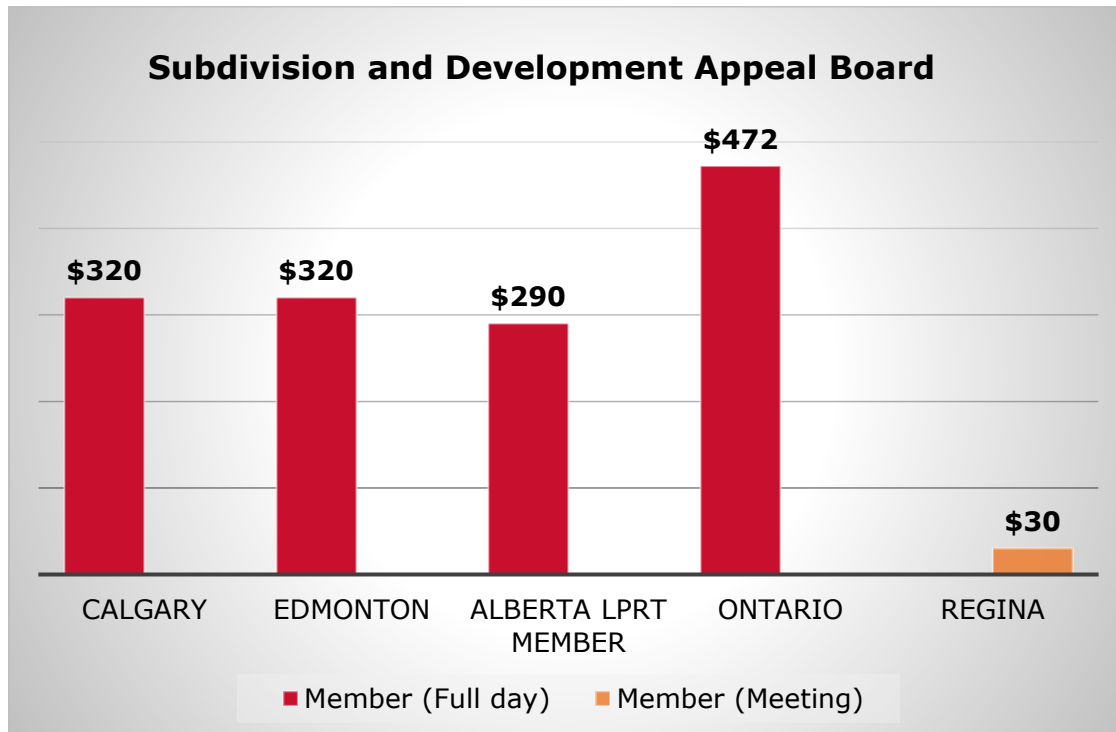
The Edmonton ARB member biographies represent more diverse backgrounds, with experience and education in engineering, accounting, public service, business, health, etc., in addition to appraisal and law.

The Winnipeg Board of Revision pays members per hour for time spent during a hearing and deliberation. The "Panel Chair" receives \$60/hour and side members receive \$40/hour. The compensation is reviewed by the City Clerk every two years and increased by the Consumer Price Index, to a maximum of 3% for each two-year period. The Chair and Deputy Chair are paid a monthly stipend of \$2,000 and \$1,200 respectively to carry out administrative duties.

Halifax assessment appeals are handled through provincial jurisdiction. Tribunal members are paid on a salary basis and are reimbursed for travel and other expenses like ministry employees. The Nova Scotia Assessment Appeal Tribunal (NSAAT) operates through the Property Valuation Services Corporation to deal with the first level appeals from the decisions of the assessors. The Nova Scotia Utility and Review Board deals with appeals from the NSAAT and is the final court of fact.

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**4.2.2. Subdivision and Development Appeal Board**



Calgary provided competitive remuneration for the Subdivision and Development Appeal Board (SDAB) public members. This was common among four comparator jurisdictions.

**Subdivision and Development Appeal Board** compared with:

Edmonton	Subdivision and Development Appeal Board
Alberta	Subdivision and Development Appeal Board
Ontario	Land and Property Rights Tribunal
Ottawa	Ontario Land Tribunal
Mississauga	No comparable committee
Winnipeg	No comparable committee
Regina	No comparable committee
Vancouver	Development Appeals Board
Halifax	No comparable committee



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	Subdivision and Development Appeal Board Comparison									
	Calgary	Edmonton	Alberta	Ontario	Ottawa	Mississauga	Winnipeg	Regina	Vancouver	Halifax
	Subdivision and Development Appeal Board	Subdivision and Development Appeal Board	Land and Property Rights Tribunal	Ontario Land Tribunal	No comparable committee	No comparable committee	No comparable committee	Development Appeals Board	No comparable committee	No comparable committee
<b>Honorarium</b>										
Chair (Full)	\$550	\$425	\$383	\$744				N/A		
Chair (Half)	\$325	\$230	\$219	N/A				N/A		
Member (Full)	\$320	\$320	\$290	\$472				N/A		
Member (Half)	\$170	\$170	\$164	N/A				N/A		
Chair (Meeting)	N/A	N/A	N/A	N/A				\$60		
Member (Meeting)	N/A	N/A	N/A	N/A				\$30		
<b>Expenses</b>										
Parking	Yes	Yes	Yes	Yes				Nil.		
Transit	Yes	Yes	Yes	Yes				Nil.		
Mileage	Nil.	Yes	Yes	Yes				Nil.		
Caregiving	Nil.	Nil.	No info.	Yes				Nil.		

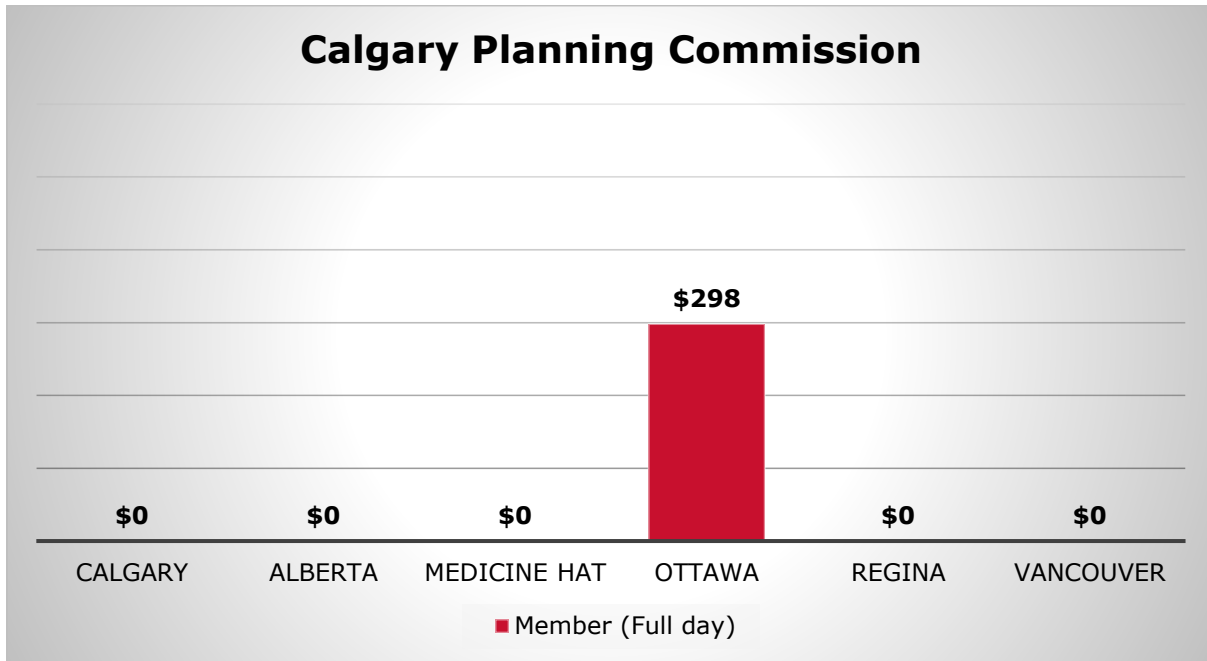
**Notes:**

- Calgary: A \$60 hourly rate is provided to regular members for decision writing. The chair is compensated at daily rates for decision writing.
  - Case review rates are provided on a per meeting basis and do not scale with the volume and file complexity.
    - \$100/meeting for presiding officer
    - \$75/meeting for vice chair
    - \$50/meeting for regular members
- Edmonton: Chair also receives \$425/month for administrative duties.
- Ontario: Table rates are for *part-time* Chairs and Members. Full-time members earn a salary.
- Regina: Each member also receives \$15 for each site inspection.

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**4.3 Regulatory Bodies**

**4.3.1. Calgary Planning Commission**



Calgary did not provide remuneration for the Calgary Planning Commission public members. This was common among the comparator jurisdictions. Only one of five (1/5) comparators provided remuneration.

**Calgary Planning Commission** compared with:

Edmonton	Urban Planning Committee
Alberta	No comparable committee
Ontario	No comparable committee
Ottawa	<ul style="list-style-type: none"> <li>• Committee of Adjustment</li> <li>• Planning &amp; Housing Committee</li> </ul>
Mississauga	No comparable committee
Winnipeg	No comparable committee
Regina	Regina Planning Commission
Vancouver	Vancouver City Planning Commission
Halifax	No comparable committee
Medicine Hat	Medicine Hat Planning and Development services

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Calgary Planning Commission Comparison											
	Calgary	Edmonton	Alberta	Ontario	Ottawa	Mississauga	Winnipeg	Regina	Vancouver	Halifax	Medicine Hat
	Calgary Planning Commission	Urban Planning Committee	No comparable committee	No comparable committee	Committee of Adjustment + Planning & Housing Committee	No comparable committee	No comparable committee	Regina Planning Commission	Vancouver City Planning Commission	No comparable committee	Municipal Planning Commission
<b>Honorarium</b>											
Chair (Full)	Staff	Council			\$349			Nil.	Nil.		Nil.
Chair (Half)	Staff	N/A			N/A			Nil.	Nil.		Nil.
Member (Full)	Nil.	Council			\$298			Nil.	Nil.		Nil.
Member (Half)	Nil.	N/A			N/A			Nil.	Nil.		Nil.
<b>Expenses</b>											
Parking	Yes				Yes			No info.	No info.		No info.
Transit	Nil.				Yes			No info.	No info.		No info.
Mileage	Nil.				Yes			No info.	No info.		No info.
Caregiving	Nil.				Yes			No info.	No info.		No info.

**Notes:**

- Calgary: While not captured in the table or graph, honoraria for departing members is \$50. The same honoraria is provided to members of the Calgary Transit Access Eligibility Appeal Board.
- Edmonton: Four city councillors make up this committee and are remunerated and reimbursed based on their remuneration agreements as elected officials.
- Vancouver: Expense reimbursement is not explicitly articulated in publicly available information.
- Medicine Hat: This municipality offers a similar committee to compare with and was added to the comparison. There is no remuneration for these commission members.

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**4.3.2. Combative Sports Commission**



Calgary provided competitive remuneration for the Combative Sports Commission public members. This was common among three of five (3/5) comparator jurisdictions.

**Combative Sports Commission** compared with:

Edmonton	Edmonton Combative Sports Commission
Alberta	No comparable committee
Ontario	Ontario Combative Sport Advisory Council
Ottawa	No comparable committee
Mississauga	No comparable committee
Winnipeg	No comparable committee
Regina	No comparable committee
Vancouver	No comparable committee
Halifax	No comparable committee
Medicine Hat	Combative Sports Commission
Grande Prairie	Combative Sports Commission
Lethbridge	Lethbridge Combative Sports Commission

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Combative Sports Commission Comparison													
	Calgary	Edmonton	Alberta	Ontario	Ottawa	Mississauga	Winnipeg	Regina	Vancouver	Halifax	Medicine Hat	Grande Prairie	Lethbridge
	Calgary Combative Sports Commission	Edmonton Combative Sports Commission	No comparable committee	Ontario Combative Sport Advisory Council	No comparable committee	No comparable committee	No comparable committee	No comparable committee	No comparable committee	No comparable committee	Combative Sports Commission	Combative Sports Commission	Lethbridge Combative Sports Commission
<b>Honorarium</b>													
Chair (Full)	\$450	\$250		\$350							Nil.	N/A	Nil.
Chair (Half)	N/A	\$125		Nil.							Nil.	N/A	Nil.
Member (Full)	\$200	\$200		\$200							Nil.	Nil.	Nil.
Member (Half)	N/A	\$100		Nil.							Nil.	N/A	Nil.
Event	Nil.	Nil.		N/A							Nil.	\$200	Nil.
Weigh-in	Nil.	Nil.		N/A							Nil.	\$100	Nil.
<b>Expenses</b>													
Parking	Likely	Yes		Yes							No info.	Yes	No info.
Transit	Likely	Yes		Yes							No info.	Yes	No info.
Mileage	Likely	No info.		Yes							No info.	Yes	No info.
Caregiving	No info.	No info.		Yes							No info.	Nil.	No info.

**Notes:**

- Alberta is the only province that does not regulate combative sports at the provincial order of government. It is instead regulated through bylaws at the municipal level.
- Calgary public members were involved in operational roles in addition to their regulatory duties.

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## **5. GAP ANALYSIS**

The gap analysis considers the internal and external research findings to compare the 'current state' to a more equitable 'future state' for the City of Calgary BCC compensation practices.

Gaps are identified between the current state and future state for each of the three BCC types (advisory, adjudicative, regulatory). Various program strengths are also noted.

The guiding theme for this research is rooted in equity, as stated in the originating Council directive:

*"...Administration to return to Executive Committee by Q1 2024 with an equitable remuneration and expense policy applying to all Council-established BCCs that have Public Members appointed by Council..."*

This gap analysis applied the following equity principle:

**Equity:** Similar compensation for similar work, both internally across the City of Calgary BCCs, and externally among comparator jurisdictions.

### **5.1 Advisory Bodies**

#### **5.1.1. Internal**

Remuneration practices were equitable among Calgary BCC advisory bodies, as no remuneration was provided. Members volunteered their time to serve and fulfill their council-appointed duties. Members were often emotionally tied to the cause and sacrificed their professional and personal time to serve on the BCC. Some members questioned if their contributions were taken as seriously as other BCCs with paid members.

Expense reimbursement practices were minimal (parking, lunch during meetings) yet fairly equitable among Calgary BCC advisory bodies. The need for transparency surfaced as a theme as some members were not clear about the expense reimbursement available to them, such as a childcare stipend.

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### **5.1.2. External**

The jurisdictional scan showed that Calgary’s remuneration practice was common where unpaid volunteer public members were appointed to fulfill organizational mandates.

There were some exceptions to this practice, such as the City of Edmonton where advisory members were paid.

Some lateral responsibilities were handled by staff, rather than volunteers. For example, [Toronto’s Aboriginal Affairs Committee<sup>2</sup>](#) is largely comprised of Executive Directors from local organizations. Related initiatives are supported by staff in the [Indigenous Affairs Office<sup>3</sup>](#).

### **5.1.3. Gaps and Strengths**

Calgary’s BCC volunteer public members serving on advisory bodies are there to support the mandate. They bring their hearts and life experiences to the advisory board table. They are obviously not there for the money.

The fact that someone will ‘work for free’ does not imply that they should. Internal concerns included a call for the City to be a leader in this space as the existing model continues a ‘long history of lack of proper remuneration and systemic unemployment and under-employment of minority groups.’

Calgary is lagging behind its closest comparator, the City of Edmonton, which provides remuneration to council-appointed BCC public members at a rate of \$200/day.

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<sup>2</sup> <https://www.toronto.ca/city-government/accessibility-human-rights/indigenous-affairs-office/aboriginal-affairs-committee/>

<sup>3</sup> <https://www.toronto.ca/city-government/accessibility-human-rights/indigenous-affairs-office/>

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Calgary shares the lowest possible end of the range (\$0.00) with several other jurisdictions. This was the most common practice, though arguably not a 'best' practice.

Relying on volunteers to complete critical or technical work can cause risk to task completion. Some BCC tasks and mandates are handled by administrative staff in other jurisdictions. An employment relationship adds a layer of accountability to achieve critical processes.

A best practice is to compensate BCC members for their time, and reimburse their related expenses.

## **5.2 Adjudicative Bodies**

### **5.2.1. Internal**

Remuneration practices were equitable between the two Calgary BCC adjudicative bodies (ARB, SDAB). Standard rates were paid for regular members, and the chairs for full and half days.

Expense reimbursement policies were also consistent between these BCCs, including a \$50 monthly equipment allowance paid to each member.

### **5.2.2. External**

Other jurisdictions provided comparable remuneration for their adjudicative boards.

Assessment review board (ARB) processes are handled at the provincial level in other comparator jurisdictions (BC, ON, NS).

The [City of Edmonton](#) had a clear delineation between administrative and adjudicative duties. ARB public members focused on adjudication and decision writing duties. Edmonton city staff (Board Officers) managed all operational aspects, including scheduling.

Winnipeg's Board of Revision used an hourly rate to compensate panel members. Other jurisdictions offered full and half day rates.



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### **5.2.3. Gaps and Strengths**

Calgary's remuneration rates were comparable to most other jurisdictions, and were nearly identical to its closest comparator, the City of Edmonton.

Calgary had a higher rate for the chair at \$550 per day, while the daily rate for Edmonton's chair/presiding officer was \$425.

Calgary's ARB chair duties had an administrative/operational focus which differed from all other jurisdictions. The overlap or encroachment into administrative duties caused some confusion and tension at times. This practice is an anomaly within internal and external research. The structure should be revisited to ensure that the most appropriate model is in place to best serve the ARB mandate.

Calgary members reported grouping hours from various days if they worked less than a ~4-hour half day. This uncertainty could be resolved by using an hourly rate, rather than a minimum half-day remuneration.

Calgary SDAB members expressed concern about receiving a \$50 flat rate for meeting preparation as this did not scale to the number of preparation hours required to review complex files.

An hourly remuneration structure as opposed to offering a full or half-day rate is fair to public members and the municipality. It is both fair and fiscally responsible to compensate for time spent – not more, and not less.

An hourly remuneration structure can be considered a best practice, though it is not a common practice. The external research showed only Winnipeg using an hourly remuneration structure.

Remote work or working from home (WFH) and participating through electronic means is another best practice. A best practice is for quasi-judicial board to ensure fairness to the parties, and this includes flexibility to provide the most appropriate meeting space. Parties with limited technology skills may prefer an in-person hearing, while some individuals may consider an electronic hearing to be the most convenient.

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Electronic hearings and BCC meetings are a best practice. This can lead to equipment cost savings for an organization. A best practice is to compensate members for the corporate use of their personal computer equipment.

## **5.3 Regulatory Bodies**

### **5.3.1. Internal**

Remuneration practices were not equitable between the two Calgary BCC regulatory bodies.

The Calgary Planning Commission (CPC) had unpaid public members and a staff member who served as chair.

The Calgary Combative Sports Commission public members were paid \$200/day and the chair was paid \$450/day.

City of Calgary provides part-time (0.25 FTE) administrative support for the six-member Combative Sports Commission.

### **5.3.2. External**

**Planning Commissions:** The jurisdictional scan showed that Calgary's remuneration practice was common where unpaid public members served on Planning Commissions.

The City of Ottawa was an exception as these public members were paid \$298/day.

The City of Edmonton filled this role with four council members appointed to an Urban Planning Committee.

**Combative Sports:** The jurisdictional scan showed that Calgary and Alberta had anomalies in governing combative sports.

Alberta was the only province that did not regulate combative sports at the provincial level. Combative Sports Commission activities are administered at the provincial level in all provinces, except Alberta. Municipalities filled the role in the absence of AB provincial regulation.

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Edmonton and Grande Prairie provided remuneration for public members, while Lethbridge and Medicine Hat did not.

The [City of Edmonton](#) maintains a seven-member board of paid volunteers. An Executive Director is a city employee and is "responsible for all operational decisions about combative sports in Edmonton."

### **5.3.3. Gaps and Strengths**

**Planning Commissions:** Calgary's \$0.00 remuneration rates were comparable to most other jurisdictions. Except for Ottawa at \$298/day, other jurisdictions did not compensate their public members.

**Combative Sports:** Calgary's remuneration rates were comparable to other jurisdictions, and were nearly identical to its closest comparator, the City of Edmonton with \$200/day for members. Calgary's \$450/day chair remuneration was higher than Edmonton's \$250/day rate. Calgary's chair daily rate was consistent with Calgary's adjudicative board chair daily rates.

The time commitment was reported to be very high for the chair and other members, particularly during event preparation and hosting.

Calgary's public members had a highly operational role in addition to their regulatory role expected in this position. These paid volunteer members are very 'hands on' in all operational aspects, including event planning and management. Public members performed operational duties that were managed by employees in other jurisdictions, such as the City of Edmonton.

Calgary's combative sports commission model is an anomaly within internal and external research. The structure and duties should be revisited to ensure that the most appropriate model is in place to serve the combative sports mandate, and to reduce risk to public members and the broader organization.

A best practice is to reduce risk to volunteer public members by managing operational decisions for high-risk activities through an employee position.

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## **5.4 General Observations**

Lack of true “Apples-to-Apples” peer committees

- The analysis revealed a lack of “apples-to-apples” peer committees in the jurisdictions being compared. This is understandable as committees are struck when considering the context of the political and social environments in which the comparator public authorities operate. Certain issues or opportunities do not become the focus of advisory or adjudicative work for all municipalities. Where a close committee peer was found, it was included in the comparison.

Difference in compensation consistency between advisory and adjudicative committees.

- When a close committee peer could be found, it revealed two important elements: the first being that honorariums for advisory committees were either not provided, or were not provided at similar amounts; and second, adjudicative committees often included some amount of honorarium compensation when compared to advisory committees. These were typically at higher rates, suggesting that adjudicative committees were treated differently based on the nature of the decision-making work involved.

Inconsistency in publicly available information about honorariums and expenses.

- Regarding whether expenses would be reimbursed, expense policies did not clearly outline which common expense categories, like parking or transit, would be covered, if reimbursed at all.
- In general, publicly available information was lacking or inconsistent for whether a committee would receive an honorarium, and if so, how much that honorarium would be, and for which expenses would be reimbursed, if any. More often, this information would not be co-located in a manner that would be easy to find and answer. (Especially if there are multiple legislative pieces that must be referred to).

The City of Edmonton was most consistent and clear for honorariums and expenses reimbursed.

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- Among comparator jurisdictions, the City of Edmonton’s honorarium rates and expense reimbursement coverage was simple to track and it was consistent between its advisory and adjudicative committees.
- Honorarium rates for advisory committee participation were consistent between all committees, regardless of the committee’s mandate. This was similar for adjudicative and regulatory committees, with slight differences in the honorarium rates.
  - For advisory committees, based on role:
    - A committee chair is provided \$250 for a full day of committee work, or \$125 for a half day; and
    - Regular members would earn \$125 for a full day of committee work, or \$100 for a half day.

The rationale for why a certain honoraria rate is selected is not clear.

- In the research conducted, rarely, if at all, was there a stated philosophy or rationale for why an honoraria rate existed.
- Although, it may be argued that these conversations were likely had in council chambers when a related bylaw was established. But as these rationales were not made explicit in related documents or on websites, a fair amount of effort would be needed to review past Council decisions to learn why a specific rate was chosen.
- Whether the honorarium rates observed are fair, or fair in the context of the nature of the BCC’s work, is not always obvious. For example, one could use the living wage rate to compare whether a committee member is being adequately compensated for their time. But other factors, including time commitment, opportunity cost, expertise and qualifications required, equity and inclusivity should also be considered. Regular review of BCC compensation and benchmarking is prudent.

Expenses reimbursement policy is not always clear.

- Parking expenses appear to be the most common reimbursement. Other transportation related reimbursements were not always clear, such as whether a train or bus ticket would be reimbursed. Information for whether caregiving expenditures would be reimbursed appeared to be hardest to find or assume.

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- When unspecified, certain expenses *may* be assumed, like parking or transit fares, as they are common expenses known to be reimbursed. Meals, accommodations, mileage and conference expenditures also fit in this category when considering BCC work that requires travel beyond meeting locally. But of course, assumptions can be wrong, and it was difficult to ascertain in many cases.
- Some expenses were clear for the conditions or limitation related to their reimbursement. For example, the City of Edmonton denotes that mileage and caregiving expenditures are reimbursed, but with limitations -- mileage at a certain rate and for a certain minimum duration (1 hour of driving); and child or elder care at a “reasonable cost” with the submission of a receipt.

For similar committees, there were wide variations for whether honorariums are paid, the amount of honorarium paid, and clarity for which expenses, if any, are reimbursed.

- An example is seen when reviewing table 4.4.1 Anti-Racism Action Committee, advisory committee. Looking at peer committees, honorariums range from \$0, the most common figure, to between \$200 and \$298 when considering regular members for “full day” commitments.

Among the Calgary BCCs expense reimbursements were not consistent and only 3/10 provided honorarium or remuneration to public members.

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**6. POLICY DEVELOPMENT CONSIDERATIONS**

Both internal and external research shows an opportunity for leadership to transform the existing City of Calgary BCC remuneration model.

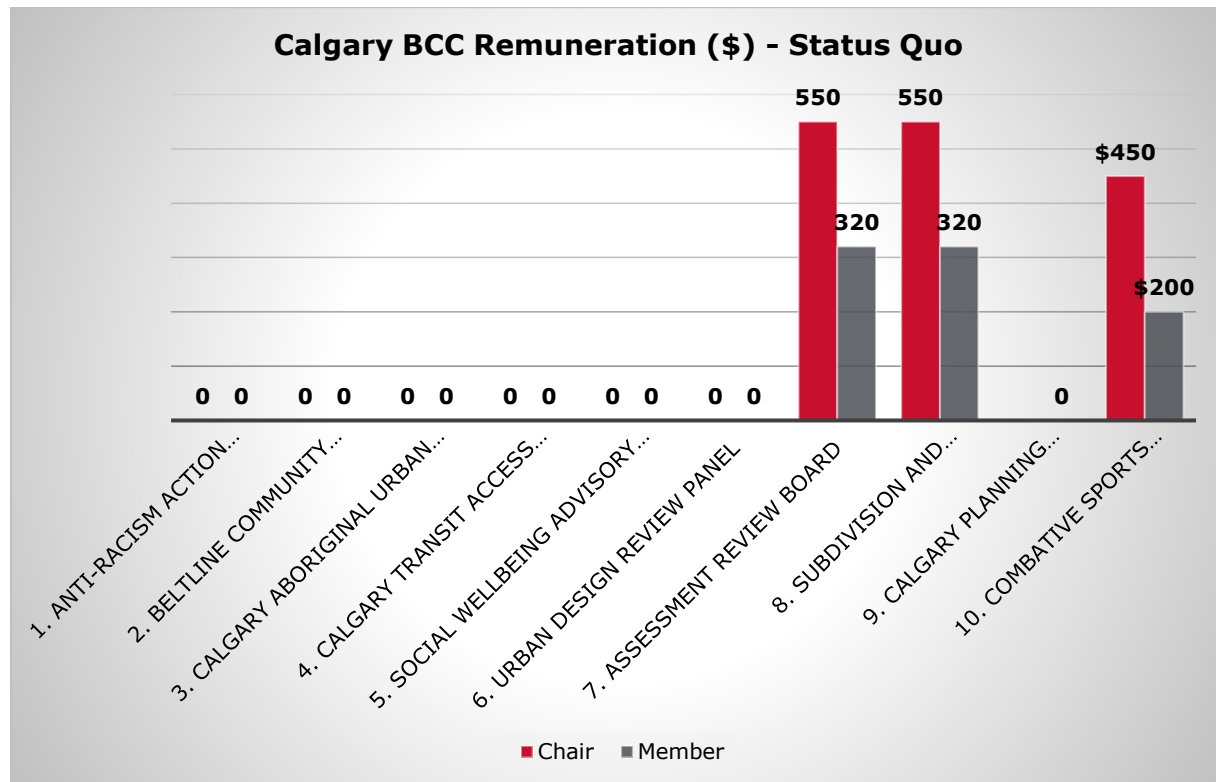
**6.1 Policy Option Spectrum - Remuneration**

A policy option spectrum for this project is shown below. Graphs are provided below to demonstrate what some policy options could look like.

**1. Option #1 – Maintain status quo**

**Maintain status quo.** Inaction is a policy decision.

- Pros: Low budget impact. Less administrative burden.
- Cons: Equity issues remain unaddressed. Risk of volunteer burnout and liability remain unaddressed.

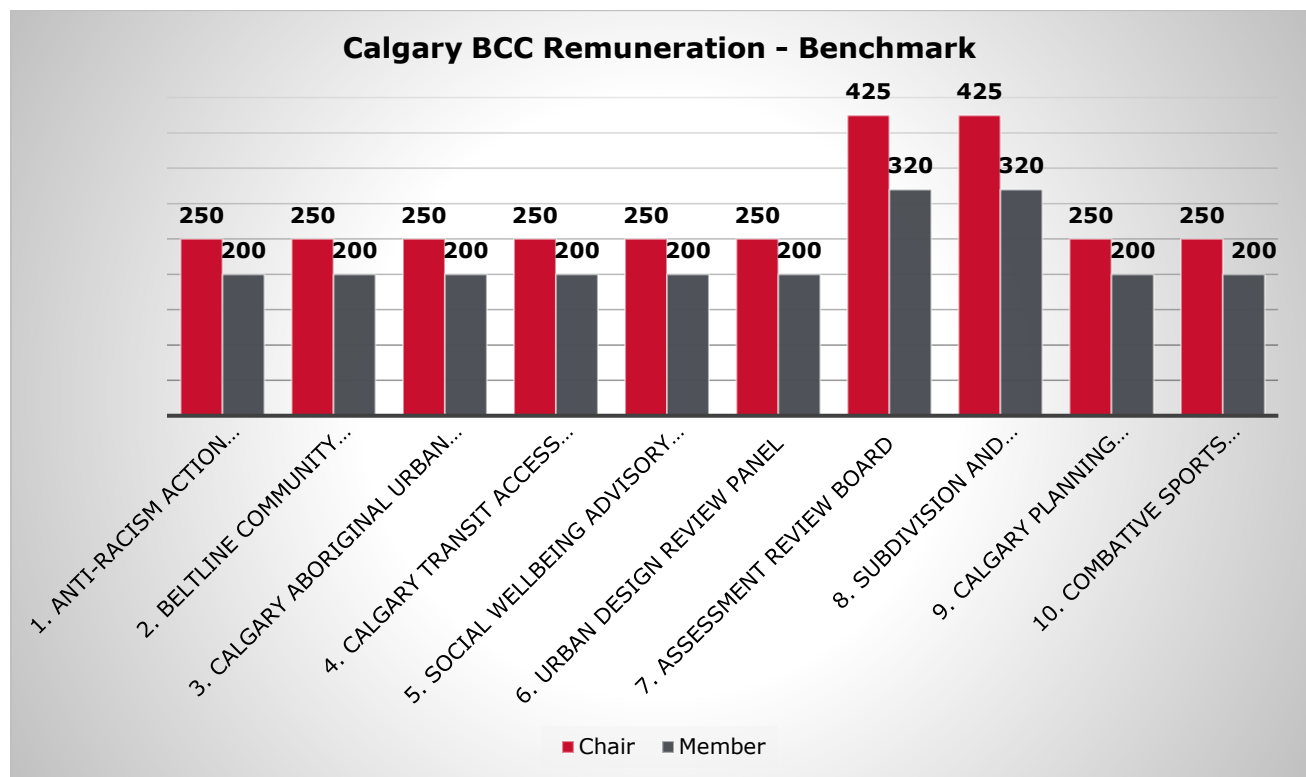


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**2. Option #2 – Match the benchmark (Edmonton)**

**Match the benchmark.** Edmonton is Calgary’s best comparator. Establish remuneration practices for advisory body volunteer public members that are comparable to the City of Edmonton’s remuneration policies.

- Pros: Achieves equity between Alberta’s largest cities. Shows some monetary appreciation for volunteer public members.
- Cons: Budget increase is required. Equity *between* Calgary BCCs is not achieved. It is unclear how Edmonton determined their BCC remuneration rates. These could be arbitrary values.



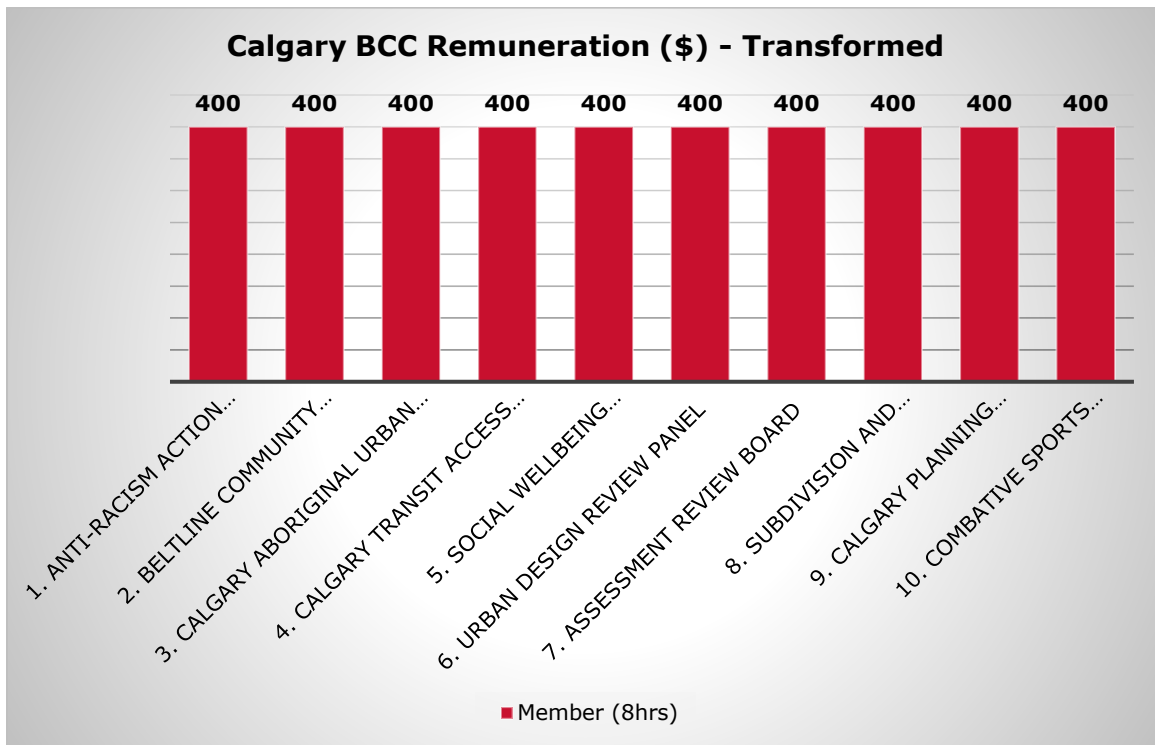


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**3. Option #3 – Transform the BCC Remuneration Process**

**Transform remuneration processes.** A new, innovative policy could 'raise the bar' and set a higher, thoughtful standard for BCC remuneration practices.

- Pros: Equity between Calgary BCCs can be achieved. Volunteer and corporate risk can be addressed. Barriers to BCC recruitment can be reduced. A transformative BCC remuneration policy could be used as a model for other jurisdictions.
- Cons: Higher budget impact. Higher administrative burden to develop and administer the policy. Financial motivation may impact board participation.
- A \$50 hourly base rate is presented for demonstration purposes. This equates to \$400 for a full day (8 hours). The hourly rate would incorporate fairness to both the public member and the taxpayer if BCC remuneration is based on **actual time spent**.
- The base hourly rate for all members. Additional hours spent on Chair duties would scale through the hourly rate.



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## **6.2 Policy Options – Expense Reimbursement**

Expense reimbursement options can follow a similar spectrum as the remuneration policy options:

### **1. Status quo**

- No change

### **2. Benchmark** (among Calgary BCCs)

- Apply the existing expense reimbursement options to all Calgary BCCs. Reimburse members consistently for transit, parking, childcare, and provide an equipment allowance if remote meeting access is expected.

### **3. Transformative** (consistent with the City of Calgary employees)

- Expense reimbursement procedures already exist within the corporation. Without completely 'reinventing the wheel' the existing procedures could be adapted to meet the unique needs of Calgary BCCs.

Transparency should be applied to the BCC expense reimbursement policy; in whatever form it becomes. There was a lack of clarity, or it was simply unknown, that certain expenses could be reimbursed for some BCC public members (e.g., childcare stipend, parking).

The opportunity cost is high for many BCC volunteer public members. These members repeatedly show up to serve the city, and they bring their own tools and resources (computer, dependent care, transportation, meals) without remuneration or expense compensation.

The generosity of volunteer members should not be taken for granted. As a rule of thumb, it should not cost BCC public members to serve the City.

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### **6.3 BCC Structures and Administrative Roles**

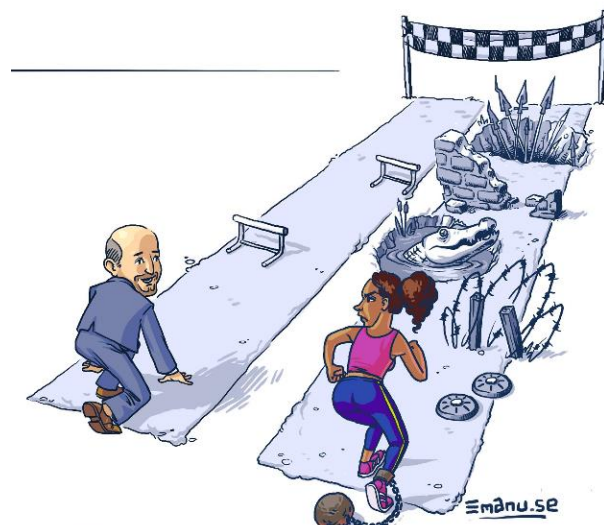
The jurisdictional scan showed that some Calgary BCC public member and volunteer roles included duties that were performed by employees in other jurisdictions. Examples include:

- **Adjudicative:** Calgary Assessment Review Board chair and vice-chair involvement in operations, scheduling, and finalizing all decision writing.
  - Other jurisdictions provide more administrative support to manage all operational matters, and public members focus on their adjudicative role to hear complaints and write draft decisions.
- **Advisory:** Calgary BCCs with a social lens on disadvantaged communities and underrepresented voices had highly dedicated, and overworked volunteers. Some were concerned about burnout.
  - Other jurisdictions have a stronger administrative presence with employees who are compensated and accountable such as the Indigenous Affairs Office department in the City of Toronto.
- **Regulatory:** The Calgary Combative Sports Commission public members were operationally focused, in addition to their regulatory role.
  - Other jurisdictions had provincial regulations. The City of Edmonton had an employee to manage operational aspects. An employee model would likely lower the individual and corporate risk of volunteer regulatory-focused members engaging in operations.
  - The use of planning commissions varied in other jurisdictions. The City of Edmonton maintains an Urban Planning Committee, consisting of four council members.

When BCCs are considered, it is important to question the best structure to ensure that Council's critical mandates are supported with appropriate resources. There is a higher degree of risk to business continuity with annual board appointments compared to highly accountable employment positions.

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## 6.4 The Principle of Equity



“What’s the matter?  
It’s the same distance!”

White Male Privilege Cartoon by Emanu  
(<http://www.emanu.se/>)

Using the principle of equity as a guide, honorarium and expense policies can be developed in a manner that attracts a broad, diverse range of community members who can contribute to the civic process and who will not otherwise be hindered by financial barriers—that is, opportunity costs for compensation and expenses incurred in the performance of civic duties.

And in line with evolving perspectives on civic engagement, there is a growing recognition of the value of offering honoraria for civic roles. This approach marks a shift from traditional expectations of unpaid civic duty, aligning with contemporary views on equity and fair compensation.

As cities have grown, as their populations have become more diverse, and as city life has become costly, and despite a desire by public sector organizations to encourage broad participation in civic matters that reflects and represents a city’s growing diversity and interests, honoraria and expense policies have typically not kept up, and as such, often encourages those in the community with financial and time flexibility to participate over those who do not. The recruitment process, time commitment, and remuneration structure skews towards candidates with more open schedules.

Equity also acknowledges the varying levels of effort, expertise, and impact that community members bring to the table. This means that committees requiring certain experiences may benefit from compensation that encourages those in the community that have these experiences to participate. For example, for those who are hard to reach, underrepresented or seldom heard, special compensation considerations can be made.

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## **6.5 Clarity and Consistency**

The development of a consistent remuneration and expense policy plays a key role in establishing clarity and predictability for public participation in civic roles. Consistency ensures that BCC members have a clear understanding of what to expect for compensation and expenses covered. A related policy could be developed and applied consistently across all BCCs.

BCC members would benefit from greater clarity and transparency on expense reimbursements. Core expense categories can be clearly outlined in publicly available information about the committee, allowing prospective applicants and the public to see what expenses may be reimbursed.

Core expense items may include: parking, transit, and mileage. Other expense items can be outlined in addition to these core items when relevant or when there is policy direction. For example, dependent care, meals, accommodations, training/conference and technology expenses can be outlined in public information about the committee.

Limitations should be clearly outlined as well and kept consistent when appropriate between BCCs.

Equally important is the accessibility and visibility of this policy information. Ensuring that these details are readily available and easy to understand allows for greater transparency. Visibility in this regard can involve clear communication through the city's website and informational packages related to the committee.

## **6.6 Strategy Advancement**

The City of Calgary has numerous strategies and initiatives. A BCC remuneration and expense policy could be one more tool to advance Council's strategic efforts.

For example:

- Anti-Racism strategic plan: BCC remuneration would help remove barriers to BCC participation.

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- Environmental/Climate: Working from home through electronic meetings reduces the need for travel and reduces the corporate office footprint.
- Gender Equity, Diversity and Inclusion strategy development (GEDI): Remuneration would help remove barriers to BCC participation.
- Transportation: Provide full reimbursement for transit as an incentive to use transit, rather than driving.
- White Goose Flying Report: Calgary Aboriginal Urban Advisory Committee volunteers are 'stretched thin.' Additional resources may be needed through the Calgary Indigenous Relations Office.

## **6.7 Hourly Rate Model**

While the external review of committees demonstrated that the most common form of presenting honorarium rates are by full or half-day, an argument can be made for presenting per-hour rates instead.

Considering that compensation is often compared to an hourly wage, an honorarium presented in an hourly rate format is easier to understand and compare with. For example, a committee applicant may compare the hourly rate for the honorarium with their current hourly wage and the minimum or living wage to determine whether they should participate on a BCC. Hourly rate remuneration is a typical compensation model and should not be much more complicated to track and administer than the half and full day rate remuneration model.

Public members generally felt that remuneration for meeting preparation was unfair. Some were not compensated for their preparation time. Some received minimal flat rate compensation (\$50-\$100) for case review meeting prep regardless of the file complexity and page volume.

An hourly rate also provides flexibility should committee meetings end sooner than expected or go overtime. Hourly rates scale with the workload and are a more precise measure of the actual number of hours spent. The City of Winnipeg Board of Revision is an external example of an hourly rate remuneration model in practice. The Calgary SDAB decision writing hourly rate for regular members is an internal example of this model in use.

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## **6.8 Remuneration for Cancelled Hearings**

Adjudicative complaint hearings may not be needed if the parties are able to reach agreement and resolve the matter prior to a scheduled hearing date. This is common in adjudicative settings. Timely resolution between parties is arguably the best outcome to settle matters of dispute informally, on their own. Parties can avail themselves to a formal, quasi-judicial hearing process if needed.

The Calgary ARB weekly hearing schedule was impacted with a recent +80% complaint settlement rate prior to hearings.

Calgary ARB members are paid for the first day of the week if their scheduled week of hearings were cancelled on the first day. They are not paid for the remaining cancelled hearing days.

Some members felt frustrated when hearings were cancelled. Some referred to this as 'standby pay' as members set aside time to participate in these hearings. It was also reported to be more difficult to keep member's skills sharp with a significantly reduced number of hearings in recent years.

Some Calgary ARB members compared their hearing cancellation procedure to the Provincial LPRT members. The LPRT members were reportedly paid for two days if their CARB hearings were cancelled for the week. Calgary ARB members felt that the cancellation pay was not equitable between members serving on the same CARB panel.

The Edmonton ARB is similar to the Calgary ARB cancellation procedure where members are not paid for scheduled hearings if cancellation is provided with 24 hours advance notice.

Objectively, resolution between parties prior to a formal hearing is inherent within adjudicative roles. Resolution is the objective. A timely, agreeable decision among parties is ideal, and preferred to a formal, third-party process.

Calgary's remuneration practice for cancelled ARB hearings is more than generous, and it is in line with the Edmonton benchmark comparator.

It could also be argued that a phase out of ARB hearing cancellation pay is fair and in line with broader industry practices where adjudicators are paid when, and only if needed.

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## **7. SAGE RECOMMENDATIONS**

### **7.1 BCC Remuneration**

**SAGE recommends** that remuneration be provided equitably to all Council-appointed BCC public members.

And that the remuneration rates be at least consistent with the City of Edmonton, which is Calgary’s closest comparator.

### **7.2 Expense Reimbursement**

**SAGE recommends** that expense reimbursement be provided to all Council-appointed BCC public members, which is comparable to the City of Calgary’s employee expense reimbursement procedures.

And that BCC public members be compensated for technology expenses when their role requires or enables electronic meetings.

### **7.3 Strategy Alignment**

**SAGE recommends** that the BCC remuneration and expense policy consider Council’s broad strategic initiatives, and that where possible, the policy be used to reduce barriers to participation, and provide incentives to advance Council’s strategic initiatives.

### **7.4 Risk Management**

**SAGE recommends** that the City obtain legal advice on the apparent individual and organizational risk of certain BCC public members performing operational duties.

And that BCCs are adequately resourced to fulfill their mandates.

### **7.5 BCC Consultation**

**SAGE recommends** that additional consultation be conducted with all BCCs to fulfill Council’s direction on any draft policy:

***“Input from Boards, Commissions, and Committees  
on the draft policy, before it is presented to Council.”***



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## **8. APPENDIX**

### **8.1 Survey Template Example**

A survey template example is included as an appendix. This shows the specific questions and response categories.

A survey example is provided below, showing the project introduction, FOIP statement, committee details, and survey questions:

#### **1A. 2023-09 Anti-Racism Action Committee City of Calgary BCC Member Survey - Remuneration and Expense Policy Research SAGE Analytics Inc.**

##### **Project Introduction**

Calgary City Council directed City Administration to prepare an equitable remuneration and expense policy applying to all Council-established Boards, Commissions, and Committees (BCCs) with public members by Q1 2024 (January 24, 2023 meeting).

SAGE Analytics Inc. (SAGE) is contracted (June-September 2023) to conduct independent internal and external research and provide recommendations to inform the BCC remuneration policy development.

A cross-section of 10 Calgary BCCs, from the 86 total, were selected by administration as a representative research sample. This includes a BCC that you are appointed to.

This BCC member survey is part of the internal research and is administered by SAGE.

Your input and participation in this survey is strongly encouraged, though voluntary.

Survey responses will be anonymized.

SAGE will analyze the survey results and provide a summary report to administration in late-July 2023, including all comments received.

This survey will remain open until Monday, July 10, 2023.

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Estimated completion time is 10-20 minutes.

Contact SAGE directly if you have questions, or technical issues:

CalgaryBCC@SageAnalytics.ca

780-901-4451 - Shari-Anne Doolaeye 780-812-5175 - Chris Cambridge

**FOIP Statement:**

The personal information on this form is collected by The City of Calgary under the authority of Section 33(c) of the Alberta Freedom of Information and Protection of Privacy Act. The personal information will be used to administer the project about developing equitable remuneration and expense policy applying to all Council-established Boards, Commissions, and Committees with public members. The personal information provided by you will neither be accessible to nor reviewed by The City officials and only the de-identified aggregated information will be provided to The City Council and relevant City Departments by SAGE; a third-party commercial entity contracted by The City to conduct this survey.

Additional equity, diversity, inclusion and belonging optional personal information is being collected at the direction of Council of The City of Calgary for the purpose of re-evaluating The City of Calgary's internal practices and policies through these lenses. Personal information provided through this survey will be retained by The City for no more than 3 months after the survey is concluded and then it will be permanently destroyed or as soon as the final report is submitted by SAGE to The City Council, whichever occurs first. If you have any questions or concerns about the collection or use of this information, please contact the **Leader, Municipal Boards & Governance, City Clerk's Office, The City of Calgary, 1st Floor, 313 - 7th Avenue SE, Calgary, AB. T2G 2M3 or call 403-268-5901.**

\* Q1. I have read the above FOIP Statement.

Yes

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**Committee Details - Anti-Racism Action Committee**

**Internal research** to date for the Anti-Racism Action Committee shows the following:

**Guiding documents:**

2022 Terms of Reference City of Calgary Anti-Racism Strategic Plan City of Calgary Commitment to Anti-Racism

Note: This is established as an 'action' committee, in contrast to an 'advisory' committee.

**Membership:**

13-members, including two Co-chairs, and up to 2 SLT members (non-voting) Access to three city administrative support staff **Subcommittees:**  
Internal working groups

**Time commitment:**

Members:

- 10-12, 2-hour monthly committee meetings
- 10-12, 2-hour monthly working group meetings plus action items
- 6 hours of attendance at activities and events

Co-chairs:

- 10-12, 2-hour monthly committee meetings
- 10-12, 1-hour monthly working group meetings
- 12-24, 2-hour additional monthly meetings and follow up as required
- 4, 1-hour quarterly meetings with City leadership
- 12 hours of attendance at activities and events

**Remuneration:**

Voluntary, no direct compensation for meetings, or activities.

Some incidental expenses are paid or reimbursed: Parking during meetings, meeting room space, refreshments No equipment expense provided.

A childcare stipend is provided to members if requested.

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Q2. Are the above internal research details correct?

Yes  No  Not sure

Share any additional details regarding remuneration and expenses for your BCC. Please do not provide information that could be used to personally identify you.

**BCC Involvement**

**Lived Experience and Professional Competency:**

Several BCC recruitments involve both lived experience and professional or technical competency. Use the sliding scales below to show how important each of these aspects are for you to fulfill your BCC appointment responsibilities.

3. Q3. **Lived Experience:**

0 - Less Important Lived Experience  10 - Highly Important

4. Q4. **Professional Competency:**

0 - Less Important Professional Competency  10 - Highly Important

5. Q5. **Time commitment:** How much time do you dedicate to this BCC in an average month (including meetings, meeting prep, and all activities)?

0 less than 5 hours  5-10 hours  11-20 hours  21-30 hours  31 or more hours  Not sure

6. Q6. **Paid by employer:** My participation on this BCC is part of my regular employment with the City of Calgary, or another employer.

Yes  No

Not applicable

7. Q7. **Time off:** I am not employed by the City of Calgary, and I use some vacation time from my employment to participate on this BCC.

Always  Usually  Sometimes  Rarely  Never

Not applicable

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8. Q8. **CEE:** My BCC involvement qualifies for professional development credits or continuing education and engagement (CEE) for a professional organization that I belong to.
- Yes  No
- Not sure  Not applicable
9. Q9. **Additional BCCs:** Do you serve on other BCCs or sub-committees for the City of Calgary?
- Yes. I serve on one or more additional BCCs.
- No
- No. Though I serve on similar community organizations that are not administered by the City of Calgary.
10. Q10. **BCC Remuneration:** Some City of Calgary BCCs provide remuneration to their public members and some BCCs have volunteer public members. In your opinion, is this current remuneration practice acceptable?
- Yes  No
- Not sure Comments: Please do not provide information that could be used to personally identify you.
11. Q11. **Volunteer:** I would volunteer (or continue to volunteer) my time to fulfill my BCC responsibilities without pay. Rate your level of agreement.
- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree  Strongly disagree

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12. Q12. **Recruitment:** In your opinion, are there any barriers to BCC recruitment or ongoing public member participation?

Yes  No

Don't know Please describe.

13. Q13. **Appreciation:** I feel appreciated for the work I do in my BCC role. Rate your level of agreement.

Strongly agree

Agree

Neither agree nor disagree

Disagree  Strongly disagree

**Tell us about yourself.**

Member responses to these questions will allow SAGE to analyze board member composition and the intersectionality of factors.

14. Q14. **Age:** What is your current age?

18-34

35-49

50-64

65-79

80 or older  Prefer not to say

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15. Q15. **Representation:** Do you identify as a member of any of the following communities or populations whose voices have been traditionally underrepresented? Select all that apply.

- 2SLGBTQIA+ community
- Black community
- Indigenous community
- Racialized community
- Women
- Person with a disability
- Prefer not to say
- Other (please specify)

Please do not provide information that could be used to personally identify you.

16. Q16. **Employment:** Describe your professional involvement **in addition to** your BCC appointment. Select all that apply.

- I am not presently employed.
- I work part-time.
- I work full-time.
- I work at more than one job.
- I work some overtime in a typical week.
- I volunteer at one or more other organizations.
- I am a business owner, or partner.
- I am a student, or recent post-secondary graduate (within the last year)
- I am near the beginning of my career.
- I am at a mid-point in my career.

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I am near retirement.

I am retired.

Prefer not to say

17. Q17. **Household income:** What is your approximate average household income?

\$0-\$49,999

\$50,000-\$99,999

\$100,000-\$149,999

\$150,000-\$199,999

\$200,000 and up  Prefer not to say

18. Q18. **Financially secure:** I feel financially secure.

Yes  No

Prefer not to say

**Closing comments**

19. Q19. **Other comments:** Is there anything else that you would like to share or expand on related to this BCC remuneration and expense policy research?

Please do not provide information that could be used to personally identify you.



## Summary of Work Phases to Develop Council Policy

### Phase One: Identification of Scope

Administration determined which Boards, Commissions and Committees (“BCCs”) were in-scope of Council’s direction through its adoption of Notice of Motion EC2022-1371. A sample of ten BCCs from Advisory Bodies, Adjudicative Bodies, and Regulatory Bodies were selected by Administration to be part of the evaluation and research of this project.

The list of in-scope BCCs, the ten BCCs selected for evaluation, and the out-of-scope BCCs are provided in Attachment 2.

### Phase Two: Engagement of an External Consultant

Administration procured an external consultant, SAGE Analytics Inc. (“SAGE”), to conduct research and provide Administration with equitable remuneration and expense policy recommendations.

SAGE’s research included environmental scans of comparable jurisdictions and a comprehensive governance document review. SAGE also interviewed BCC Chairs, Co-Chairs, Vice-Chairs, and City Administrative Resources serving on the ten sample BCCs identified in Phase One. SAGE surveyed all Public Members serving on the ten sample BCCs identified in Phase One to gather more feedback on policy recommendations.

SAGE submitted its final report and provided Administration with the following policy development options:

1. Maintain status quo by inaction;
2. Match the benchmark by establishing remuneration practices for Public Members that are comparable to The City of Edmonton’s remuneration policies; or
3. Transform the BCC remuneration process by establishing a new and innovative policy that could set a higher, thoughtful standard for BCC remuneration practices.

The details of SAGE’s internal and external findings, and their final recommendations on a BCC remuneration and expense policy are provided in Attachment 3A.

### Phase Three: Development of a Draft Council Policy

After considering SAGE’s findings, Administration decided to develop a draft Council Policy that would promote equity and reduce obstacles to participation on Council-established BCCs, in alignment with SAGE’s third policy option recommendation (see above). The proposed Council Policy was constructed using a social equity lens and focus was given to expanding opportunities for Calgarians’ participation as Public Members while promoting community engagement. The proposed remuneration rates were determined after reviewing existing rates of Calgary Council-established BCCs and City of Edmonton rates.

## **Phase Four: Engagement of BCCs**

The main objective of BCC Engagement was to facilitate discussion around the draft Council Policy and gather feedback and insight from BCC leadership and Administrative Resources.

Administration facilitated four engagement sessions. These sessions had 45 participants in total (22 Public Members from BCC leadership and 23 BCC Administrative Resources). The draft Council Policy was distributed to engagements session participants before the sessions.

Feedback, comments, and recommendations on the draft Council Policy were collected by asking the following questions:

- What are your thoughts on the draft policy?
- What needs to be changed?
- What needs to be kept the same?
- What is missing from the policy?

Administration encouraged BCC leaders and Administrative Resources, including those who were not able to attend the engagement sessions, to provide feedback for incorporation into the proposed Council Policy.

### Key Themes of the Engagement:

Overall, the proposed Council Policy was well received by BCC leaders and Administrative Resources. Three main themes emerged during the facilitated engagement sessions:

- Considerations for dependent care;
- Remuneration for preparation time; and
- Clarification of 'Meeting' and 'Public Member' definitions.

An overview of the engagement feedback is presented in Attachment 5.

## **Phase Five: Finalization of Proposed Council Policy and Cost Estimates**

### Council Policy

To finalize the proposed Council Policy, Administration considered SAGE's recommendations and the feedback collected during the engagement sessions. Attachment 5 presents an explanation of how SAGE's recommendations and the engagement feedback from BCCs were considered in developing the proposed Council Policy.

The proposed Council Policy aims to acknowledge and recognize the totality of Public Members' service to BCCs by remunerating their participation in BCC meetings. Public Members' preparation for Council-established BCC meetings and review of meeting materials are integral to meeting participation and are recognized through the remuneration of Public Members' participation at City BCC meetings.

Cost Estimates

High-level cost estimates were calculated by Administration for all in-scope BCCs that will be affected by the proposed Council Policy. The cost estimation was performed with certain assumptions and averages. Associated direct costs include remuneration for meetings, a technology allowance, and expense reimbursement. There are also indirect costs associated with the policy, including the resourcing of temporary and permanent positions to support implementation and delivery of the activities directed by the proposed Council Policy. The summary cost estimate is provided in Attachment 6.



## SAGE Recommendations and BCC Engagement Summary

SAGE ANALYTICS' RECOMMENDATION No. 1 <b>BCC REMUNERATION</b>	RECOMMENDATIONS AND COMMENTS GATHERED DURING BCC ENGAGEMENT SESSIONS	HOW WAS THIS ADDRESSED IN THE PROPOSED POLICY?
<p>That remuneration be provided <b>equitably</b> to all Council-appointed BCC Public Members.</p> <p>And that the remuneration rates be at least <b>consistent</b> with the City of Edmonton, as Calgary's closest comparator.</p>	<ul style="list-style-type: none"> <li>▪ Create <b>separate remuneration categories for the chair and vice-chair</b>. Chairs' duties and responsibilities include chairing meetings, ensuring quorum, representing the BCC, presenting to Council, interacting with the public and speaking to media.</li> <li>▪ Include provisions for a Public Member <b>acting for the chair, vice-chair, or co-chair</b>.</li> <li>▪ Implement an <b>hourly rate</b> instead of the proposed pay bands. An hourly rate would allow flexibility to remunerate work outside of meetings and create transparency for potential applicants during recruitment.</li> <li>▪ Clarify "<b>equal pay</b>" intent or consider replacing reference to "equity" with "equality".</li> <li>▪ Remunerating everyone at the same rate does not recognize the variation in experience and expertise that Public Members contribute, and may undermine The City's ability to <b>attract candidates</b> in some areas.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Remuneration, allowances and reimbursement of expenses does not aim to constitute a salary or wage. The purpose of the proposed Council Policy is to help <b>recognize the value of the services and contributions</b> provided by Public Members to BCCs and to <b>promote a reduction of barriers to participation</b> through remuneration, allowances and the reimbursement of expenses.</li> <li>▪ All Public Members (excluding chairs, vice-chairs, and co-chairs) across in-scope BCCs are remunerated at the same rate.</li> <li>▪ The <b>Chair, Vice-Chair and Co-Chair positions</b> are remunerated at higher rates than other Public Members to account for additional responsibilities. There are distinct rates for Chairs and distinct rates for Vice-Chairs and Co-Chairs.</li> <li>▪ Public Members <b>acting for the Chair, Vice-Chair or Co-Chair</b> will be remunerated accordingly.</li> <li>▪ The proposed Council Policy recognizes the contributions of Public Members to Council-established BCCs in the form of an honorarium, while preserving the concept of voluntarism.</li> <li>▪ Compensation based on hourly rates is avoided as a general rule, and the full scope of Public Members' contributions to BCCs, including meeting preparation and other duties, are recognized through remuneration for Public Members' participation in BCC meetings.</li> </ul>

<b>SAGE ANALYTICS’ RECOMMENDATION No. 2 EXPENSE REIMBURSEMENT</b>	<b>RECOMMENDATIONS AND COMMENTS GATHERED DURING BCC ENGAGEMENT SESSIONS</b>	<b>HOW WAS THIS ADDRESSED IN THE PROPOSED POLICY?</b>
<p><b>Expense reimbursement</b> comparable to the City of Calgary’s employee expense reimbursements should be provided to all Council-appointed BCC Public Members.</p> <p>BCC Public Members should be <b>compensated for technology</b> expenses when their role requires participation in electronic meetings.</p>	<ul style="list-style-type: none"> <li>▪ Consider a <b>stipend</b> in place of allowances and expenses, which would offer greater flexibility for members to participate.</li> <li>▪ Consider an <b>allowance for associated expenses</b> instead of a technology allowance (could encompass the care of dependents).</li> <li>▪ Consider a <b>flat rate</b> of \$50 per month to participate – that rate could be applied to internet, transit, parking, etc.</li> <li>▪ Consider including <b>training</b> so that required courses or training expenses are covered (onboarding, eScribe, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Public Members may claim an annual <b>allowance</b> (flat rate) for technology costs if they participate in meetings remotely.</li> <li>▪ Public Members may be reimbursed <b>reasonable expenses</b> for the cost of accessibility supports, dependent care, transit fares, parking and meals.</li> <li>▪ <b>Training</b> such as onboarding will continue to be provided by Administration</li> </ul>

<b>SAGE ANALYTICS’ RECOMMENDATION No. 3 STRATEGY ALIGNMENT</b>	<b>RECOMMENDATIONS AND COMMENTS GATHERED DURING BCC ENGAGEMENT SESSIONS</b>	<b>HOW WAS THIS ADDRESSED IN THE PROPOSED POLICY?</b>
<p>That the BCC remuneration and expense policy consider Council’s broad strategic initiatives, and that where possible, the policy be used to <b>reduce barriers to participation</b>, and provide incentives to advance Council’s strategic initiatives.</p>	<ul style="list-style-type: none"> <li>▪ Review allowances and reimbursement of expenses with an <b>accessibility lens</b>.</li> <li>▪ Include definitions for disability (umbrella term) or accessibility from the <b>Accessible Canada Act</b>.</li> <li>▪ Consider including alternative <b>transportation</b> (taxi/ride-share) if there is a <b>disability</b> that may require this type of <b>transport</b>.</li> <li>▪ Consider offering <b>safe ride</b> if there are after-hours commitments for Public Members.</li> <li>▪ Consider including <b>dependent care</b>; without it, the proposed Council Policy lacks <b>gender equity</b>, is unfair and creates a barrier to those caring for a child, an elder or a person with special needs.</li> <li>▪ Consider how remuneration payments could create unintended consequences for those who receive <b>income supports</b> (Assured Income for the Severely Handicapped (AISH), Employment Insurance (EI), Pension, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reasonable expenses for <b>accessibility supports</b> required by a Public Member experiencing a <b>disability</b>, as defined in the <i>Accessible Canada Act</i>, to participate in BCC meetings will be reimbursed to the Public Member, if not provided by Administration or funded by another source.</li> <li>▪ BCC chair may approve reimbursement of reasonable expenses for <b>taxi or ride-share</b>.</li> <li>▪ Reasonable expenses will be reimbursed for the cost of <b>dependent care</b>, up to \$1,000 annually.</li> <li>▪ Public Members may opt out of receiving remuneration, allowances or reimbursement of expenses for any reason, including <b>unintended consequences</b> for taxation or eligibility for social programs.</li> </ul>

<b>SAGE ANALYTICS' RECOMMENDATION No. 4 RISK MANAGEMENT</b>	<b>RECOMMENDATIONS AND COMMENTS GATHERED DURING BCC ENGAGEMENT SESSIONS</b>	<b>HOW WAS THIS ADDRESSED IN THE PROPOSED POLICY?</b>
<p>That the City obtain legal advice on the apparent individual and organizational risk of certain BCC Public Members performing <b>operational duties</b>.</p> <p>And that <b>BCCs are adequately resourced</b> to fulfill their mandates.</p>	<ul style="list-style-type: none"> <li>▪ BCC Public Members and Administration raised concerns about lack of guidance in the proposed Council Policy on the <b>frequency of payment</b> of remuneration, allowances and reimbursement of expenses.</li> <li>▪ Streamlining process is important so that the <b>additional administrative work</b> required to implement the proposed Council Policy is not prohibitive.</li> <li>▪ Create a SharePoint <b>resource page</b> that would include the proposed Council Policy, payroll forms, timesheet samples, sample bylaws, etc.</li> <li>▪ <b>Additional administration resources</b> will be needed to manage remuneration.</li> <li>▪ If this proposed Council Policy is adopted, <b>administrative committees</b> may need to create an administrative policy to offer remuneration to properly compensate Public Members serving on administrative committees for their contributions.</li> </ul>	<ul style="list-style-type: none"> <li>▪ A clause was added regarding <b>frequency of payment</b> of remuneration, allowances and reimbursement of expenses.</li> <li>▪ Enumerating <b>ineligible expenses</b> helps Administrative Resources to approve or deny reimbursement.</li> <li>▪ A clause was added to establish expectations around <b>timely submission of information</b> required for payment of remuneration, allowances and reimbursement of expenses.</li> <li>▪ To reduce the ambiguity of <b>administrative responsibility</b>, clarification was added throughout the proposed Council Policy regarding roles for Council, Public Members, Administrative Liaisons, BCC Chairs and City of Calgary Administration in establishing guidelines for implementation and coordination.</li> </ul>



<b>SAGE ANALYTICS’ RECOMMENDATION No. 5 BCC CONSULTATION</b>	<b>RECOMMENDATIONS AND COMMENTS GATHERED DURING BCC ENGAGEMENT SESSIONS</b>	<b>HOW WAS THIS ADDRESSED IN THE PROPOSED POLICY?</b>
<p>That additional consultation be conducted with all BCCs to fulfill Council’s direction on any draft policy: “Input from Boards, Commissions, and Committees on the draft policy, before it is presented to Council.”</p>	<ul style="list-style-type: none"> <li>▪ Clearly define “<b>meeting</b>” – e.g. consider consultations and engagement, working groups, subcommittees, and presentations to Council.</li> <li>▪ Remunerate <b>meeting preparation time</b>. The review of meeting materials often takes more time than the meeting, and this work is arguably just as important as the meeting.</li> <li>▪ Remunerate work on <b>subcommittees</b>. Subcommittees and working groups complement the work of the main BCCs. Appointed members should be fairly compensated for their time.</li> <li>▪ How to address Public Members being <b>contacted by Administration</b> to “review” projects?</li> <li>▪ Clearly define “<b>Public Member</b>” and the applicability of the proposed Council Policy. Consideration needs to be given to how a member is recruited and appointed, and whether the member is a <b>non-binding nominee</b>.</li> <li>▪ Exclude <b>representatives of organizations</b> and members who are otherwise already remunerated for their contributions.</li> <li>▪ Clarify “<b>applicability</b>” and specify that the proposed Council Policy does not apply to Business Improvement Areas, Civic Partners, Wholly Owned Subsidiaries, or committees with Public Members established by these bodies.</li> <li>▪ Need <b>transparency</b> on recruitment, Chair election and meeting minutes.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Public Members will be remunerated for participating in <b>BCC meetings</b>, as reflected by the BCC meeting minutes.</li> <li>▪ <b>Preparation</b> for a BCC meeting and review of meeting material forms an integral part of meeting participation and is recognized through remuneration of the Public Member’s attendance at the BCC meeting.</li> <li>▪ Only BCC <b>subcommittees</b> established by Council are in scope of the proposed Council Policy.</li> <li>▪ <b>Public Member</b> has been included as a defined term in the proposed Council Policy.</li> <li>▪ A clause was added to address situations when remuneration would not be paid. Specifically, Public Members who receive remuneration, allowances or reimbursement of expenses for work performed on the BCC from an <b>employer, organization or another entity</b> are not eligible for remuneration under the proposed Council Policy.</li> <li>▪ The proposed Council Policy does not apply to BCCs established by <b>Civic Partners, Business Improvement Areas or Wholly Owned Subsidiaries</b>.</li> <li>▪ Commitment to <b>transparency</b> through regular policy reviews, publishing the proposed Council Policy online, and disclosing the total annual remuneration, allowances and expense reimbursements provided to Public Members.</li> </ul>



## Cost Estimate Summary

Associated direct costs of implementing the proposed Council Policy include Public Member remuneration for participation in Board, Commission and Committee (“BCC”) meetings, a technology allowance, and reimbursement of reasonable expenses. There are also indirect costs associated with implementing the proposed Council Policy, including temporary and permanent position resources.

The direct cost estimation was performed using the following assumptions:

- The number of anticipated meetings for each BCC is based on the number of meetings noted in the governance documents or otherwise reported to The City Clerk’s Office.
- There are some instances where BCCs have governing documents that provide for the remuneration of Public Members under Bylaw authority. The direct cost estimate assumes these Public Members will continue to be remunerated under those criteria and are not included in the cost estimates. The BCCs under Bylaw authority which are not included in the cost estimate are the Assessment Review Board, Calgary Police Commission, Combative Sports Commission, Green Line Board, Licence and Community Standards Appeal Board, and Subdivision and Development Appeal Board.
- The Council Advisory Committee on Housing will be established later this year. The number of Public Members is estimated at the maximum based on the Terms of Reference document. Frequency of meetings is assumed monthly with additional time allocated to the committee Chair.
- The direct cost estimate assumes that Council will establish two additional BCCs, and assumptions about the size and meeting frequency are based on the median of in-scope BCCs.
- Parking rates and transit fares are calculated for all in-scope BCCs. It is assumed that 90% of Public Members will claim parking expenses and 10% of Public Members will claim transit fares. Maximum parking rates were used based on Calgary Parking Authority rates in the downtown area.
- Meal expenses have been calculated for all in-scope BCCs. The meal calculation includes the number of meetings which are anticipated to exceed four hours. The meal allowance is based on the maximum allowable dinner expense under the City of Calgary *Supporting Procedures for Reimbursement of Employee Business Expenses*.
- It is assumed that all Public Members will claim the maximum technology allowance.
- It is estimated based on data from Statistics Canada that, on average, 20% of Public Members will claim dependent care expenses. It is also assumed that the maximum amount will be claimed.
- The number of Public Members that likely require accessibility supports has been estimated based on data from Statistics Canada. An average of \$500 was used to estimate the potential reimbursement per Member who fits the proposed criteria.

The indirect cost estimation assumes that additional staffing resources will be required to create business procedures and support implementation of the policy. In year one, work will be focused on development and creating tools for policy implementation. This will require two temporary staffing resources and one permanent staffing resource.

In year two, the proposed Council Policy would be in effect, and implementation will be refined, requiring two temporary and three permanent staffing resources. By year three, process implementation will be completed, and the associated indirect costs include three permanent staffing resources to administer and support implementation, including annual training design and delivery to the in scope BCCs on eligible reimbursements and expense practices.

Below is an overall summary of the direct and indirect costs, followed by a more detailed chart per BCC.

<b>Total Estimated Cost to Implement Proposed Policy</b>	
<b>Direct Costs (rounded)</b>	
Meeting Remuneration	\$ 429,000
Expense Reimbursement (Transit, parking, meals, dependent care)	\$ 98,000
Technology Allowance	\$ 109,000
Other Expenses payable in the Council Policy, such as, accessibility supports	\$ 13,000
Estimated additional two BCCs created in 2025-2026	\$ 60,000
Contingency (10%)	\$ 71,000
<b>Total Estimated Direct Costs</b>	<b>\$ 780,000</b>
<b>Indirect Costs (rounded)</b>	
Two Limited-Term Resources	\$ 274,000
Three Permanent Resources	\$ 321,000
<b>Total Estimated Indirect Costs</b>	<b>\$ 595,000</b>
<b>Total Estimated Annual Indirect Costs (Year 1)</b>	<b>\$ 383,000</b>
<b>Total Estimated Annual Direct and Indirect Costs (Year 2)</b>	<b>\$ 1,380,000</b>
<b>Total Estimated Annual Direct and Indirect Costs (Year 3+)</b>	<b>\$ 1,100,000</b>

Board, Commission, or Committee	Total Estimated Meeting Remuneration, Expenses & Allowance
Advisory Committee on Accessibility	\$ 39,000
Anti-Racism Action Committee	\$ 30,000
Arts Commons Advisory Committee	\$ -
Audit Committee	\$ 15,000
Beltline Community Investment Fund Committee	\$ 23,000
BiodiverCity Advisory Committee	\$ 24,000
Calgary Aboriginal Urban Affairs Committee	\$ 33,000
Calgary General Hospital Legacy Fund Review Committee	\$ 3,000
Calgary Planning Commission	\$ 36,000
Calgary Salutes Coordinating Committee	\$ 12,000
Calgary Salutes Committee-Education and Training Subcommittee	\$ 31,000
Calgary Salutes Committee-Friends of HMCS Calgary Subcommittee	\$ 31,000
Calgary Salutes Committee-Heritage and History Subcommittee	\$ 31,000
Calgary Transit Access Eligibility Appeal Board	\$ 26,000
Climate Advisory Committee	\$ 35,000
Community Peace Officer Oversight Committee	\$ 8,000
Council Advisory Committee on Housing (to be established in 2024)	\$ 93,000
Event Centre Committee	\$ 4,000
Multisport Fieldhouse Committee	\$ 2,000

Social Wellbeing Advisory Committee	\$ 29,000
Urban Design Review Panel	\$ 101,000
Ward Boundary Commission*	\$ 31,000

\*BCC with a current bylaw stipulating remuneration but does not have an allocated based operating budget

# Background and Previous Council Direction

## Background

Council, at its 2023 January 24 Regular Meeting, adopted Notice of Motion EC2022-1371 and directed Administration to return to the Executive Committee by Q1 2024 with an equitable remuneration and expense policy for Public Members appointed by Council to Council-established Boards, Commissions and Committees (“BCCs”) where The City is responsible for the payment of remuneration and expenses.

## Previous Council Direction

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2023 January 24	EC2022-1371	<p><b>Notice of Motion - Establishment of a Remuneration and Expense Policy for Council - Established Boards, Commissions, and Committees, EC2022-1371</b></p> <p>That with respect to Notice of Motion EC2022-1371, the following be adopted:</p> <p>Direct Administration to return to Executive Committee by Q1 2024 with an equitable remuneration and expense policy applying to all Council-established BCCs that have Public Members appointed by Council where The City is responsible for the payment of remuneration and expense which incorporates:</p> <ul style="list-style-type: none"><li>• A consideration of the unique mandates, terms of reference and legislated requirements that apply to tribunals and other BCCs; and</li><li>• Best practices identified through a scan of remuneration and expense policies and practices for volunteer Public Members in comparable jurisdictions and organizations; and</li><li>• Input from Boards, Commissions, and Committees on the draft policy, before it is presented to Council.</li></ul>

2022 November 01	EC2022-0524	<p><b>Summary of Administrative Resources and Remuneration of Boards, Commissions and Committees, EC2022-0524</b></p> <p>With respect to item 7.13 in the Consent Agenda adopted by Council:</p> <p>That Council receive Administration’s summary of the current administrative resourcing and remuneration of Boards, Commissions and Committees (Attachments 1 and 2) for the Corporate Record.</p>
2022 July 26	EC2022-0867	<p><b>Deferral Request – Resources and Remuneration of BCCs Due 2022 July, to Return 2022 September, EC2022-0867</b></p> <p>That Council defer reporting on Board, Commission and Committee (“BCC”) administrative resources and remuneration due in 2022 July, to instead return to the 2022 September 29 Meeting of the Executive Committee.</p>
2022 March 29	CD2022-0361	<p><b>Establishment of a Climate Advisory Committee, CD2022-0361</b></p> <p>That with respect to Report CD2022-0361, the following Motion Arising be adopted:</p> <p>That Council direct Administration to prepare a summary of current administrative resources and remuneration of Boards, Commissions and Committees and report to Executive Committee no later than 2022 July.</p>

## Bylaws, Regulations, Council Policies

The proposed Council Policy on Remuneration and Expenses for Public Members Serving on Council-Established BCCs complies and is aligned with the requirements under the *Municipal Government Act*, RSA 2000, c M-26, and the *Police Act*, RSA 2000, c P-17.

This proposed Council Policy does not apply to BCCs established by a bylaw which stipulates Public Member remuneration, allowances, or reimbursement of expenses on terms other than those provided in this proposed Council Policy. The following BCCs fall into this category:

- Assessment Review Board;
- Calgary Police Commission;



- Combative Sports Commission;
- Green Line Board;
- Subdivision and Development Appeal Board; and
- Ward Boundary Commission

***Municipal Government Act, RSA 2000, c M-26***

**Part 6**

Council's principal role in municipal organization

**201(1)** A council is responsible for

- (a) developing and evaluating the policies and programs of the municipality.

**Part 11, Division 1**

Appointment of members to local assessment review board

454.1(1) A Council must

- (a) appoint at least 3 persons as members of the local assessment review board,
  - (b) prescribe the term of office of each member appointed under clause (a), and
  - (c) prescribe the remuneration and expenses, if any, payable to each member appointed under clause (a).
- (2) The council must designate one of the members appointed under subsection (1) as the chair of the local assessment review board and must prescribe the chair's term of office and the remuneration and expenses, if any, payable to the chair.

Appointment of members to composite assessment review board

454.2(1) A Council must

- (a) appoint at least 2 persons as members of the composite assessment review board,
- (b) prescribe the term of office of each member appointed under clause (a), and
- (c) prescribe the remuneration and expenses, if any, payable to each member appointed under clause (a).

- (2) The council must designate one of the members appointed under subsection (1) as the chair of the composite assessment review board and must prescribe the chair's term of office and the remuneration and expenses, if any, payable to the chair.

***Police Act, RSA 2000, c P-17***

**Part 3 – Police Services and Commissions**

Municipal police commissions

- 28(5)** The council may provide for the payment of reasonable remuneration or of a gratuity or allowance to members of the commission.



## **Board, Commission and Committee Public Member Remuneration and Expense Policy**

2024 March 12 Executive Meeting

EC2024-0037

# Recommendations

That with respect to Report EC2024-0037, the Executive Committee recommend that Council:

1. Adopt the proposed Council Policy on “Remuneration and Expenses for Public Members Serving on Council-Established Boards, Commissions and Committees” (Attachment 1), to be effective 2026 January 1;
2. Direct Administration to develop and present a budget submission to Mid-Cycle Adjustments to Service Plans and Budgets to support the direct and related administration costs of implementing the proposed Council Policy; and
3. Direct that Confidential Attachment 3B remain confidential pursuant to section 17 (Disclosure harmful to personal privacy) of the *Freedom of Information and Protection of Privacy Act*.

## Background

**At the 2023 January 24, Regular Meeting of Council, Administration was directed to create an equitable remuneration and expense policy for all Council-established Boards, Commissions and Committees (“BCCs”) with Public Member appointees.**

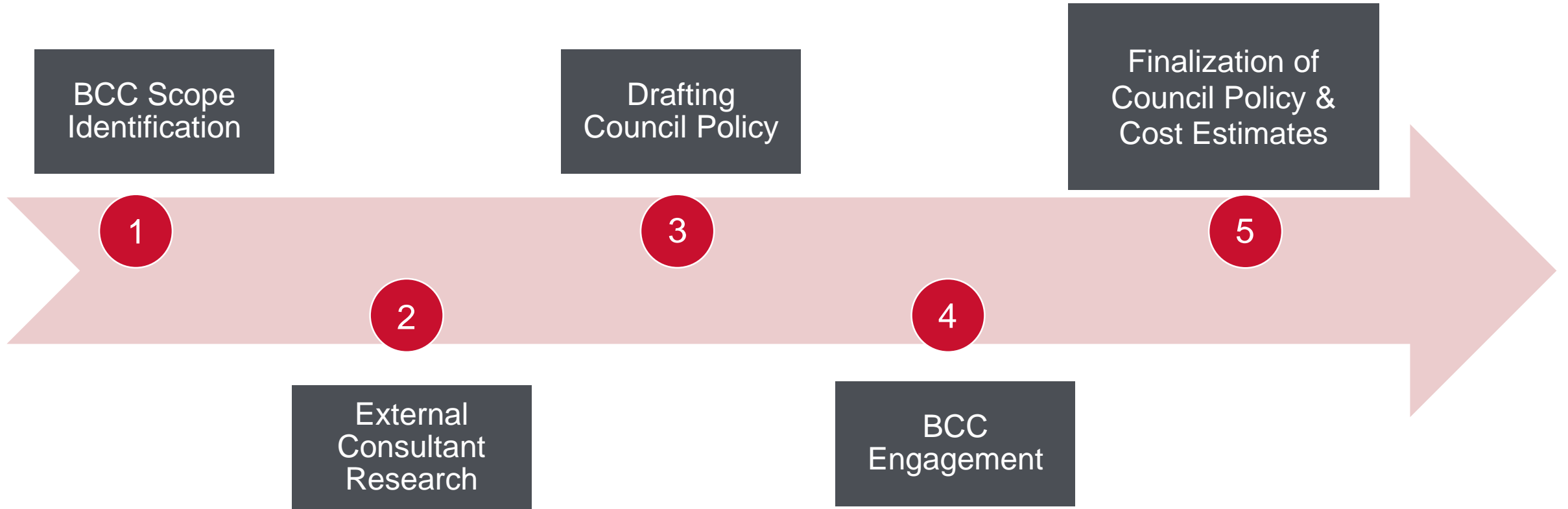


## Highlights

- The proposed Council Policy will help recognize the value of service, knowledge, and contributions of Public Members
- Reduce barriers and create more opportunities for participation
- Contributes to good governance
- Strategic alignment to Council's Strategic Direction:
  - Social Resilience
    - Promoting community engagement and participation



# Project Phases



# In-Scope BCCs

Advisory Committee on Accessibility

Anti-Racism Action Committee

Arts Commons Advisory Committee

[Assessment Review Board\\*](#)

Audit Committee

Beltline Community Investment Fund Committee

BiodiverCity Advisory Committee

Calgary Aboriginal Urban Affairs Committee

Calgary General Hospital Legacy Fund Review Committee

Calgary Planning Commission

[Calgary Police Commission\\*](#)

Calgary Salutes Coordinating Committee

Education and Training Subcommittee

Friends of HMCS Calgary Subcommittee

Heritage and History Subcommittee

Calgary Transit Access Eligibility Appeal Board

Climate Advisory Committee

[Combative Sports Commission\\*](#)

Community Peace Officer Oversight Committee

Council Advisory Committee on Housing (begin Oct. 2024)

Event Centre Committee

[Green Line Board\\*](#)

Licence and Community Standards Appeal Board

Multisport Fieldhouse Committee

Social Wellbeing Advisory Committee

[Subdivision and Development Appeal Board\\*](#)

Urban Design Review Panel

[Ward Boundary Commission\\*](#)

[\\*BCCs with bylaws stipulating remuneration](#)





### External Consultant

- Conducted research to inform Council Policy development
- Sample of 10 BCCs
- Interview and Survey of BCC Chairs, Co-Chairs, vice-Chairs, and Administrative Resources

### SAGE Recommendations:

- Equitable remuneration for all BCC Public Members
- Remuneration rates be, at least, comparable to Edmonton
- Expense reimbursements for all BCC Public Members
- Compensation for technology expenses
- Council Policy should be used to reduce barriers to participation and advance Council initiatives
- BCCs to get adequate resources to fulfill their mandates
- Additional consultation be conducted with all BCCs on draft policy



# Remuneration Considerations

Participation at BCC regular meetings

Preparation and other duties

Council-established subcommittees

Civic Partners, Business Improvement Areas, and Wholly Owned Subsidiaries

Organization Representatives on BCCs

Option to opt-out



## Proposed Remuneration Rates for Public Members

	Up to and including 2 hours in a day	More than 2 hours and up to and including 4 hours in a day	More than 4 hours in a day
<i>Public Member</i>	\$100	\$180	\$350
<i>Public Member Co-Chairs, Vice-Chairs</i>	\$125	\$225	\$415
<i>Public Member Chairs</i>	\$150	\$270	\$475



# Allowances and Expenses



Parking or  
Transit



Meals



Technology



Accessibility  
Support



Dependent  
Care



# BCCs Engagement: Feedback Themes

Dependent Care

Accessibility

Pre and Post Meeting Remuneration

Equity vs Equality

Remuneration Rate

Defining Terms to Provide Clarity

Stipend in Place of Expenses

Administrative Work

Opting Out

Organizational Representatives



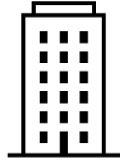
# Finalization of Council Policy



# Cost Estimates

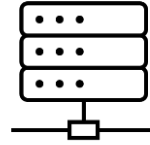
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# Implications



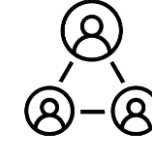
## CORPORATE COSTS

- High-level estimate at \$1,380,000



## SERVICE PLANS AND BUDGETS

- Departmental remuneration costs
- Incremental administrative resourcing
- 2 temporary resources and 3 permanent resources



## HUMAN RESOURCES AND PAYROLL

- Estimated 257 impacted Public Members
- Approximately 60 Public Members already receiving remuneration



## Recommendations

That with respect to Report EC2024-0037, the Executive Committee recommend that Council:

1. Adopt the proposed Council Policy on “Remuneration and Expenses for Public Members Serving on Council-Established Boards, Commissions and Committees” (Attachment 1), to be effective 2026 January 1;
2. Direct Administration to develop and present a budget submission to Mid-Cycle Adjustments to Service Plans and Budgets to support the direct and related administration costs of implementing the proposed Council Policy; and
3. Direct that Confidential Attachment 3B remain confidential pursuant to section 17 (Disclosure harmful to personal privacy) of the *Freedom of Information and Protection of Privacy Act*.





**Report Number:** EC2024-0358

**Meeting:** Executive Committee

**Meeting Date:** 2024 March 12

## NOTICE OF MOTION

**RE: Enhancing Public Discourse at Council and Council Committee Meetings**

**Sponsoring Member(s) of Council:** Councillor Mian

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WHEREAS the Municipal Government Act Section 145 grants Council the ability to pass a bylaw in relation to the procedure of Council and Council Committee meetings

AND WHEREAS the rules and conduct of Council and Council Committee meetings are regulated by Bylaw 35M2017, which is also known as the "Procedure Bylaw"

AND WHEREAS those in favour of an item at a Public Hearing Meeting of Council are permitted to speak first, or when no order is prescribed those in favour tend to sign up to speak first

AND WHEREAS rotating between perspectives allows Council to have a more balanced understanding of public sentiment

AND WHEREAS rotating between perspectives may facilitate a more robust exchange of ideas as a result of hearing different points of view

AND WHEREAS rotating the order is a fairer allocation of speaking time that prevents any single viewpoint from dominating the discussion

AND WHEREAS rotating the order signals to the public that Council values and respects diverse opinions

NOW THEREFORE BE IT RESOLVED that Council direct Administration to prepare an amending Bylaw to amend Bylaw 35M2017 as follows:

1. Section 31 Subsection 4 be amended as follows:

Delete "To facilitate the efficiency of Council Committee meetings, the Chair in consultation with the City Clerk may direct that multiple speakers make their submissions in a single panel."

Replace with the following: "To facilitate the efficiency of Council Committee meetings, the Chair in consultation with the City Clerk may direct that multiple speakers make their submissions in a single panel. The panels of speakers will rotate between those registered as "for", "against," and "neither."

2. Section 86 Subsection 5 be amended as follows:

Delete: "To facilitate the efficiency of a public hearing, the Chair, in consultation with the City Clerk, may direct that multiple speakers make their submissions in a single panel. Each speaker in the panel

will be permitted to speak for five minutes, and Council will not ask questions until the entire panel has made their submissions, at which time each Member will have five minutes to ask questions of the entire panel.”

Replace with the following: “To facilitate the efficiency of a public hearing, the Chair, in consultation with the City Clerk, may direct that multiple speakers make their submissions in a single panel. The panels of speakers will rotate between those registered as “for”, “against” and “neither”. Each speaker in the panel will be permitted to speak for five minutes, and Council will not ask questions until the entire panel has made their submissions, at which time each Member will have five minutes to ask questions of the entire panel.”

3. Section 90 Subsection 1 be amended as follows:

Delete: “The flow of each public hearing item must be the same as for Council and Council Committee meetings, except that members of the public will be called upon by the Chair in the following sequence:

- (a) the development proponent or applicant,
- (b) those in favour,
- (c) those against.”

Replace with the following: “The flow of each public hearing item must be the same as for Council and Council Committee meetings, except that members of the public will be called upon by the Chair in the following order:”

- (a) the development proponent or applicant first, and
- (b) rotating the remaining registered speakers between those in favour, against and neither.

AND FURTHER BE IT RESOLVED that Administration return directly to the 2024 April 09 Public Hearing Meeting of Council.

Attachment(s):

1. Notice of Motion Checklist

### NOTICE OF MOTION CHECKLIST

The checklist is a tool intended to support the sponsor(s) of a Notice of Motion. The items listed below are important considerations when crafting and submitting a Notice of Motion. It is also intended to support other Members of Council, as the same considerations are important when reaching a decision on a Notice of Motion.

The checklist is therefore an opportunity for the sponsor(s) to:

- consider what advice might be helpful to them in formulating their proposal; and
- share key points about the advice received with their Council colleagues, to inform their deliberations.

This document is recommended to be provided to City Clerks alongside every Notice of Motion and will become part of the Corporate record. It is at the discretion of the sponsor(s) to decide with whom to consult and what information to include.

Title of the Motion:                      Enhancing Public Discourse at Council and Council Committee Meetings

There are two classifications of a Notice of Motion (Check the one that applies):

- Regular  
 Urgent (Include details in Urgency Rationale box below)

Is this Notice of Motion Confidential? (Include details in Procedural box below)

Financial and Other Resource Capacity
N/A
Legal / Legislative
N/A

Technical Content
N/A
Procedural (Including reasons for confidentiality)
Yes
Other Considerations
N/A
Urgency Rationale
N/A



**Report Number:** EC2024-0371

**Meeting:** Executive Committee

**Meeting Date:** 2024 March 12

## NOTICE OF MOTION

**RE: Managing the Costs Linked to Downloading of Provincial Responsibilities to Municipalities**

**Sponsoring Councillor(s):** Councillor Demong

---

**WHEREAS:**

According to the 2023 Municipal Funding Gap report (Attachment 1), The City of Calgary has experienced persistent cuts to capital and operating funding from the Government of Alberta, resulting in an annual shortfall of \$311 million;

Alberta Municipalities and The City of Calgary have clearly outlined that the Government of Alberta's Local Government Fiscal Framework (LGFF) does not account for population growth and inflation, with a shortfall of \$1 billion in the allocation for all municipalities;

Despite a provincial campaign promise to examine how municipalities could keep more of the property taxes collected locally for important projects and services in communities, the Government of Alberta is instead taking \$94.1 million more from Calgarians' property taxes in 2024 (a 12% increase);

The provincial government has not only reduced the capital and operating funding municipalities receive annually, they have also downloaded several streams of service to municipalities that are in fact provincial responsibilities, including housing, emergency response and mental health programs;

The City of Calgary is now expected to cover the cost of downloaded services and missing provincial funding through property taxes collected, or through other funding streams like investment income or interest, user fees or the utility dividend; and

Because Calgarians deserve a strong quality of life with consistent services and amenities, The City of Calgary must find the means to make up for the funding shortfall created by the Government of Alberta.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. Council directs Administration to engage with the Ministry of Municipal Affairs to discuss their response to The City of Calgary's Municipal Funding Gap report, and request the Mayor send a letter to the Minister of Municipal Affairs seeking his perspective on ways to address the funding gap.
2. To better understand The City of Calgary's financial position and address the funding shortfall from the Government of Alberta, Council directs Administration to utilize the 2024 April 30 Regular Meeting of Council (following the submission of audited year-end financial statements to Audit Committee and the Year End Performance Report to Executive Committee) to bring the following information:
  - a. An estimated update of the annual operating and capital provincial funding gap;
  - b. The amount of the ENMAX dividend for 2023, the timing of when it will be paid out, and the amount (if any) that is greater than the estimates from November 2023 that informed the 2024 approved budget;

- c. The amount collected in Local Access Fees (LAF) for 2023, and the amount (if any) that is greater than the estimates from November 2023 that informed the approved 2024 budget; and
  - d. The amount of any 2023 positive operating variances by service, as well as the reasons for variances.
3. In order to address The City of Calgary's funding shortfall from the Government of Alberta, Council directs Administration to prepare recommendations for the 2024 April 30 Regular Meeting of Council to:
- a. Commit to reductions to the 2025 base budget correlated with services that have created efficiencies in the 2023 operating budget, or redeployment of the funds achieved through efficiencies; and
  - b. Direct any 2023 ENMAX dividend amount, additional 2023 LAF amounts collected, and any other 2023 positive variance not already committed in the 2024 budget to the Fiscal Stability Reserve, committing those funds to inflationary or market pressures on existing capital projects.

Attachment(s):

1. 2023 Municipal Funding Gap Report
2. Notice of Motion Checklist



CITY OF CALGARY  
**RECEIVED**  
IN COUNCIL CHAMBER  
SEP 26 2023  
ITEM: 6.1.1 C2023-0960  
*Distrib-Confidential revised attach 3*  
CITY CLERK'S DEPARTMENT

# Municipal Fiscal Gap

## Addressing FTF Recommendations 9, 13, 21 and 22

September 19, 2023



# Foreword

This report is one of the last in a series of reports as a result of work that I had the honour of leading after the 2015-2016 recession brought about a prolonged decline in the demand for downtown office space, which negatively impacted property valuations and caused a significant redistribution of the tax base that these properties had previously carried, over to other properties. After using short term solutions to address the issue, The City created a Financial Task Force to engage a panel of citizen members to find long term solutions that would improve The City's financial sustainability.

As the City's Chief Financial Officer, I had the pleasure of chairing regular Financial Task Force meetings over a nine-month period. The external panel of committed and passionate citizen members with vast experience in policy formulation, business strategy, property valuation, and finance, brought diverse perspectives and expertise that contributed to thoughtful and robust discussions to develop recommendations. Through this highly collaborative process, Task Force members embraced the opportunity to understand, challenge, interpret and augment information previously considered. After several iterations, the final recommendations were presented to City Council and approved in June 2020.

While The City has since entered a period of economic recovery and expansion and endured the effects of the COVID-19 pandemic, the pursuit of long-term solutions to address and improve The City's long term financial sustainability is still relevant today. The City continues to experience social, economic, and environmental transformation along with demographic shifts which have caused evolving responsibilities for the municipal government and increasing demand for City services. Economic changes and volatility over the past few years have also intensified systemic issues with the property tax system as the financial backbone for funding the delivery of municipal services that meet the expectations of citizens in a maturing big city.

This body of work provides a compelling analysis of the municipal funding framework and inherent shortcomings that have resulted in a persistent and growing fiscal gap. Like many other large Canadian municipalities, The City of Calgary is facing significant long-term financial challenges due to existing fiscal structures and emerging trends which continue to place increased pressure on municipal finances. We need to explore all the potential solutions to close the municipal fiscal gap and achieve municipal financial sustainability. This report addresses four specific Financial Task Force recommendations that Council asked Administration to explore further.

I am proud and grateful of the extensive research, thoughtful criteria, and comprehensive analysis that the Corporate Economics team, with the support of subject

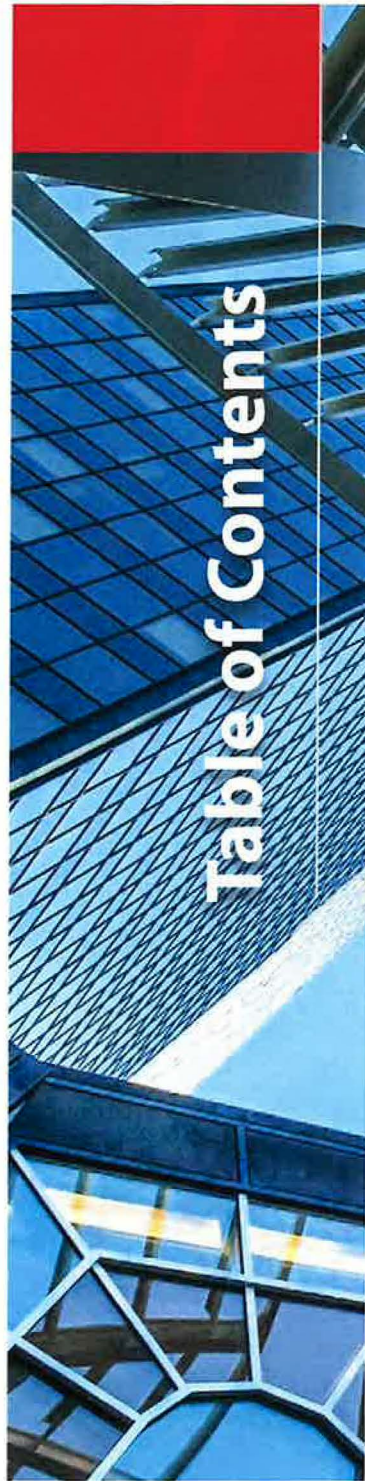
matter experts from business units across The City and external Financial Task Force members, have encompassed and presented in this report. It provides a compelling analysis of how changes in government responsibilities coupled with growth in the digital economy have intensified pressures on the municipal government to deliver services to meet the complex needs of a rapidly growing population with its heavy reliance on the property tax to fund the delivery of services.

The information, analysis, and options included in this report are presented as potential funding solutions that could help address The City's financial challenges while strengthening municipal financial sustainability by diversifying revenue sources to reduce the reliance on property tax while providing a more equitable approach to funding public services.

The tools and options contained herein are presented to Council for consideration as we continue to transition from traditional economic activities to the new digital economy while taking progressive steps to address intergenerational needs through long term plans.



**Carla Male**  
Chair of the Financial Task Force and Chief Financial Officer



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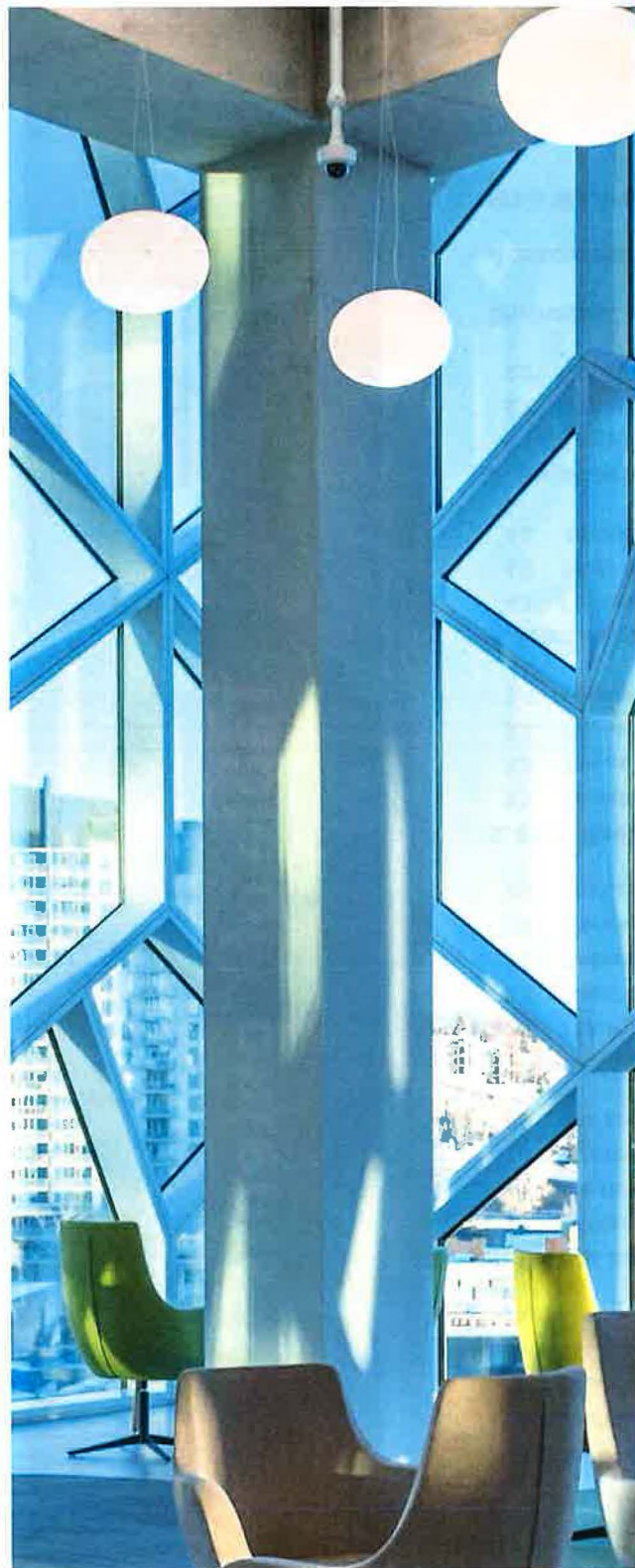
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# Introduction

## Background

The City of Calgary, like other, especially large, municipal governments in Canada, is experiencing significant social, economic, and environmental transformations and demographic shifts. These external changes have led to a challenge – spending responsibilities exceed funding opportunities. The City of Calgary seeks ways to improve service delivery efficiency while securing sufficient funding to meet the growing obligations to Calgarians.

Calgary started to understand the gravity of the downturn that began in 2015. It led to a significant decline in the assessed value of downtown office properties and associated property tax responsibility, which persisted through 2019. It was most acute between 2015 and 2019. After using short-term solutions such as the Phased Tax Programs (PTPs) to offer financial support to affected businesses, Council recognized the need to improve financial resilience. Council directed Administration to create a Financial Task Force (FTF) to identify and assess innovative solutions for short-term economic mitigation, long-term economic recovery solutions, and revenue options.

The FTF was a panel of committed and passionate citizen members with vast experience in policy formulation, business strategy, property valuation, and finance. After meeting regularly over nine months, from September 2019 through May 2020, the Task Force reported back to Council in June 2020 with 35 recommendations in 8 focus areas (**C2020-0742**).

## Purpose

This report shares the outcome of Administration’s investigation into four recommendations to inform Council’s decision-making. The four themes for the recommendations and focus of this report are summarized below. The complete content of these recommendations is available in Attachment 2.

Recommendation	Theme	Focus of this report (in relation to detailed recommendations)
9	Working better with partners in achieving progress	Analyzing the impact of the digital economy on municipal revenue-generating tools <sup>†</sup>
13	Improving the understanding of municipal finance circumstances	Assessing the impact of downloading from other orders of government on the municipality.
21 <sup>†</sup>	Responding to Calgary’s cyclical economy using existing tools	Conducting a comprehensive review and gap analysis on the use of traditional revenue sources to address the speculation that The City is not using revenue authorities to full effect.
22	Preparing for changes that would occur as the economy evolves	Assessing the extent to which The City of Calgary can generate revenue from new sources as we transition to the new economy.

<sup>†</sup> The City’s Better Value for City Assets (BVCA) program will continue the exploration of return on existing City assets.

<sup>‡</sup> The analysis excludes financing tools, such as, Public-private partnerships, in line with the revenue focus scope outlined by the FTF recommendations.

## Plan

The underlying thread across all four recommendations in this report is a focus on The City of Calgary’s funding framework as part of a more complex effort to enhance financial capacity. A valuable overview of the six drivers needed to enhance financial capacity relative to the plan for this report is summarized below. The City has the most success in two drivers – Public Financial Management Systems and Fiscal Discipline Mechanisms – with multiple awards and a solid credit rating as proof. There is more moderate success in three of them – Financial Instruments, Financial Institutions, and Intergovernmental Fiscal Governance Relationships. The Funding Framework is where the status leaves much to be desired, with robust evidence of a persistent fiscal gap. This review focuses on the weakest link in enhancing The City’s financial capacity. The review focuses on major (potent) funding sources rather than those addressing shortfalls for self-supported business units (funded by revenue generated from the sale of goods and services).



Source: Organization for Economic Cooperation and Development<sup>1</sup>

## Payoff

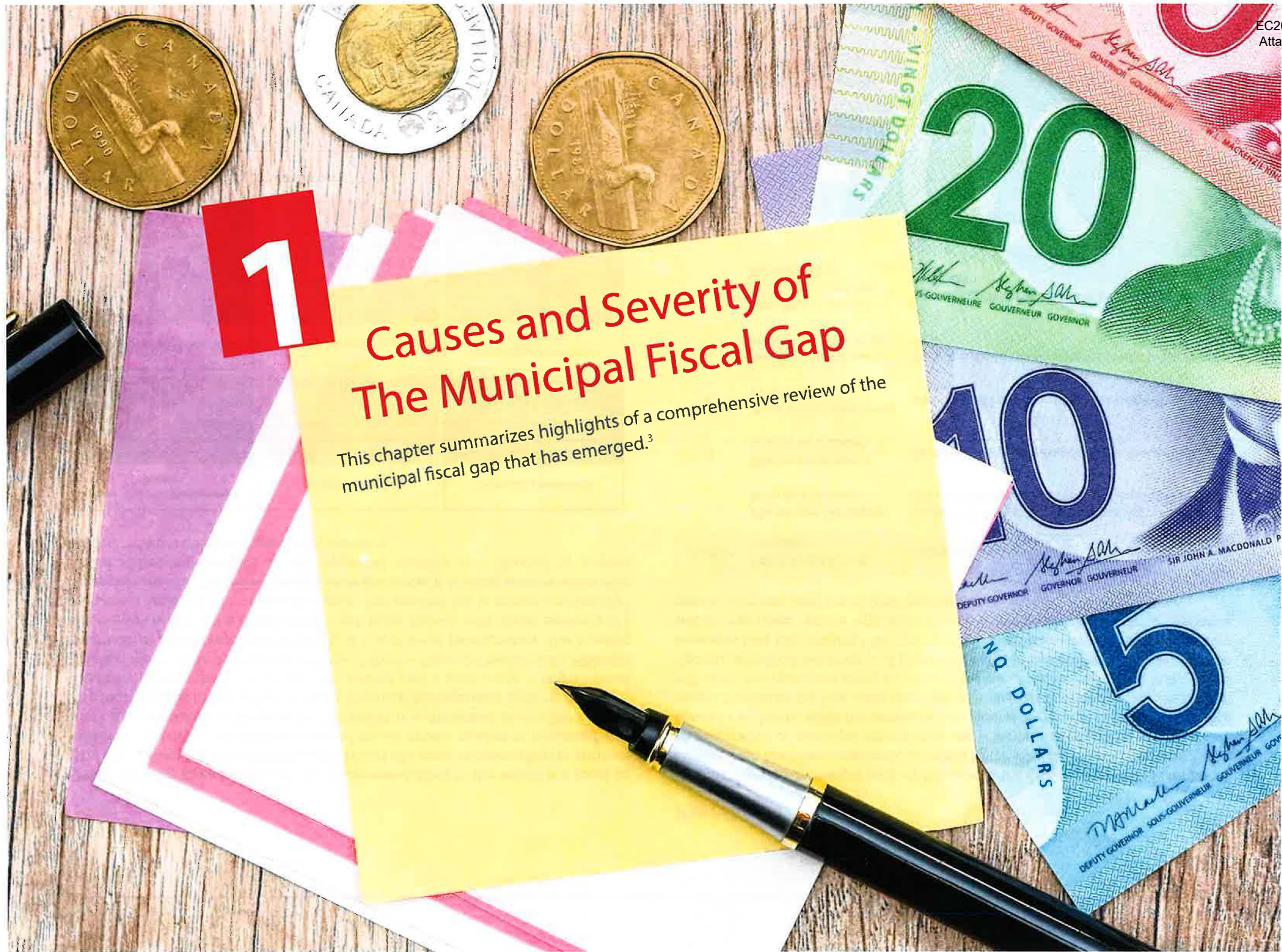
By enhancing the municipal funding framework, the goal is preparedness for transitioning from traditional economic activities to the new (or digital) economy. This is an exploration of municipal expenditure and revenue choices, some entirely within Council’s authority, while the provincial and federal governments strongly influence others. Guided by the Task Force recommendations and Council direction, this report will tackle five questions using a thorough review of municipal finance insights and rigorous empirical evidence and present findings in five chapters. This exploration leverages past City insights.<sup>2</sup> Reforming the funding framework for the 21<sup>st</sup> century will, in many cases, require legislative change where provincial or federal support is needed and new (and brave) local approaches.

Chapter	Policy and Analytical Questions	Title of Report Chapter
I	Why are cities (like Calgary) facing fiscal challenges?	Causes and Severity of The Municipal Fiscal Gap [Fiscal Imbalance because of a Persistent Municipal Fiscal Gap.]
II	What revenue options or solutions are available?	The Role of Alternative Revenue Sources to Close the Gap.
III	Where are most cities turning for remedies?	Brief Review of Emerging Developments in other Municipalities
IV	How do we know proposed remedies will deliver value?	Framework and Assessment of the Net Benefits of New Revenue Tools
V	What does City Administration propose as next steps from the analysis?	Approaches for Achieving Progress in Securing a New Funding Framework

1

# Causes and Severity of The Municipal Fiscal Gap

This chapter summarizes highlights of a comprehensive review of the municipal fiscal gap that has emerged.<sup>3</sup>



## 1.1 The gap is partly due to the evolving responsibilities, spendings and revenue-generating tools at the three levels of government

### The gap is partly due to different and increasing government responsibility

#### Federal and Provincial Government Responsibilities – Evolution Over Time

Canada has three orders of general government - the Federal, Provincial and Municipal governments.<sup>4</sup> Sections 91 and 92 of the Canadian Constitution 1867, formerly the British North America Act 1867, established powers for the Federal and Provincial governments (Exhibit 1.1).

According to the Act, the federal government has powers that are different from the provincial governments, including national defences, foreign affairs, employment insurance, banking, federal taxes, the post office, fisheries, shipping, railways, telephones and pipelines, Indigenous lands and rights, and criminal law. The provinces have powers such as direct taxes, hospitals, prisons, education, marriage, and property and civil rights. The two orders of government share the power over agriculture and immigration.<sup>5</sup>

A hundred and fifty-six years later, government responsibilities in Canada have evolved with the economy and society. Today, Canada’s federal and provincial governments provide more services than those listed in the 1867 Constitution, adding new obligations such as environment, natural resources, and health (Exhibit 1.2).<sup>6</sup>

The notable takeaways of the evolution from 1867 to present-day responsibilities can be summarized as follows:

- **Expanded Responsibilities:** Many services and functions of governments were added to the list over time. Examples include the environment, culture and arts, housing and community, and parks and recreation.
- **Overlapping Responsibilities:** There is some overlap between the federal and provincial lists. As such, sometimes both governments claim the authority to deal with a matter (e.g., health care). Similarly, sometimes they both claim the other government is responsible (e.g., Metis issues).
- **Municipal Responsibilities:** Municipalities are creatures of provinces. So, provinces can establish and define municipal services if they are within the provincial authority.

#### Exhibit 1.1 Responsibilities defined in 1867 – Three Orders of Government

##### Responsibilities of the federal government of the Dominion of Canada

- |  |   |   |
|--|---|---|
| 1. The public debt and property            | 9. Beacons, Buoys, Lighthouses and Sable Island | 19. Legal Tender  |
| 2. Regulation of Trade and Commerce        | 10. Navigation and Shipping                     | 20. Bankruptcy  |
| 3. Raising money by any mode of tax        | 11. Quarantine and marine hospitals             | 21. Patents   |
| 4. Borrowing money on the public credit    | 12. Sea Coast and Inland Fisheries              | 22. Copyrights  |
| 5. Postal Service                          | 13. Ferries                                     | 23. Indians and Reserves  |
| 6. Census and Statistics                   | 14. Currency and Coinage                        | 24. Naturalization and Aliens   |
| 7. Military                                | 15. Banking and Banks                           | 25. Marriage and Divorce  |
| 8. Fixing of salaries of Federal employees | 16. Weights and Measures                        | 26. Criminal Law  |
|  | 17. Bills of Exchange and Promissory Notes      | 27. Penitentiaries (note these are used when someone is sentenced to more than 2 years) |
|  | 18. Interest                                    | 28. Everything else not under Provincial control  |

##### Responsibilities of the provincial governments of the Dominion of Canada (including New Brunswick, Nova Scotia, Quebec, and Ontario in 1867)

- |  |   |  |
|--|---|--|
| 1. Taxation inside the province  | 7. <b>Municipal Institutions in the Province</b>  | 10. Incorporation of provincial companies  |
| 2. Borrowing money on the province's credit  | 8. Shop, Saloon, Tavern, Auctioneer and other Licences in order to the raising of Revenue for Provincial, Local or Municipal purposes.  | 11. Solemnization of marriage  |
| 3. Fixing salaries of provincial employees   | 9. Local works and undertakings other than: ships, rail, canals, telegraphs or anything connecting provinces, or anything the Federal government declares to be for the general advantage of Canada or Two or more provinces. | 12. Property and Civil rights in the province  |
| 4. Management of public lands including timber/wood                                    |   | 13. Administration of justice in the province  |
| 5. Prisons in the province (note: used when someone is sentenced to less than 2 years) |   | 14. Imposition of penalties for enforcing laws made in relation to provincial matters  |
| 6. Hospitals, asylums, charities – other than marine hospitals                         |   | 15. <b>Generally, all matters of a merely local or private nature in the Province.</b> |

Source: Canada Constitution Act, 1867, s. 91 and 92.

Content: Initial Federal and Provincial Responsibilities Defined in the 1867 Constitution

**Exhibit 1.2: Responsibilities Defined in the 21st Century – Three Orders of Government**

**Canada**



**Jobs**

Find a job, training, hiring programs, work permits, Social Insurance Number (SIN)



**Immigration and citizenship**

Visit, work, study, immigrate, refugees, permanent residents, apply, check status



**Travel and tourism**

In Canada or abroad, advice, advisories, passports, visit Canada, events, attractions



**Business and industry**

Starting a business, permits, copyright, business support, selling to government



**Benefits**

EI, family and sickness leave, child benefit, pensions, housing, student aid, disabilities, after a death



**Health**

Food, nutrition, diseases, vaccines, drugs, product safety and recalls



**Taxes**

Income tax, payroll, GST/HST, contribution limits, tax credits, charities



**Environment and natural resources**

Weather, climate, agriculture, wildlife, pollution, conservation, fisheries



**National security and defence**

Military, transportation and cyber security, securing the border, counter-terrorism



**Culture, history and sport**

Arts, media, heritage, official languages, national identity and funding



**Policing, justice and emergencies**

Safety, justice system, prepare for emergencies, services for victims of crime



**Transport and infrastructure**

Aviation, marine, road and rail, car seat and vehicle recalls



**Canada and the world**

Foreign policy, trade agreements, development work, global issues



**Money and finances**

Personal finance, credit reports, fraud protection, paying for education



**Science and innovation**

Scientific research on health, environment and space, grants and funding

Source: <https://www.canada.ca/en.html>, accessed January 12, 2023

**Alberta**



**Arts and culture**

Funding for heritage and cultural industry projects, and information about museums, historic sites, libraries and cultural events.



**Business and economy**

Energy, agriculture, forestry, culture and other key sectors, and supports for business, trade and economic development



**Driving and transportation**

Driving and vehicles, roads, highways and bridges, and public transportation.



**Education and training**

K to 12 and post-secondary education, adult learning, career planning, and student financial assistance, records, diplomas and transcripts.



**Emergencies and public safety**

Information to keep your family, your home and your community safe. Emergency help call 911.



**Environment**

Protecting Alberta's environment and natural resources includes preserving the quality of our water, air, natural lands and wildlife.



**Family and social supports**

Financial assistance and services for seniors, children, people with disabilities, and individuals and families in crisis.



**Government**

Alberta government organizations, legislation, priorities, taxes and levies, and First Nations and Métis policy and services.



**Health**

Alberta health insurance and benefits, doctors, hospitals and facilities, and other healthcare supports and information.



**Housing and community**

Alberta's municipalities, community supports, and information for owning or renting a home in Alberta.



**Jobs and employment**

Alberta jobs, employment standards, OHS, and other services and supports for workers and employers.



**Law and justice**

Crime, law enforcement and the province's justice system, legal representation and documents and your rights as an Albertan.



**Life events**

Birth and adoption, death, divorce and separation, marriage, legal name changes, registry services, and ordering and updating documents.



**Moving to Alberta**

Immigration information, jobs, health, education and more for those planning to move or who are new to Alberta.



**Parks and recreation**

Parks, campgrounds, events, outdoor activities, and supports for the recreation sector.

Source: <https://www.alberta.ca/index.aspx>, accessed January 12, 2023



### ***Municipal Responsibilities – Evolution Over Time and Differences across Jurisdictions***

Canadian municipalities are in an unenviable position of having two masters: other orders of government and citizens. Municipalities are considered creations of the province – meaning that the provinces have the authority to require their municipalities to provide certain services and perform certain functions. Municipalities also serve the local citizens who demand certain services; generally, the larger the population, the more the types of services. Ordinarily, municipalities are assigned responsibilities of a truly local nature by their provinces. They are required to support, cooperate, and participate in providing provincial services within municipal boundaries.

There are many cities in Canada, and each one offers a slightly different bundle of services to citizens. For example, Vancouver and Winnipeg are two large Canadian cities roughly half the size of Calgary.<sup>7</sup> While many service offerings are similar, there are a few notable differences, some due to city size and others due to provincial legislation.<sup>8</sup> Notable differences include:

- The City of Vancouver does not provide public transit and property assessment. Instead, TransLink and the BC government provide these services. The City of Calgary provides these services.
- The City of Vancouver provides a health clinic, which is not part of The City of Calgary’s services.
- The City of Winnipeg does not provide streetlighting services because Manitoba Hydro delivers this service. The City of Calgary provides this service.
- Paramedic service is a municipal responsibility and part of The City of Winnipeg’s Fire Department. However, in Calgary and Vancouver, Paramedic Service is provided by their provinces.

The City of Calgary surveyed selected cities in OECD countries such as the U.S., Singapore, Australia, New Zealand, the U.K., and Ireland to gain a better understanding of the evolution of municipal responsibilities over time.<sup>9</sup> The primary drivers of differences across jurisdictions are:

- **Expanded services due to citizen expectations in a major urban centre:** As municipalities grow, they tend to be called upon to do more and more for their citizens. This should not be surprising as municipalities are the order of government closest to local citizens. As a result, many municipalities have added the following service offerings – schooling, health care, social assistance, public art, backyard chicken licensing, disability access and air quality monitoring.
- **Reduced services due to regionalization:** As municipalities age, depending upon their relationship with other orders of government, there tends to be a regionalization of some services. Some services are taken over by provincial or federal governments and provided regionally. However, funding may continue to be collected locally. Typically, this would apply to police and paramedic ser-

vices. Still, other services have been regionalized, such as planning, assessment, public transportation, and fire/rescue services.

### ***Municipal Responsibilities – The Alberta Legislative Framework and Implications for Calgary***

Municipalities in Alberta do what their Councils deem necessary to benefit local citizens for the public good and within constitutional limits.<sup>10</sup> The primary drivers of the current regime of municipality responsibilities are:

- **Permissive as opposed to prohibitive legislation:** The overarching piece of legislation is the Alberta Municipal Government Act (MGA). In Alberta, there are few obligations and very few prohibitions on what services a municipality must provide its citizens. There are obligations for how a municipality must operate, such as a municipal council must make available its annual financial statement. This arrangement follows the current, “permissive” style of municipal government enabling legislation, as opposed to older acts that were written under the “express powers doctrine”, where municipalities in Canada were limited to certain activities only.
- **Natural person powers:** Municipal operational decisions, as opposed to policy decisions, are exposed to the same negligence law, duty of care and standard of care that all other citizens and businesses face in Canada, with the exception of any limitation of liability in accordance with the Law.
- **Municipal legislative history:** Like Calgary, many municipalities require that Council decisions about a municipal service or program should be preceded by a consideration of previous Council direction. Previous Council direction is legislative history showing the previous authorization to engage in a municipal activity and authorized changes over time. In addition, for Calgary, based on the current social and economic situation, City Council could revise some authorizations at annual budget deliberation meetings.

Like other municipalities, Calgary continually adapts to the changing world and the shifting demand from Calgarians and currently offers 61 services. Municipal operating expenditures across six services are the only ones fully funded by user fees as self-supported services – taxi, limousine, and vehicles-for-hire; business licensing; development approvals; stormwater management, wastewater collection and treatment, and water treatment and supply. The others are partially or fully supported by property taxes. (Exhibit 1.3).

The total cost of providing all 61 lines of services was \$4.0 billion in 2021, including operational expenses and amortized capital investment. That suggests that The City represents a noticeable share (6.5 per cent) of total Canadian municipal government spending (across more than 4,500 municipalities), further strengthening Calgary’s municipal government’s vital role.

1. Causes and Severity of The Municipal Fiscal Gap

**Exhibit 1.3  
Calgary's Municipal Property Tax Spending Allocations**

**Bylaws and Public Safety**



**19.69%**

<u>Police Services</u>	11.35%
<u>Fire &amp; Emergency Response</u>	6.19%
<u>Calgary 9-1-1</u>	0.90%
<u>Bylaw Education and Compliance</u>	0.31%
<u>Fire Inspection &amp; Enforcement</u>	0.19%
<u>Emergency Management &amp; Business Continuity</u>	0.41%
<u>Fire Safety Education</u>	0.03%

**Contribution to Capital Investments**



**8.13%**

<u>Other (Pay-As-You-Go)</u>	3.40%
<u>Lifecycle Maintenance</u>	2.60%
<u>Green Line</u>	1.40%
<u>Community Infrastructure</u>	1.02%
<u>Debt Servicing</u>	0.80%

**Environment**



**0.96%**

<u>Waste &amp; Recycling</u>	0.19%
<u>Urban Forestry</u>	0.42%
<u>Climate and Environmental Management</u>	0.42%
<u>City Cemeteries</u>	0.03%
<u>Stormwater Management</u>	0.00%
<u>Wastewater Collection &amp; Treatment</u>	0.00%
<u>Water Treatment &amp; Supply</u>	0.00%

**Transportation**



**13.89%**

<u>Public Transit</u>	7.20%
<u>Streets</u>	4.12%
<u>Sidewalks &amp; Pathways</u>	1.48%
<u>Specialized Transit</u>	1.13%
<u>Taxi, Limousine &amp; Vehicles-for-Hire</u>	0.00%
<u>Parking</u>	0.00%

**Parks, recreation and culture**



**5.12%**

<u>Parks &amp; Open Spaces</u>	1.92%
<u>Library Services</u>	1.43%
<u>Recreation Opportunities</u>	0.92%
<u>Arts &amp; Culture</u>	0.84%

**Information and Communication**



**0.78%**

<u>Citizen Information &amp; Services</u>	0.35%
<u>Strategic Marketing and Communications</u>	0.22%
<u>Citizen Engagement &amp; Insights</u>	0.11%
<u>Records Management, Access &amp; Privacy</u>	0.11%

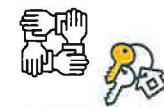
**Enabling Services**



**12.45%**

<u>Infrastructure and Engineering</u>	0.19%
<u>Corporate Security</u>	0.64%
<u>Legal Services</u>	0.29%
<u>Data Analytics and Information Access</u>	0.35%
<u>Organizational Health, Safety and Wellness</u>	0.39%
<u>Procurement and Warehousing</u>	0.31%
<u>Council and Committee Support</u>	0.10%
<u>City Auditor's Office</u>	0.08%
<u>Municipal Elections</u>	0.08%
<u>Insurance and Claims</u>	0.02%
<u>Fleet Management</u>	0.00%

**Social Programs and Services**



**1.81%**

<u>Social Programs</u>	0.32%
<u>Affordable Housing</u>	0.43%
<u>Neighborhood Support</u>	0.17%
<u>Community Strategies</u>	0.89%

**Tax and Property Assessment**



**0.75%**

<u>Property Assessment</u>	0.55%
<u>Taxation</u>	0.17%

<u>IT Solutions and Support</u>	1.59%
<u>Facility Management</u>	1.88%
<u>Human Resources Support</u>	0.81%
<u>Financial Support</u>	0.73%
<u>City Planning and Policy</u>	4.81%
<u>Corporate Governance</u>	0.37%
<u>Mayor and Council</u>	0.29%
<u>Executive Leadership</u>	0.42%

**Building, Planning and Business**



**1.44%**

<u>Economic Development &amp; Tourism</u>	1.24%
<u>Appeals and Tribunals</u>	0.10%
<u>Building Safety</u>	0.09%
<u>Real Estate</u>	0.08%
<u>Land Development &amp; Sales</u>	0.01%
<u>Business Licensing</u>	0.00%
<u>Development Approvals</u>	0.00%

**Animal Services**



**0.12%**

<u>Pet Ownership &amp; Licensing</u>	0.12%
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Source: The City of Calgary Property Tax Breakdown

Content: The City of Calgary's Service Lines and Property Tax Allocations (as of 2023)

**Municipal Responsibilities – Emerging Priorities for the 21<sup>st</sup> Century**

The most notable emerging municipal priority for the 21<sup>st</sup> century is climate action. The origin of present-day climate action is the historic 2015 Paris Agreement to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. Canada was one of the 195 countries that acceded to climate action. Taking climate action requires collaboration and financial commitments. In March 2022, the Government of Canada introduced Canada’s 2030 Emissions Reduction Plan, to achieve 40-45 per cent emission reductions below 2005 levels by 2030. The plan included \$9.1 billion in new federal investments targeting emission reductions in buildings, vehicles, industry, and agriculture. It also reflects carbon pricing and clean fuels measures.

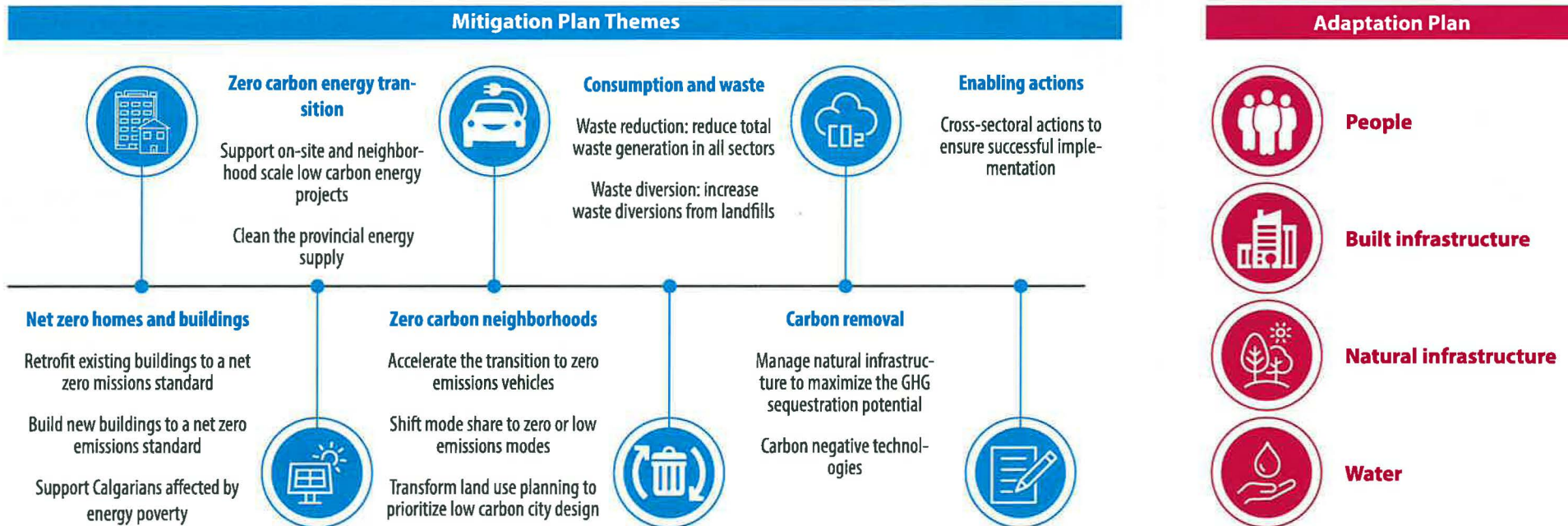
All Canadian cities are part of the climate action commitment the Canadian Government made in 2015. Most major cities have declared a climate emergency, joining the global force to fight climate change.

- In November 2020, Vancouver City Council approved the Climate Emergency Action Plan to put Vancouver on track to reduce its carbon footprint by 50 per cent by 2030.<sup>11</sup>
- In December 2021, Toronto City Council approved a Transform to Net Zero Strategy – A Climate Action Pathway to 2030 and Beyond strategy, setting a net-zero Greenhouse Gas (GHG) emission target for the City of Toronto as a corporation by 2040.
- In November 2022, the City Council of Edmonton approved its first Carbon Budget and a 2023-26 Operating Budget, which collectively referenced net-zero GHG reduction targets for 2040.<sup>12</sup>

In November 2021, Calgary City Council declared a Climate Emergency, making accelerated climate action a strategic priority for The City. In July 2022, City Council approved the Calgary Climate Strategy – Pathways to 2050, a roadmap on how Calgary as a community can achieve net zero by 2050. The strategy referenced the need for significant public and private investment, which would result in energy cost savings<sup>13</sup> and other economic, social and environmental benefits. The City’s climate action goals are ambitious – to improve energy use, reduce GHG emissions, and reduce climate risks (Exhibit 1.4).

**Exhibit 1.4  
An Example of a New Municipal Government Priority**

**City of Calgary’s Climate Resilience Goals to Improve Energy Use and Reduce Greenhouse Gas Emissions**



Source: City of Calgary Climate Strategy Pathways to 2050 (2022 version)

**The gap is partly due to differences in government spending levels and spending growth**

In addition to expanded responsibilities, there are two drivers of significant increases in expenditures for municipalities: (a) population growth that increases the number of people that need municipal goods and services; and (b) inflation that increases the costs municipalities must incur to deliver goods and services to citizens.

**Calgary population growth exceeds provincial and national growth increasing service demand**

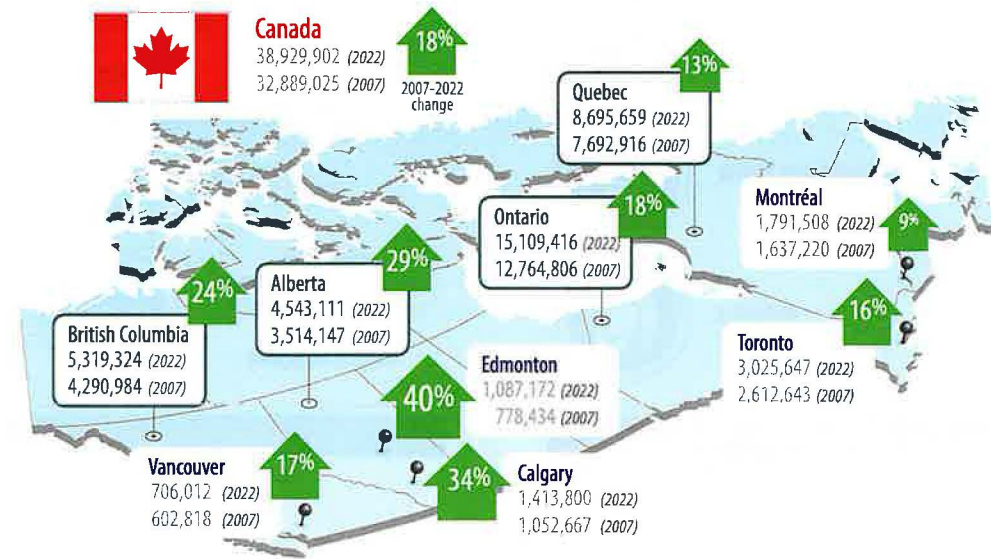
The pressure from population growth on big cities like Calgary is intense. It is due to rapid urbanization – a global phenomenon with cities at the heart of the global shift from rural to urban areas.<sup>14</sup> Specifically, cities like Calgary are growing faster than their province and country.<sup>15</sup>

The rate of population growth from natural increase (births less deaths) follows a similar pattern across Canada. So, the difference for cities like Calgary is large inflows of intra-provincial, interprovincial, and international migrants. The pace of growth in Alberta’s big cities has been more rapid than elsewhere in Canada because of oil and gas industry booms over the past 15 years. As a result, cities like Calgary and Edmonton have faced more demand for municipal services than the rest of Canada, putting pressure on municipal finances.

Between 2007 and 2022, Calgary’s population grew by 34 per cent, from 1.1 million in 2007 to 1.4 million in 2022. Edmonton was the only large Canadian city (with current population of 1 million or more) with a faster growth rate. Over that period, Alberta’s population grew by 29 per cent (or 1 million), from 3.5 to 4.5 million.<sup>16</sup> Canada’s population grew by 18 per cent (or 8 million), from 32.9 million to 38.9 million (Exhibit 1.5).

Over the past 16 years, population growth in all Canadian urban centres was significantly faster than rural areas.<sup>17</sup> Population growth in Canadian urban centres was 21 per cent, compared with 6 per cent for rural areas. The difference was starker in Alberta with 35 per cent growth in urban areas compared with 5 per cent for rural areas (Exhibit 1.6).

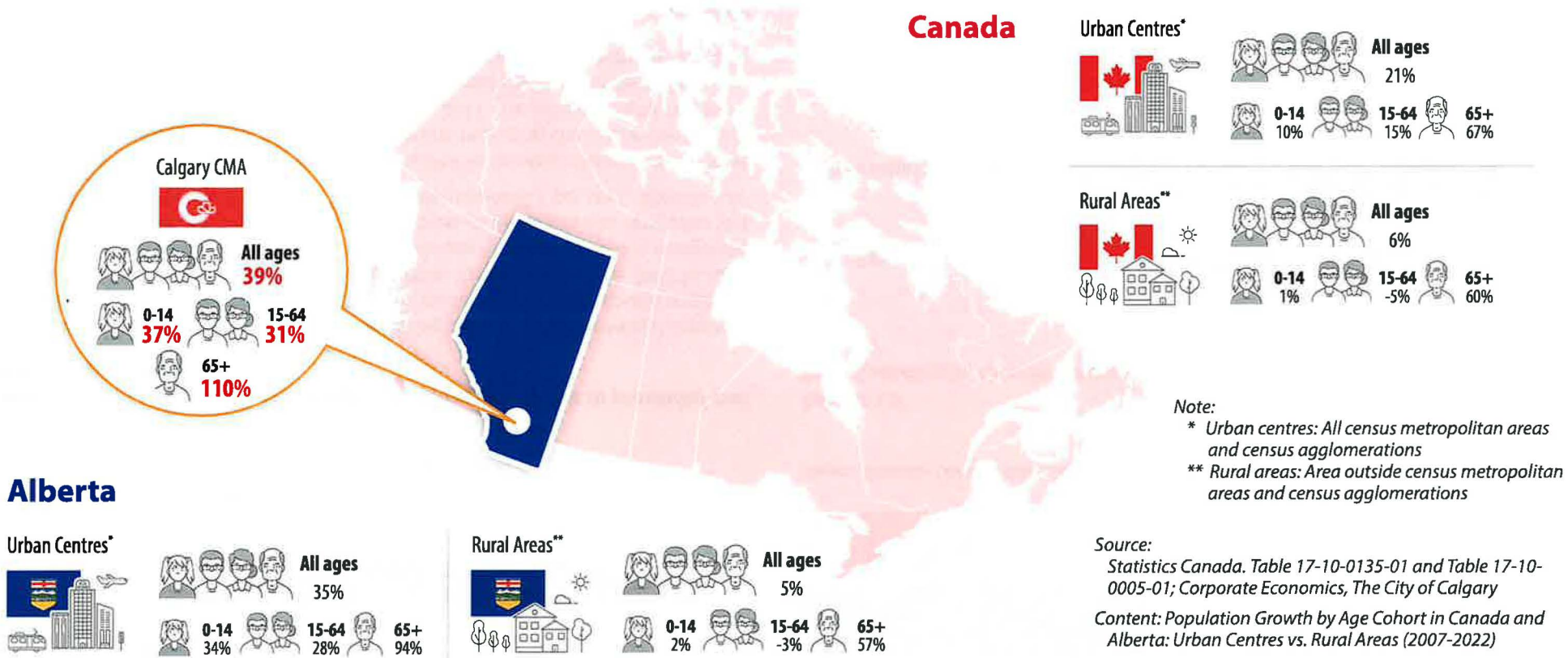
**Exhibit 1.5  
Calgary’s Population is One of the Fastest Growing across Canadian Big Cities**



Source: Statistics Canada. Table 17-10-0142-01; Corporate Economics, The City of Calgary  
Content: Population Growth in Canada’s Largest Cities: Calgary vs. Selected Cities (2007-2022)

Rapid urbanization has led to City investments in additional municipal infrastructure including roads and public transit and higher operating costs to serve more people. As the city’s population density increased and more people favored modes of transportation other than driving, Light Rail Transit (LRT) became favored. In Calgary, work has started on the Green Line LRT construction – the largest single municipal capital infrastructure investment in the city’s history. Examples of additional operational services The City is responsible for include social programs like affordable housing, youth programs, and community services for the city’s growing population.<sup>18</sup>

**Exhibit 1.6**  
**Calgary's Population Growth is Fast Across the Board (for All Age Cohorts)**



Note:  
\* Urban centres: All census metropolitan areas and census agglomerations  
\*\* Rural areas: Area outside census metropolitan areas and census agglomerations

Source:  
Statistics Canada. Table 17-10-0135-01 and Table 17-10-0005-01; Corporate Economics, The City of Calgary  
Content: Population Growth by Age Cohort in Canada and Alberta: Urban Centres vs. Rural Areas (2007-2022)

**Calgary price growth exceeds Provincial and Federal growth for public services**

Alberta had the highest population and economic growth rate of all provinces from 1990 to 2019 (excluding pandemic-related distortions). The cumulative population growth was 71 per cent, compared with the 10-province average of 25 per cent. Similarly, the cumulative real GDP growth was 132 per cent compared with the 10-province average of 85 per cent.

The high-growth economic environment placed upward pressure on public infrastructure costs. Alberta had the highest construction labour costs of all provinces from 2001 to 2019 (28 per cent higher).

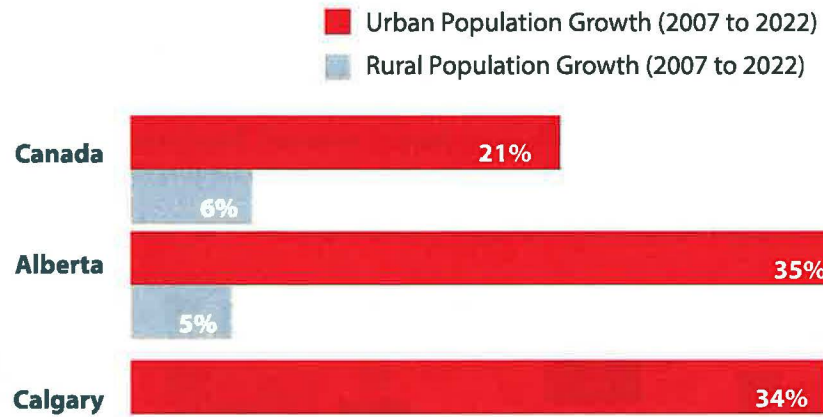
Alberta is the second most urban province, with 92 per cent of Albertans living in census subdivisions with 5,000 or more people. The public services task of large ur-

ban municipalities is significant. Examples are recreation centres and light rail transit infrastructure. They expand the variety of public capital investment and the associated higher service level beyond the needs of rural areas and smaller population centres (Exhibit 1.7).

The private sector has more disproportionately fueled Alberta's investment boom. Alberta had the highest rate of infrastructure investments of all provinces from 1990 to 2019, with a much larger share of investments from the business sector (89 per cent) than the 10-province average (80 per cent). One could argue that it is due to government sector under-investment relative to the private sector. Specifically, Alberta had the smallest share of infrastructure investments originating from the government sector (11 per cent), at roughly half the share as the 10-province average (20 per cent).

1. Causes and Severity of The Municipal Fiscal Gap

**Exhibit 1.7**  
**Demography is elevating the importance of major urban centres like Calgary**



Sources: Statistics Canada (CANSIM Table 17-10-0142-01)  
Content: Urban and Rural Population Growth over the last 15 years

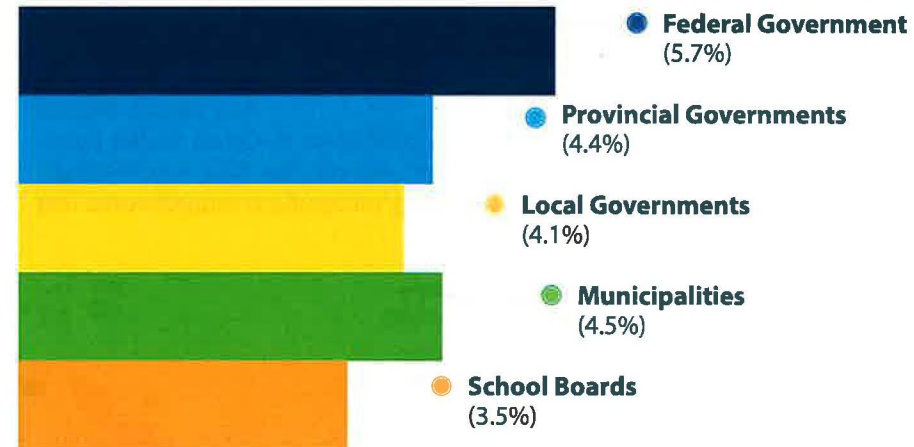
**Implications for the growth in municipal expenditures relative to provincial and federal expenditures**

Due to faster population growth and accelerating urbanization, municipal expenditures should increase at a faster clip. However, evidence from own-source expenditure growth across more than 4,500 municipalities in Canada over the 2007 to 2021 period is a 4.5 per cent compound annual growth rate. That growth rate is marginally higher than own-source expenditure growth across all provinces and territories (4.4 per cent) and well below that for the federal government (5.7 per cent). (Exhibit 1.8)

Apart from the pace of spending growth, it is useful to consider changes in the level of spending across the three orders of government, including changes in the level of spending. Over the 15-year period from 2007 to 2021, the provincial and territorial governments had the highest level of spending across the three orders of government, followed by the federal government and municipal governments (Exhibit 1.9).

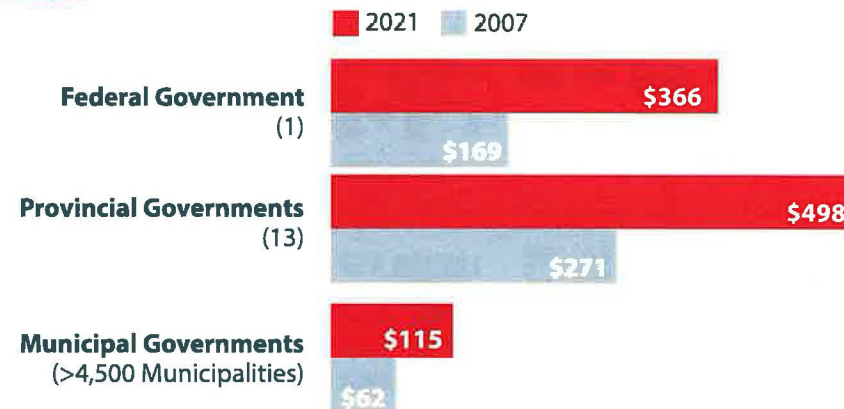
- Provincial and Territorial Governments – own-source expenditures increased from \$271 billion in 2007 to \$498 billion in 2021.

**Exhibit 1.8**  
**Canada's Federal Government has increased Spending the most in 15 years (CAGR, 2007-2021)**



Source: Statistics Canada. Table 36-10-0450-01 and custom data Table 18

**Exhibit 1.9**  
**Total Spending by Canada's more than 4,500 Municipalities remains Low (\$billion)**



Source: Statistics Canada. Table 36-10-0450-01 and custom data Table 18

1. Causes and Severity of The Municipal Fiscal Gap

- The Federal Government – own-source expenditures increased from \$169 billion in 2007 to \$366 billion in 2021, or by 117 per cent.
- Canadian Municipal Governments – own-source expenditures increased from \$62 billion in 2007 to \$115 billion in 2021, or by 85 per cent.

Adjusted for population, the per capita spending level is lower for the federal government at \$9,574 in 2021 (compared with \$13,015 for provinces and territorial governments). The change in the level of spending per capita (measured as the compound annual growth rate) has the federal government (4.6 per cent) outstripping the provincial and territorial governments (3.3 per cent).

Adjusted for population, the municipal governments have the lowest level of per capita spending (\$3,008 in 2021) and lowest rate of change 3.4 per cent) over the 2007 to 2021 period.

**The gap is partly due to constraints associated with existing revenue tools**

The primary driver of under-funded municipalities is due to balanced budget requirements for operating activities without due consideration for capital projects combined with some revenue sources that respond poorly to economic activity. It is exacerbated in Alberta by extraordinary economic volatility.

**Municipal revenue is unresponsive to economic and income changes**

Alberta’s economy has been volatile (relative to other provinces) over the past few decades due to the energy sector’s dominant position. Driven by global commodity market fluctuations, Alberta’s real GDP grew faster than the rest of Canada in boom times but shrank more during recessions. Accordingly, Alberta’s tax base measured by nominal GDP swung even more drastically, ranging from a low of 17 per cent decline in 2009 to a high of 26 per cent growth in 2021. Economic volatility in Alberta has also affected Calgary.

Almost all provinces in Canada have a balanced budget requirement for their municipalities defined in provincial legislation. The City of Calgary has its Council Policy (CFO004, Multi-Year Business Planning and Budgeting Policy for The City of Calgary) requirement on a balanced operating budget which aligns with the Municipal Government Act legislation. However, business cycles can bring challenges to this requirement, which is the case in Alberta. Specifically, the balanced budget approach means that municipalities are inflexible to economic conditions: when recessions hit,

they may not be able to cut property taxes to the levels that taxpayers desire; during boom times, when taxpayers have an increased ability to pay, they cannot collect additional revenues beyond costs.

Consequently, tax revenues are less volatile (measured using the coefficient of variation) for municipalities than for the provincial and territorial governments and the federal and government (Exhibit 1.10).

**Exhibit 1.10  
Economic Volatility is more acute in Calgary and Alberta than in Canada**



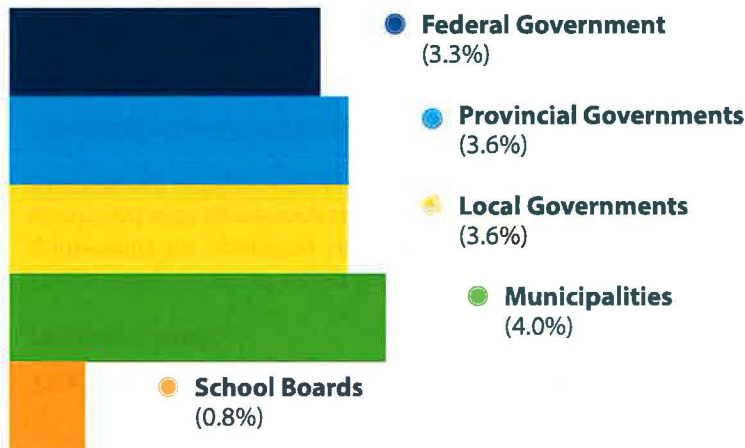
Sources: Statistics Canada (CANSIM Table 36-10-0222-01) and Conference Board of Canada  
Content: Average Volatility (coefficient of variation) of Real GDP (2007 to 2021)

1. Causes and Severity of The Municipal Fiscal Gap

**Historical reliance on user levies revenue growth has limits impacting future growth**

Evidence from own-source revenue growth across more than 4,500 municipalities in Canada over the 2007 to 2021 period is a 4.0 per cent compound annual growth rate. That growth rate is higher than own-source revenue growth across all provinces and territories (3.6 per cent) and the federal government (3.3 per cent) (Exhibit 1.11).

**Exhibit 1.11**  
**Many Municipal Governments Acquired Tools Recently to Increase Revenue**  
(CAGR, 2007-2021)



Source: Statistics Canada. Table 36-10-0450-01 and custom data Table 18

The more rapid revenue growth for municipalities is firstly due to a low revenue starting point. Specifically, over the 15 years from 2007 to 2021, municipalities had the most ground to cover.

- Provincial and Territorial Governments – own-source revenue increased from \$272 billion to \$448 billion.
- The Federal Government – own-source revenue increased from \$245 billion to \$386 billion.
- Canadian Municipal Governments – own-source revenue increased from \$57 billion to \$100 billion.

By 2021, own-source revenue for the more than 4,500 municipalities in Canada was at \$100 billion – 26 per cent and 22 per cent of provincial or territorial government revenue and federal government revenue, respectively (Exhibit 1.12). That’s an improvement from the starting point in 2007 of 23 per cent and 20 per cent, respectively. Despite the improvement, municipalities still have the lowest level of per capita revenue in 2021 (\$2,611) compared with \$11,712 for provincial and territorial governments and \$10,096 for the federal government.

**Exhibit 1.12**  
**Total Revenue for Canada’s more than 4,500 Municipalities remains Low**  
(\$billion)



Source: Statistics Canada. Table 36-10-0450-01 and custom data Table 18

To achieve faster revenue growth, Canadian municipalities have relied ever increasingly on a category of revenue called user levies. It is the second reason for faster growth. User levies are the second largest source of revenue after taxes and fall into three categories – user fees, regulatory charges, and proprietary charges. The bulk of user levies is due to user fees. They show up in municipal financial statements usually as revenue from the sales of goods and services. Municipalities use them to recover some or all costs of investing and providing services such as recreation opportunities, public transit, waste disposal, business licensing, and development approvals.

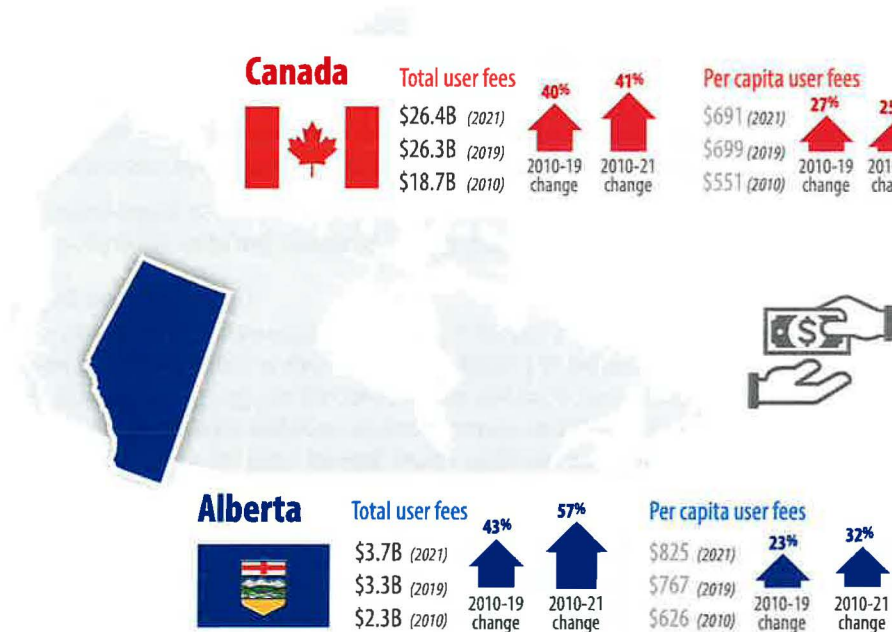
Municipal sales of goods and services in Canada generated a total of \$26.4 billion in 2021, up by 41 per cent from \$18.7 billion in 2007. In Alberta, municipal user fee rev-



1. Causes and Severity of The Municipal Fiscal Gap

venues totaled \$3.7 billion in 2021, up by 57 per cent from \$2.3 billion in 2007. After adjusting for population growth, per capita user fee in Alberta was \$825 per person in 2021, higher than the average of \$691 in Canada. The user fee growth was faster in Alberta than in the rest of Canada, measured by both the growth rate of total user fees and the growth rate of per capita user fees (Exhibit 1.13).

**Exhibit 1.13**  
**Increased Provincial Government Reliance on User Fees**



Source: Statistics Canada. Table 17-10-0005-01 and custom data Table 18

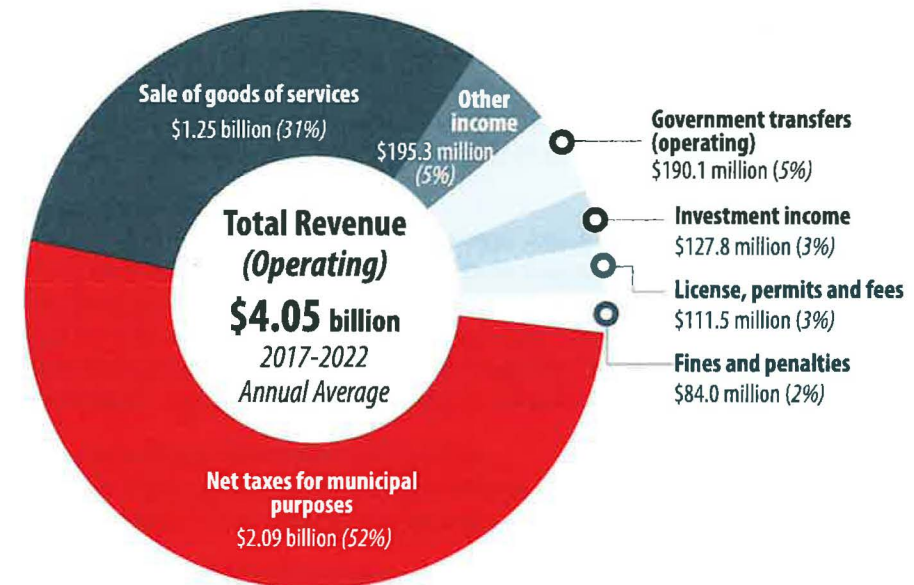
Content: User fee growth trends in Alberta and Canada: before and after COVID (2010-2019 vs 2010-2021)

More generally, municipalities in Western Canada have generated more revenue from user levies in recent years. It is attributable to reforms of regulatory charges and the benefit of proprietary charges reflecting economic change. Two notable examples are helpful. For reforms to regulatory charges, The City like many Alberta municipalities took advantage of legislative changes to off-site levy calculations. For proprietary

charges, The City has benefitted from using an approach to franchise fees based on underlying price of commodities that reflect the underlying economic conditions.

The pace of growth in Calgary's per capita user fees has slowed since 2010, indicating limited revenue-generating potential from user fee rate increases. The growth of user fee revenues would mainly come from the increase in the number of users. From 2017 to 2021, on average, 52 per cent of The City of Calgary's \$4.0 billion annual total operating revenues came from municipal property taxes, 31 per cent from the sales of goods and services, and 5 per cent from intergovernmental transfers from the provincial and federal governments. Municipalities like Calgary have had to rely on transfers to meet the balanced budget constraint (Exhibit 1.14).

**Exhibit 1.14**  
**Primary Operating Revenue Sources for Calgary's Municipal Government**



Source: 2022 City of Calgary Annual Financial Report  
The City of Calgary's Revenue Sources (2017-2022)

## 1. Causes and Severity of The Municipal Fiscal Gap

### ***The new (digital) economy constrains property tax revenue growth and creates new tax distortions<sup>19</sup>***

Taxation opportunities available to municipal authorities are limited – the dominant one is real property taxes. There are also land transfer taxes in some Canadian municipalities. Alberta's municipalities are restricted to real property taxes – the main revenue source. However, real property taxes are not without limitations.<sup>20</sup>

The digital economy, also known in the past two decades as the internet economy or the new economy, refers to an economy that is based on information and communication technology. In 2017, the Canadian digital economy produced \$207.7 billion of goods and services and there were 886,114 jobs associated with it.<sup>21</sup> Between 2011 and 2017, the cumulative growth of Canada's digital economy's contribution to nominal GDP was significantly higher (40 per cent) than overall economic growth (28 per cent).

Data for the 2018 to 2023 period, when they become available, will undoubtedly show that the growth and level of contribution to economic activity are now higher. Specifically, the COVID-19 pandemic and the associated response accelerated the digital transformation in Canada and beyond. For example, remote work (working from home or telecommuting) became a global phenomenon because of the following benefits:

- Employees enjoyed better work-life balance and time/cost savings from not commuting to workplaces daily.
- Employers saved from lower costs on renting workspace for employees, lower energy demands, reduced supply needs, and reduced costs for perks like parking and coffee.
- In addition, society realized GHG emission reductions from burning fewer fossil fuels thanks to the decrease in daily commutes.

As a result, a new norm post-pandemic business environment has emerged with various organizations offering permanent remote work options to their employees, and many employees taking advantage of it. A shift away from the bricks-and-mortar business model (employees work in a building or structure to conduct work or face-to-face customer services) to remote work and other variations related to the digital transformation reduces the need for a larger footprint of buildings. If more and more businesses rely on their employees working away from offices permanently, the property assessment base, especially the office market component, will decelerate, stagnate, and then shrink.

For example, Calgary's downtown office vacancy rate sky-rocketed from a low of 5.3 per cent in 2012 to an all-time high of 33 per cent in 2022. The higher vacancy rate in the downtown office market has shifted the non-residential property tax responsibility to other residential and non-residential property owners<sup>22</sup>. The increase in Calgary's downtown office vacancy rate was originally due to an economic slowdown. It remained high because of another slowdown (the COVID-19 recession). The changing pattern of work, such as remote work, could make the decline in demand for downtown office space permanent.

The digital economy also reduces the demand for commercial and retail spaces.<sup>23</sup> In the future, a hybrid model or a combination of the traditional brick-and-mortar business model and e-commerce should arise.<sup>24</sup>

So far, Canadian municipalities do not have a revenue source to offset losses from the rapid growth of e-commerce businesses without a physical presence. Business licensing-related revenues from rideshare firms that replace taxi and limousine services or short-term rentals that replace traditional accommodation services are a fraction of past revenue streams. Municipalities do not have taxation powers on "digital" firms that do not have offices or warehouses within their city limits but benefit equally from municipal services.

Deliveries of digitally enabled transactions such as Amazon orders, Uber rides, and Airbnb stays all use municipal infrastructure (such as roads) and services (e.g., safety regulation and bylaw enforcement).<sup>25</sup> As a result, as municipal costs grow, there are loopholes associated with the digital economy that would put an unfair burden on residential and non-residential property owners to cover the costs. Solutions should avoid incentivizing urban flight, an undesirable situation where residents of big cities relocate to smaller, less dense communities as the costs to remain in the city rise much higher than the benefits they receive.

### **1.2 The result is a persistent municipal fiscal gap despite strong national fiscal capacity**

#### **Strong overall fiscal capacity is skewed in favour of the federal government**

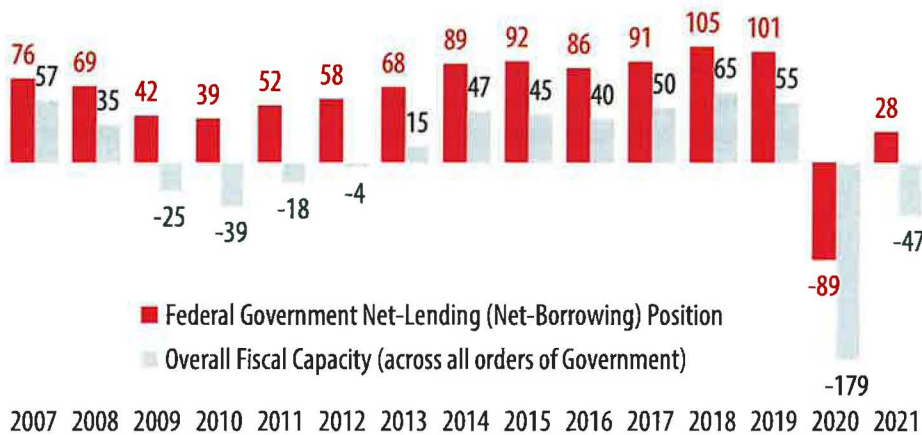
Overall fiscal capacity, across the three orders of government, including school boards, is strong. The overall fiscal capacity was positive in nine of the 15 years be-

1. Causes and Severity of The Municipal Fiscal Gap

tween 2007 and 2021. The revenue generated by all orders of government exceeded the expenditures on goods and services in the country, leaving room for Canada to contribute to international commitments as a good global citizen.

However, the federal government is the only order of government with a persistently favourable position. Specifically, it was only in 2020, when the worst of the scourge of COVID-19 was upon the country and the world that the federal government had own-source expenditures exceed own-source revenue (Exhibit 1.15).

**Exhibit 1.15**  
**Fiscal Capacity – Federal and All Governments**  
*(\$billion, 2007-2021)*



Source: Statistics Canada. Table 36-10-0450-01 and custom data Table 18

This outcome is by design. Canada’s intergovernmental fiscal arrangement is a fiscal federalism.<sup>26</sup> Compared to other federal countries like the U.S., Germany, and Australia, expenditure decentralization is higher in Canada as measured by the share of total government expenditures made by subnational governments<sup>27</sup>. A decentralized system has its advantages, including:

- tailoring government to local preferences,
- fostering intergovernmental competition, and
- experimenting and innovating in the provision of public goods and services locally.

On the other hand, there are disadvantages of a decentralized federal system, namely:

- inefficiencies, or efficiency issues (scarce resources are not being put to their best uses), including:
  - externalities or spillover effects,<sup>28</sup>
  - inefficient tax systems, and
  - lack of economies of scale<sup>29</sup> in the provision of public goods and services and the collection of taxes
- inequity in the local economy (as decentralized jurisdictions have more difficulty redistributing income).<sup>30</sup>

**Municipalities have a type of severe fiscal gap - vertical fiscal imbalance**

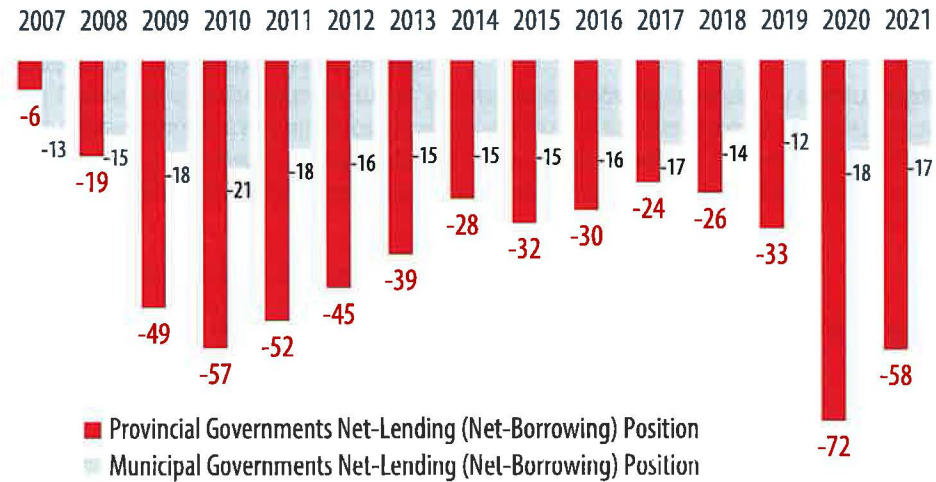
Canada’s high level of expenditure decentralization means there is a need for constant cooperation between different orders of government. That’s because, in the current fiscal federalism in Canada, provincial and local governments cannot cover expenditures using the revenue they generate.

Unlike the federal government, which experienced a temporary funding shortfall in 2020 due to the Covid-19 pandemic, the provincial governments and, as legislative creations, the municipal governments are designed to have a vertical fiscal imbalance<sup>31</sup>, a fiscal gap between the government’s own-source revenues and spending responsibilities due to the allocation of taxation powers among the three orders of government (Exhibit 1.16). The remedy for a vertical fiscal imbalance is the re-calibration of intergovernmental transfers over time. The recent provincial-federal government renegotiation of health transfers in 2022 was an attempt to address a vertical fiscal gap at the provincial level.

Unlike provincial governments that have various funding tools and can run deficits or surpluses, municipal governments like Calgary have inadequate revenue tools to fund operating and capital operations and cannot run deficits. They rely on intergovernmental transfers to close the funding gaps. However, the system of intergovernmental transfers, modified over time, has not worked for municipalities, and received policy wisdom is that the remedy is reassigning revenue-raising powers<sup>32</sup>.

1. Causes and Severity of The Municipal Fiscal Gap

**Exhibit 1.16**  
**Fiscal Capacity – Municipal and Provincial Governments**  
(*\$billion, 2007-2021*)



Source: Statistics Canada. Table 36-10-0450-01 and custom data Table 18

For example, Calgarians prefer public transit as one of the main transportation modes and municipal tax dollars contribute to the expansion of LRT lines. The City, in response to this local preference, made the Green Line investment a top capital investment priority. However, the environmental benefit of the Green Line goes beyond Calgary’s boundary, and The City does not have the fiscal capacity to fully fund the project. As a result of the dialogue with the provincial and federal governments, The City secured their funding commitments. The \$5.5 billion total cost for Stage 1 of the Green Line investment will be shared by all three orders of government, with \$1.56 billion from The City of Calgary, \$1.7 billion from the Alberta Government, \$1.64 billion from the Government of Canada, plus \$0.64 billion financing cost from The City of Calgary.<sup>33</sup>

**1.3 The provincial fiscal gap has also led to ‘downloading’ on municipalities<sup>34</sup>**

**The pressure and channels for provinces to download responsibilities on municipalities**

Due to their own fiscal gap, it is not uncommon for provincial governments to change the rules so that certain government services they traditionally provide are explicitly or implicitly passed to municipalities without sufficient funding or revenue streams attached. It can impact municipalities through the following channels:

- **New unfunded responsibility:** involves an explicit transfer of service responsibilities without sufficient funding or one-time funding despite the need for ongoing resources for repairs, maintenance, and service continuity.
- **Expanded role without funding:** involves a transfer of service responsibilities because the province is no longer willing to deliver the public services they traditionally provided, but local citizens still need them.
- **Adverse changes to funding arrangements:** involves funding cuts, reductions, or not indexing to inflation and population growth for services best supported by progressive taxations but provided locally. They include general and specific purpose programs that require capital and ongoing operating costs.
- **Adverse changes to arrangements to cover costs:** when the cost of implementing provincial government regulations and laws is initially partly or wholly covered by the provincial government and then the cost-sharing arrangement is subsequently reversed or rescinded.

Canadian cities in different provinces have all experienced provincial and federal downloading in the past<sup>35</sup>.

**Calgary’s experience with provincial government downloading has increased the fiscal gap**

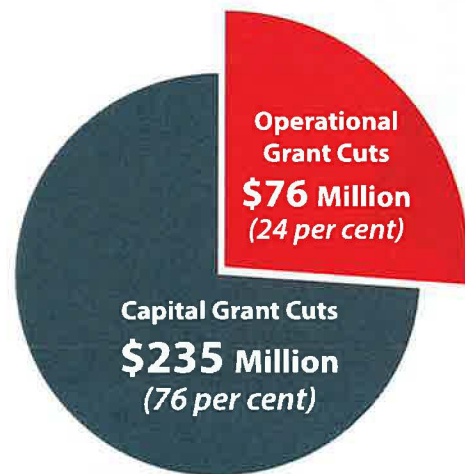
A 2022 City of Calgary survey confirmed substantial impacts from recent provincial downloading. Downloading has affected social housing, waste and wastewater, arts and culture, social assistance, and transportation, among others. As some responsibilities shift from the province, despite more fiscal capacity, to Calgary, Calgary is not adequately equipped for the pressure associated with these growing responsibilities.

1. Causes and Severity of The Municipal Fiscal Gap

The estimated total downloading impact on City finances was an annual average of \$311 million in increased costs or funding shortfalls due to adverse changes to cost-sharing or funding arrangements, expanded City roles without funds, and new unfunded City responsibilities. These costs did not consider the potential costs The City faced associated with future risks, such as climate change impacts and inflationary pressures. Approximately 76 per cent of these costs can be attributed to cuts in capital grants and 24 per cent in the operational grants (Exhibit 1.17).

The estimated capital grant cuts were \$235 million per year for The City of Calgary,

**Exhibit 1.17**  
**Impact of Recent Provincial Downloading on Calgary**



Source:  
Government of Alberta 2010-2022 Annual Budget Reports; The City of Calgary's Internal survey

Content: Cost impact on The City of Calgary from Provincial Downloading  
Government of Alberta 2010-2022 Annual Budget Reports; The City of Calgary's Internal survey

mainly due to the Alberta Government cutting its capital grant to municipalities through the reduction and extension of the Municipal Sustainability Initiative (MSI) program. The Alberta Government launched MSI in 2007, committing \$1.4 billion in annual support to help Alberta municipalities meet their growth and sustainability needs through capital projects.<sup>36</sup> However, by 2017, only \$7.53 billion of MSI had been granted to municipalities. The MSI ends in 2023 and will be replaced with the Local Government Fiscal Framework (LGFF) in 2024. Over 17 years between 2007 and

2023, Alberta municipalities were allocated \$15.2 billion in MSI grants.<sup>37</sup> The annual average of \$894 million was lower than the initial commitment of \$1.4 billion made by the province.

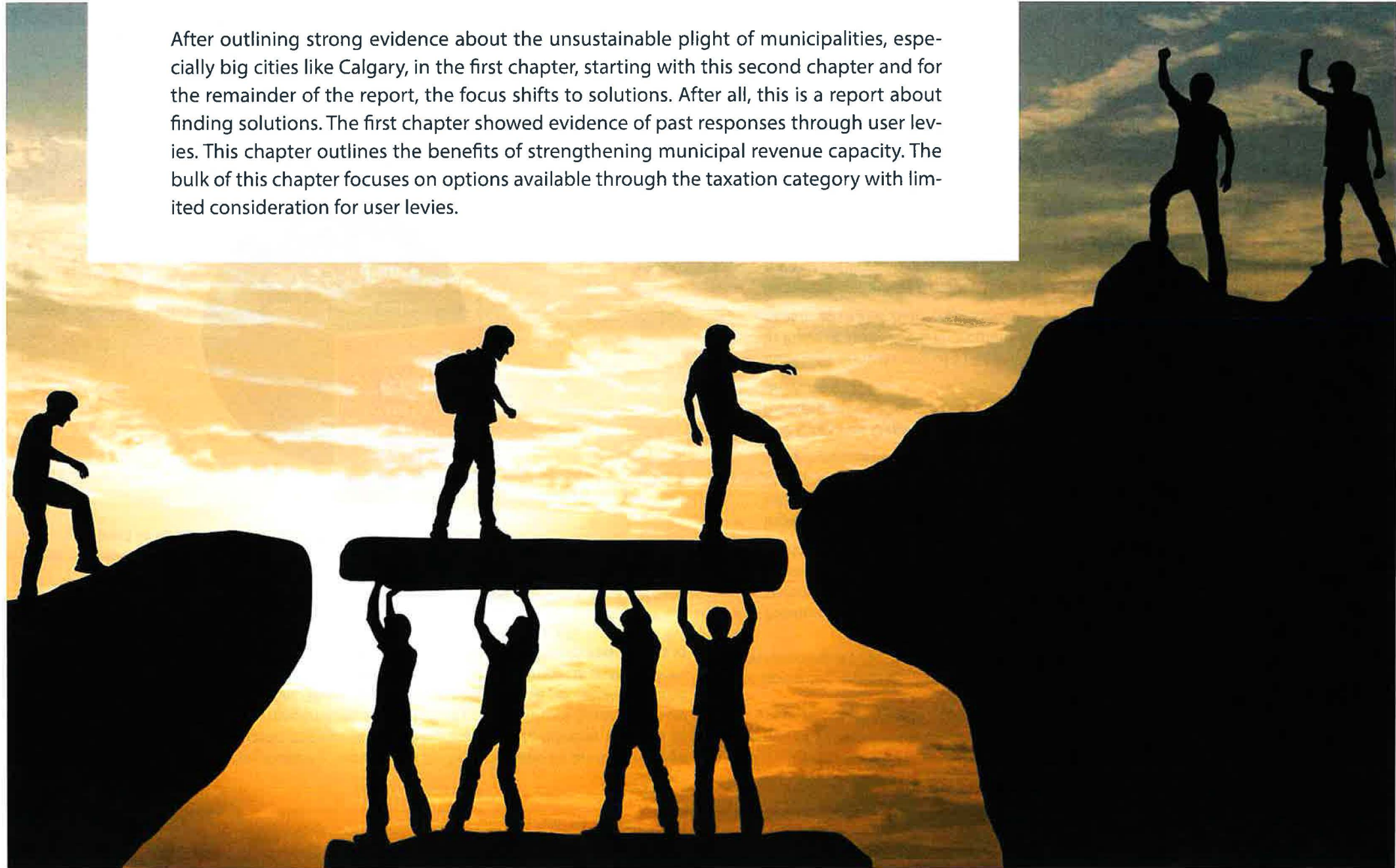
For operating activities, the estimated annual impact to The City from provincial downloading is \$75.6 million a year. The main affected areas include:

- Pensions and income support (\$19.7 million per year), due to the delivery of several income support services including: Calgary Transit Low-Income Monthly Passes; Recreation Programs and Facility usage; No Cost Pet Spay and Neuter; Seniors Services Home Maintenance; Property tax assistance program.
- Increased annual costs of \$18.2 million for police services, due to the implementation of the new police costing model in which municipalities are required to contribute 10 per cent of frontline policing costs under the Provincial Police Services Agreement in the 2020-21 provincial fiscal year.
- The City's Fire Department continued to provide life-saving interventions as a first responder, after the emergency medical services (EMS) was uploaded to the province in 2009.
- Increased annual costs of \$11.1 million in affordable housing, due to the Grants in Place of Taxes (GIPOT) program overall reduction by 24 per cent and 32 per cent in 2019 and 2020, respectively.
- Increased costs of \$4.8 million for parks and recreation services, due to the Community Facility Enhancement Program cut by 34.2 per cent in the 2019 budget. The 2021 budget saw a further downward revision, marking a 41.3 per cent decline overall since 2019.
- Increased costs for parking. Due to the provincial rate schedule being out of date, the CPA estimates that dealing with scrapped and auctioned vehicles costs the Calgary Parking Authority an annual average of \$3 million.
- Increased costs of \$2.6 million for waste and recycling services, due to The City covering part of Alberta's Paint Recycling Program costs.

# 2

## The Role of Alternative Revenue Sources to Close the Gap

After outlining strong evidence about the unsustainable plight of municipalities, especially big cities like Calgary, in the first chapter, starting with this second chapter and for the remainder of the report, the focus shifts to solutions. After all, this is a report about finding solutions. The first chapter showed evidence of past responses through user levies. This chapter outlines the benefits of strengthening municipal revenue capacity. The bulk of this chapter focuses on options available through the taxation category with limited consideration for user levies.



### 2.1 Three reform strategies related to taxation tools

The provincial and federal governments have access to many taxation tools to generate revenue because, unlike municipal governments, they have tax autonomy. The top five sources of revenue across all three orders of government are from taxation and represent 58 per cent (average for 2007 to 2021) of total government revenue – personal income tax (30 per cent), corporate income tax (9 per cent), real property tax (8 per cent), provincial general sales tax (7 per cent), and the federal goods and services tax (5 per cent). The municipal, provincial, and federal governments benefited from these ‘anchor’ tax tools between 2007 and 2021 in Canada, as outlined in Exhibit 2.1.

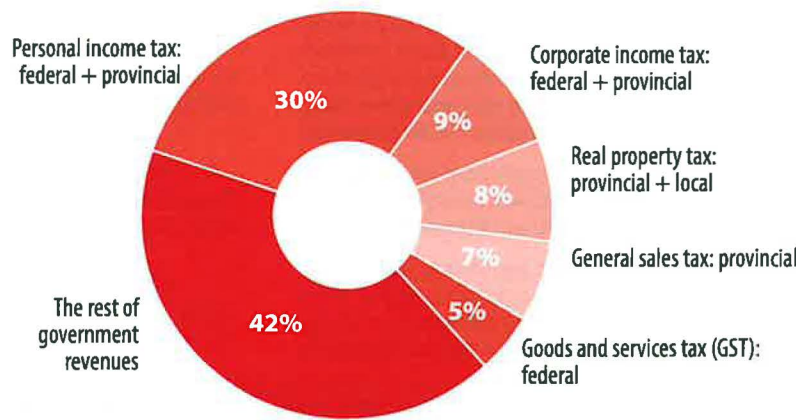
Four of these tools play an important role in revenue generation for Alberta. The exception is that Alberta does not have a sales tax because of the strength of revenue generated from oil and gas royalties. The top five sources of revenue across all three orders of government in Alberta are personal income taxes (32 per cent), corporate income taxes (12 per cent), royalties (8 per cent), real property taxes (8 per cent), and

the federal goods and services tax (5 per cent). These revenue sources represented 63 per cent of all government revenues collected in Alberta between 2007 and 2021 (Exhibit 2.2).

An important takeaway is that Alberta local governments can access only one of these ‘anchor’ tax tools – the real property tax. It leads to the fundamental problem outlined by the OECD – Canada, like some other OECD countries, does not have true fiscal decentralization. True fiscal decentralization requires municipalities to be fiscally autonomous, whereby they can decide how much revenue to raise and how to spend the available revenues.<sup>38</sup>

Alberta legislation only affords municipalities access to real property taxes. Although the provincial and federal governments may be reluctant to grant the same level of diversified revenue sources, they should be willing to listen to calls for some of the additional revenue sources. At the highest level, there are three strategies for increasing municipal accountability through additional tax tools:

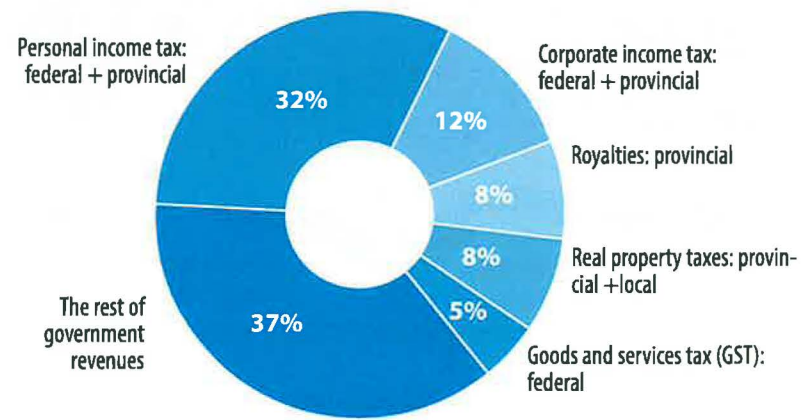
**Exhibit 2.1**  
**Primary Revenue Sources from Canadians (Distribution by Source)**  
*(percentage share of accumulated revenue in 2007-2021)*



Source: Statistics Canada. Table 36-10-0450-01 and custom data Table 18

Content: Main Tax and Revenue Sources for All Three Levels of Government in Canada

**Exhibit 2.2**  
**Primary Revenue Sources from Albertans (Distribution by Source)**  
*(percentage share of accumulated revenue in 2007-2021)*



Source: Statistics Canada. Table 36-10-0450-01 and custom data Table 18

Content: Main Tax and Revenue Sources for All Three Levels of Government in Alberta

2. The Role of Alternative Revenue Sources to Close the Gap

S/n	Strategy	Description
1	Alternative Tax Revenue Tools Strategy	<b>[Affording access to new taxation tools]:</b> This is similar to the new taxation tools afforded to big cities in OECD countries, including Montreal, Toronto, Ottawa and Vancouver over the past 15 years.
2	Reduce Property Tax Constraints Strategy	<b>[Easing constraints or rules on the existing tax tool]:</b> The principal ones are balanced operating budget constraint on the municipal property tax.
3	Redirect Property Tax Revenue Strategy	<b>[Redirecting tax revenue received by the province from municipalities back to municipalities]:</b> Alberta municipalities collect and remit provincial property taxes that could be redirected partly or wholly to municipalities.

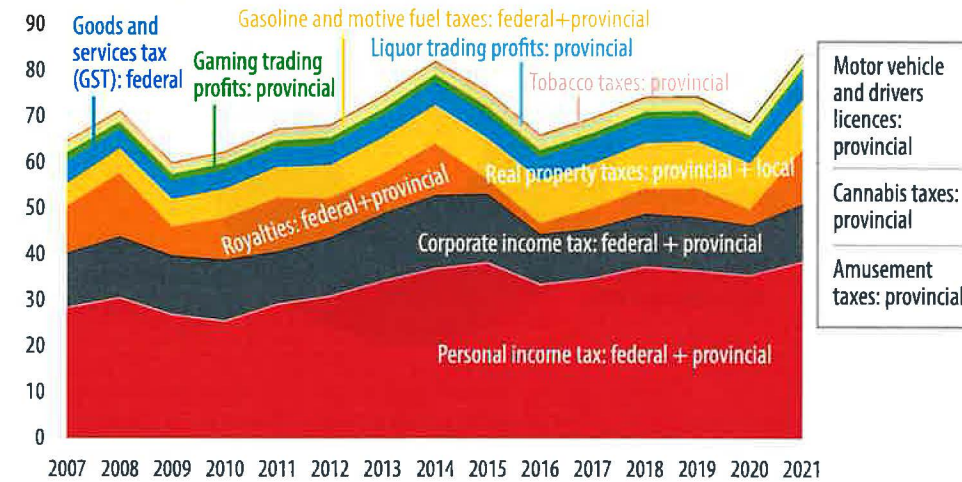
The primary challenge comes from determining the best approach to expanding fiscal autonomy by looking outwards to new tools (strategy 1) or looking inwards to the existing tool (strategy 2 or 3). There are costs and benefits associated with deploying these strategies. The societal costs are extensive (see section 2.2). There are also economic, institutional, and political costs to consider. Two economic costs that apply to all three strategies are – increased scope for tax evasion and predatory tax competition. They arise because families and businesses can move to neighbouring communities. The difference between the outward-looking strategy (strategy 1) and the inward-looking ones (strategy 2 or 3) is institutional and political costs. The institutional costs include: (a) setting up cost of collection and enforcement mechanisms, (b) securing financial and human resources to execute tax programs, and (c) the cost of expanded tax administration procedures. The political costs are more significant when affording municipalities additional revenue raising powers (strategy 1) that would likely lead to a preference for adjustments to the property tax regime (strategy 2 or 3).

Outlining the societal costs and benefits of the first strategy is very involved and covered in chapter three. The rest of this chapter focuses on the benefits and costs of the second and third strategies.

**2.2 Result of reviewing the two property tax related strategies**

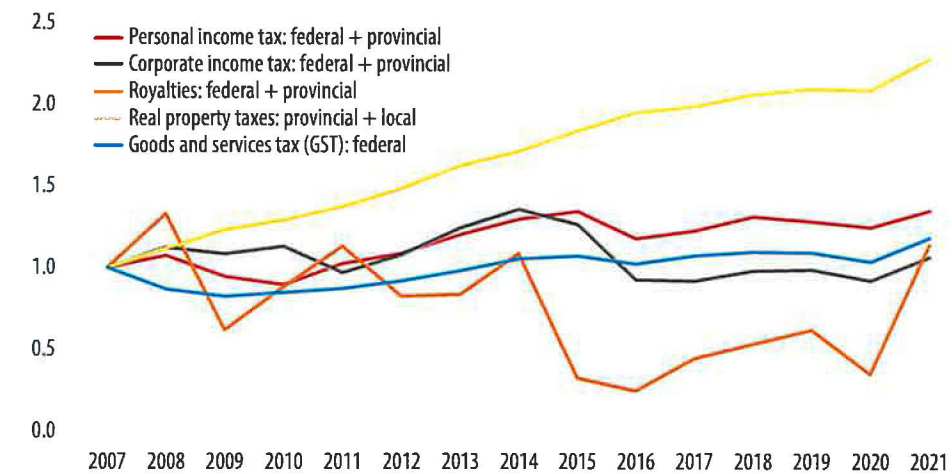
Starting with the benefits, these two strategies increase The City’s revenue from real property taxes that have been helpful in two respects. First, real property taxes have been one of Alberta’s most stable revenue sources (Exhibit 2.3). They have the lowest volatility across all revenue sources available to all orders of gov-

**Exhibit 2.3**  
**Primary Revenue Sources from Albertans (Long Term Trends)**  
(*\$billion, 2007-2021*)



Source: Statistics Canada. Table 36-10-0450-01  
Content: Revenues by Sources of Taxes for All Three Levels of Government in Alberta

**Exhibit 2.4**  
**Alberta Municipalities have Benefitted from the Strength of Property Taxes**  
(*index: 2007=1, 2007-2021*)



Source: Statistics Canada. Table 36-10-0450-01  
Content: Growth of Revenues by Sources of Taxes for All Three Levels of Government in Alberta



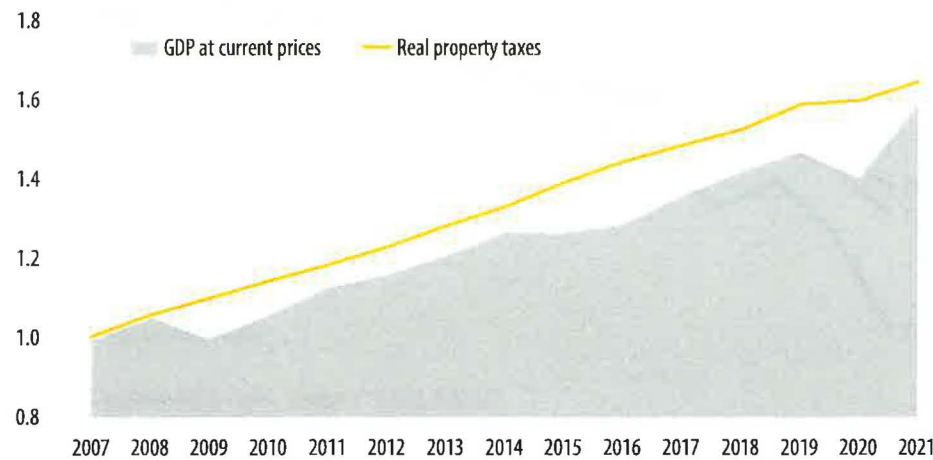
ernment from Albertans. This benefit is partly due to flexibility in the rate-setting process. Second, real property taxes have had the best growth rate of all revenue options available to the three governments from Albertans because they are not responsive to the economic conditions by design (Exhibit 2.4).

For the benefits attributable to increased reliance on real property taxes, there are several costs or disadvantages to taxpayers and their individual circumstances that ultimately outweigh the benefits. Five of these costs are common to both strategies and they are – (a) liquidity; (b) volatility; (c) regressivity; (d) visibility, and (e) vulnerability.

**Liquidity** is costly when it arises because individual property owners have tax amounts set for them as required by the property tax framework. Redistribution uses changes in property values as a reflection of wealth without considering taxpayer liquidity. Fluctuations in income do not affect a property owner’s obligation to pay real property taxes, as long as the person still owns the property. As a result, taxpayer criticism would increase, especially for property owners who experience reduced or lost income during recessions, even when they pay less or no income taxes.

**Volatility** (on a property driven by relative property value basis) is costly when it arises because of underlying volatility of the Calgary and Alberta economy. The total

**Exhibit 2.5**  
**Property Tax Policy Changes in Alberta have aligned with Economic Growth**  
(index: 2007=1, 2007-2021)



Source: Statistics Canada. Table 36-10-0222-01 and Table 36-10-0450-01  
Content: Growth of the Overall Tax Base and Real Property Tax Revenues in Canada

value of property taxes is strongly correlated with economic activity as measured by GDP (Exhibit 2.5), but that masks underlying volatility for individual taxpayers. Following annual redistributions of tax responsibility, taxpayers can and do experience significant year-over-year shifts. For example, non-residential property owners outside downtown Calgary experienced significant property tax increases between 2015 and 2020, that were partly mitigated by one-time relief measures. Greater reliance on property tax will magnify volatility.

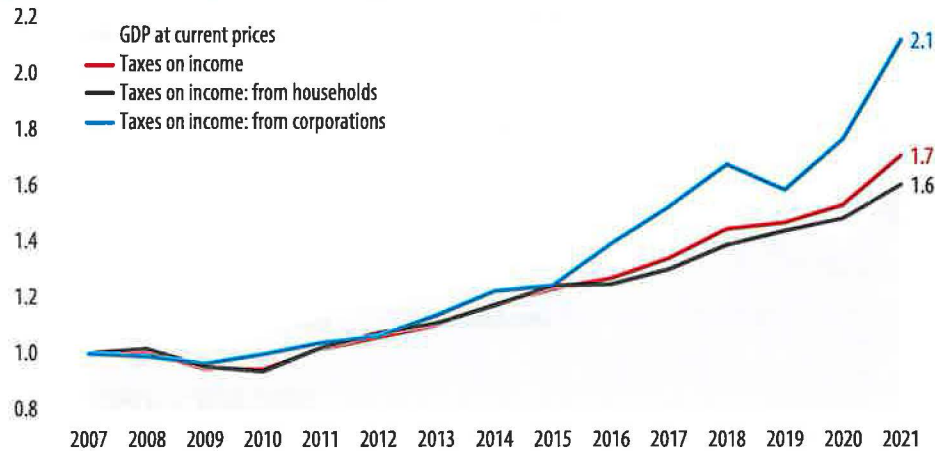
**Regressivity** (defined as taking proportionately more from those with lower income) is costly because the link between the amount of property tax paid and a property owner’s current ability to pay is indirect. If two individuals in the same tax jurisdiction live in properties with the same values, they pay the same amount of property tax, regardless of their incomes. Municipal expenditures generally increase with the growth of population and inflation in big cities like Calgary, so that when property taxes increase over time they exacerbate the costs for those individuals with high-valued properties but low incomes, especially retired seniors.

**Visibility** is costly because of the process of how property tax is collected and because the annual activity of setting property tax rates draws a lot of attention from residents. For example, income tax is automatically collected off one’s pay cheque. GST/HST tax is relatively small when one buys arguably mostly discretionary goods (groceries and rent are exempt from GST/HST). However, property tax is a very visible large payment independent of receiving income or part of a larger expense. In addition, for other taxes, tax policy changes occur relatively infrequently. That’s because most of those taxes, like the personal income tax, respond automatically to the level of overall economic activity (Exhibit 2.6). In contrast, any adjustments to property taxes are highly visible, which is why there is significant public resistance to property tax increases. City Councils in Alberta must have annual budget debates and make decisions according to their understanding of the demand for municipal services and taxpayers’ ability to pay. As a result, property owners are more aware of their property tax bills than their income tax payments deducted from sources, which put politically acceptable limits on raising property taxes for municipal purposes.

**Vulnerability** is costly for big cities because they usually exist in large metropolitan urban areas where residents and businesses can move to smaller neighbouring communities in the larger metropolitan area. These communities can afford to charge slightly lower taxes while benefitting from the advantage of their proximity to the big cities. In other words, raising property tax rates in big cities, to keep up with spending needs, above those of adjacent regional metropolitan areas can lead to “suburban flight,” which would reduce a municipality’s tax base and cause urban sprawl issues. It can also lead to property taxes paying for services that benefit, even partially, residents of other communities.

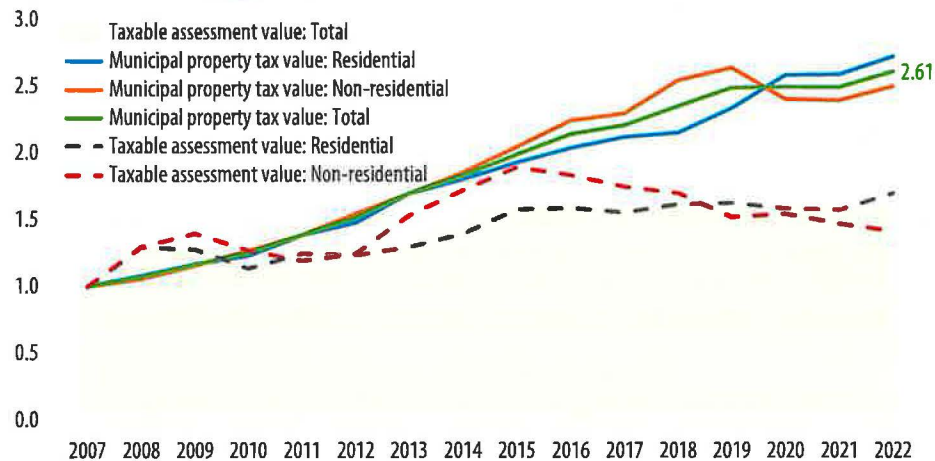
2. The Role of Alternative Revenue Sources to Close the Gap

**Exhibit 2.6**  
**Income Tax Policy Changes have aligned with Economic Growth in Canada**  
**(but not Alberta) (index: 2007=1, 2007-2021)**



Source: Statistics Canada. Table 36-10-0222-01 and Table 36-10-0450-01  
Content: Growth of Income Tax Base and Income Tax Revenues in Canada

**Exhibit 2.7**  
**Structural Property Tax Limitations Due to Weakness in the Tax Base**  
**(index: 2007=1, 2007-2021)**



Source: Assessment and Tax Business Unit, The City of Calgary  
Content: The City of Calgary: Growth of Assessment Value vs. Municipal Property Taxes



The reduce constraints strategy adds another cost – **Complexity**. The current approach to determining property taxes is bounded by two simple and easily understandable constraints – municipalities can generate revenue to meet operating requirements and they can collect revenue from taxpayers in line with underlying property values and the different tax rates applied to different property classes and subclasses. Removing these constraints risks the addition of complexity that taxpayers could find undesirable.

The redirect revenue strategy adds an additional cost – **Concentration**. Specifically, provinces in Canada often crowd out property taxes because the size of the increase in provincial property taxes affects the ability of municipalities to alter their municipal property taxes. Expanded access to real property taxes would increase the concentration of municipal revenue in a single tax tool, which is costly because the underlying assets (residential and non-residential properties) upon which real property taxes are based have increased at a much slower rate (Exhibit 2.7). Increasing the focus on real property taxes may generate negative sentiments about rate increases.



## 2. The Role of Alternative Revenue Sources to Close the Gap

Alberta municipalities need alternative revenue sources and adjustments to real property taxes when required. Big cities like Calgary have broad tax bases outside real estate markets that only contribute to federal and provincial government revenues. The City has been under increased pressure from taxpayers to limit real property tax growth when the need for more funding for expanded expenditure responsibilities has ticked higher. To solve municipal revenue problems, the Government of Alberta should grant cities access to alternative tax sources, especially those that grow automatically with the economy. Access to tax sources other than real property taxes does not necessarily mean the municipal governments should create new types of taxes on top of existing taxes levied by the senior governments. Instead, municipalities would, in most cases, share the tax bases and the benefits of economic growth with the provincial government, creating a mix of taxes at the municipal level.

A mix of taxes would give municipalities more autonomy and flexibility to meet the local demand for municipal services and infrastructure investment. A mix of taxes would allow timely responses to the changing economic and demographic situations. A real property tax is unsuitable for funding income-redistributive services like social housing and social services. Other taxes based on the ability to pay are more appropriate.<sup>40</sup>

A mix of taxes would be more appropriate to fund tax relief programs and build automatic stabilizers into the municipal tax system.<sup>41</sup> For example, during recent recessions, Calgarians sought social assistance and tax relief from The City of Calgary. In response, The City used one-time savings and dipped into reserves to provide temporary property tax reliefs such as the Phased Tax Programs. Other revenue tools are more appropriate to fill the gap.

A mix of taxes would also offset distortions in local tax systems. For example, increases in real property taxes discourage investment in new housing units because of lower aggregate demand for housing. On the other hand, income taxes encourage investment in owner-occupied housing because of the capital gains exemption for principal residences. By having a few different tax sources to rely on, the distortions in one tax would counteract the distortions in other taxes.

### 2.3 Overall net-benefit of strengthening municipal revenue capacity using the three taxation strategies

The central thesis of this report is that there is an opportunity to deploy all three strategies to achieve improved fiscal autonomy. Key to any proposed approach would strike the right balance across strategies to ensure the highest net benefits toward resolving vertical fiscal imbalance for The City. Specifically, there are net-benefits of a significant degree of autonomy for municipalities in deciding the level and composition of their own revenues. They are discussed in a recent OECD report and can be summarized as follows<sup>39</sup>:

1. Provides greater certainty about resource availability thereby facilitating better budget preparation and reducing volatility in the execution of spending programs.
2. Promotes fiscal responsibility, which tends to be undermined by reliance on gap-filling transfers or other bailouts by other orders of government.
3. Facilitates the alignment of tax structure and design with local preferences.
4. Makes more visible to electorates the cost of municipal spending, thereby increasing local officials' political accountability and incentives to spend efficiently (provided that adequate transparency of their operations is ensured).

## 2.4 The implementation pathway for closing the gap and fixing vertical fiscal imbalance

As previously outlined, one remedy to address vertical fiscal imbalance involves expanding revenue raising powers (rather than changes to intergovernmental transfers). Managing new municipal revenue tools involves institutional costs for the government with autonomy over the tool to determine the tax base, set the tax rate, and collect tax revenue. There are three channels to administer new municipal tax revenues, and each one of them balances institutional cost efficiency and municipal autonomy (Exhibit 2.8).

A revenue-sharing agreement affords no municipal autonomy. Through this channel or mechanism, municipalities piggyback onto the federal or provincial tax collection system using a uniform rate of tax. The federal or provincial government decides on the tax base and tax rate, not the municipalities. The uniform tax rate reflects a share of the federal or provincial government’s revenue to municipalities.

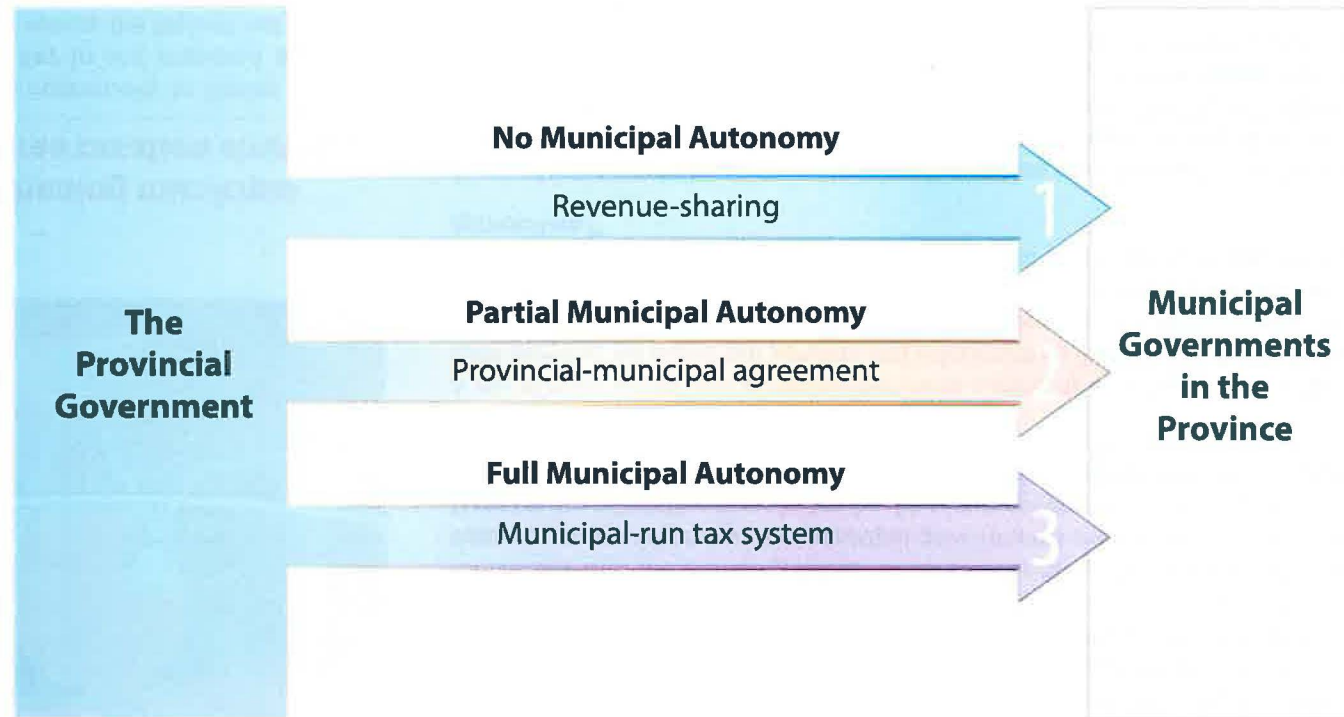
In essence, revenue-sharing is a type of intergovernmental transfer. It may be earmarked for a specific purpose or given to municipalities unconditionally. Many of the potential new taxation options for municipalities have equivalents at the provincial level. A revenue-sharing agreement could be possible for any provincial tax. All Alberta provincial taxes – personal income tax, corporate income tax, vehicle registration tax, accommodation tax, fuel tax, tobacco tax, alcohol tax, cannabis tax, and insurance premium tax – are potential candidates.

There are no direct revenue-sharing programs between municipalities and the Government of Canada, as the cities are creatures of their provinces, and the Constitution gives the provinces exclusive control over municipalities<sup>42</sup>.

Revenue-sharing arrangements between municipalities and their provincial governments are rare in Canada. However, there are long-standing precedents in Saskatchewan and Ontario<sup>43</sup>.

- In Saskatchewan, the provincial government shares three-quarters of one point of its provincial sales tax with municipalities.<sup>44</sup> The shared revenue is equivalent to 12.5 per cent of Saskatchewan’s total provincial sales tax revenue. For urban cities and towns, the funds are allocated on a per capita basis, with towns receiving slightly more per capita. The allocation for rural municipalities is based on the size of the municipality’s road network as well as its population.

**Exhibit 2.8**  
**Three Channels for Administering New Municipal Revenue Sources**



Source: Corporate Economics, The City of Calgary  
Content: Three Channels of Administering New Municipal Revenue Sources

- In Ontario, the provincial government shares 2 cents per litre from its provincial gas tax with municipalities. The funds are earmarked to be used for capital and operating expenses of municipal transit systems.<sup>45</sup>

By having the provincial government collect taxes through existing mechanisms and share them with municipalities, maximum administrative efficiencies could be achieved. However, municipal accountability to taxpayers would be diminished, especially if control over tax rates remained with the provincial government.

Compared to discretionary transfers, revenue-sharing is an improvement as it is enforceable and more predictable. However, the province can unilaterally change the amount of taxes it collects and the amount it shares with the municipalities without their consent, like any other intergovernmental transfers.

Under a revenue-sharing agreement, negative impacts on economic neutrality and economic growth would be lessened since tax competition between municipalities would be eliminated.

While revenue-sharing agreements would not give a municipality more autonomy over its revenue sources, they could provide more certainty for intergovernmental transfers. A provincial government may also be more likely to agree to a revenue-sharing system than grant additional revenue-generating powers to its cities.

A *provincial-municipal agreement* affords partial municipal autonomy. Through this channel or mechanism, municipalities piggyback onto the federal or provincial tax collection system using *tax rates set locally by municipalities*. The federal or provincial government decides the tax bases, collect the municipal portion of taxes on behalf of municipalities. Municipalities, on the other hand, choose their own tax rates based on their understanding of the local demand for municipal services and the taxpayers' ability to pay. The municipal portion of tax revenues is given to municipalities based on the calculation of tax base measurements multiplied by the municipally set tax rate where the tax was collected.

Provincial-municipal agreements give municipal governments partial autonomy over their revenue sources, providing more certainty in municipal planning and budgeting. Municipalities would be directly accountable to their taxpayers when setting up the tax rates. The cost is potential tax competition among cities – if people move out of a city because of the relatively higher local tax rates. However, tax competition could create an environment where cities become more efficient in the use of resources and more accountable to their citizens.

A *municipally run tax system* affords full municipal autonomy. New taxes could be municipally governed and collected independently of the federal or provincial government tax system. It means that municipalities collect their taxes, determine the tax bases, and set the tax rates. It also means recognizing that there is only one taxpayer and exercising care in applying new revenue tools. By doing so, municipalities have the flexibility to meet their specific economic and social contexts. Municipalities would be directly accountable to their taxpayers.

However, the biggest drawback of this system is the high institutional costs associated with the lack of economies of scale in tax collection at the municipal level. There would also be unavoidable tax competition among cities. In the end, the high administration costs may outweigh the potential benefits of increased revenues from new municipal revenue sources.

## 2.5 The case for big cities – drivers of change, underlying trends, and potent response

In recent years, three drivers of radical change are impacting large municipalities (so-called big cities). The first is *rapid demographic change*. There is a robust urbanization process in Canada. Over the last few decades, Canada has gone from mainly rural to very much urban. Calgary's been at the forefront.

The second is *heightened economic clustering*. Many years ago, there was a notion that the introduction of the internet would have everyone running their companies from their docking stations. That never happened. It didn't stay that way even when many thought it was happening during the pandemic. After the initial euphoria about remote work, people realized the importance of synergies and creativity from human interaction. So, from an economic perspective, large cities in Canada and the rest of the world are approaching city-state status. The locus of economic activity is becoming less at the provincial level (probably) and national level (definitely) than it was in the past.

The third is *expanded policy responsibilities*. Large urban areas have often taken on more policy responsibilities by default. Cities now need to make new policy contributions. It has been more of a creep than a dramatic change. From day to day, the policy domain of large municipalities has expanded into additional elements.

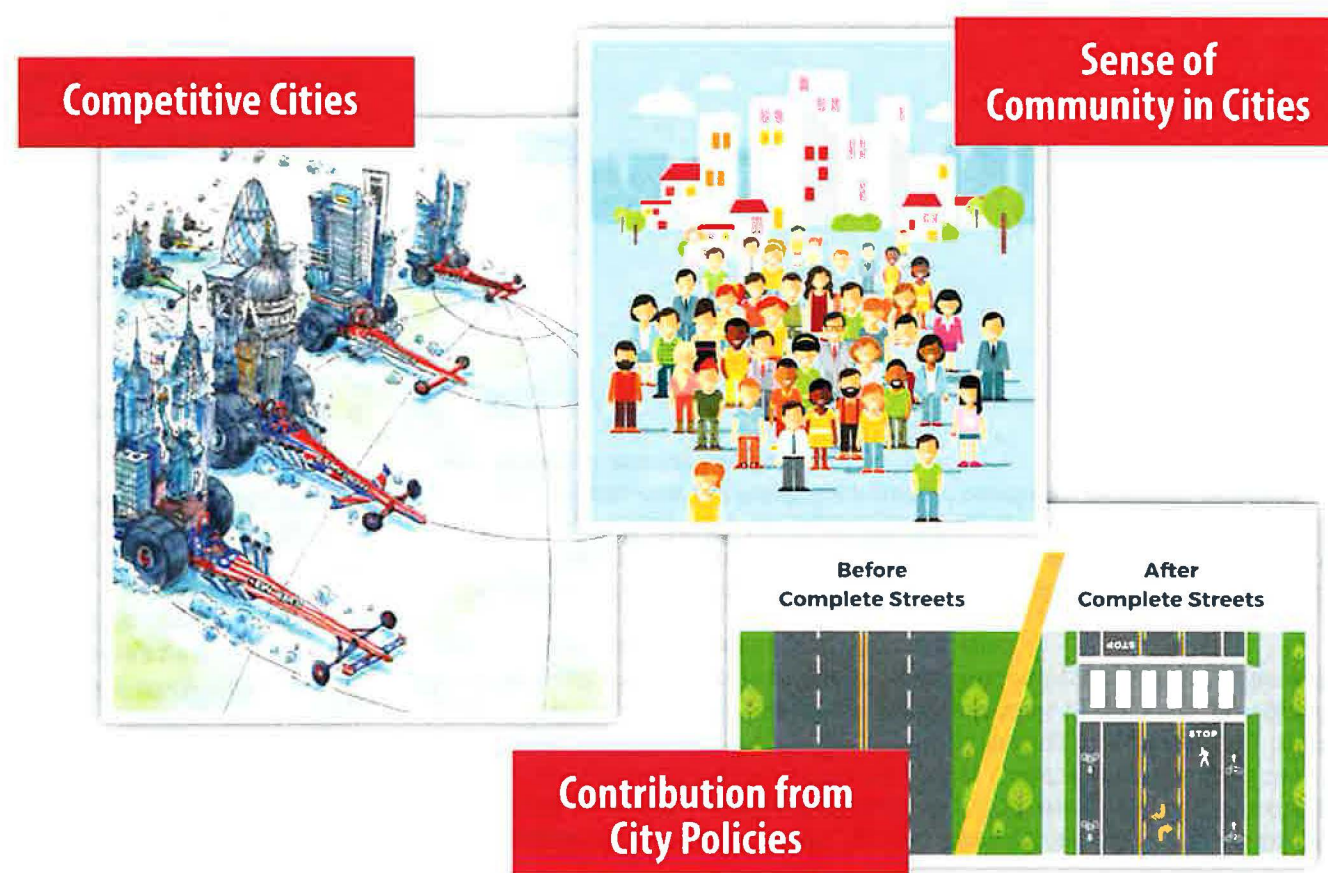
These changes have led to three overarching trends – *a greater sense of community, more competition, and higher expectations of the contribution of city policies* (Exhibit 2.9).

In the future, even if Calgarians' economic and social life were to continue in roughly the fashion of the past, The City of Calgary needs to address the imbalance between spending respon-

sibilities and funding opportunities urgently. The City needs to do so in a fashion that respects the increasing association residents feel with their city government – *that sense of community*. It also means that independence and accountability must be paramount.

However, Calgarians' economic and social life will not likely continue along the status quo but more likely to face significant transformation. Attempts to transition to net zero emissions, here and around much of the globe, will dramatically impact the natural resource sector Calgary is so aligned with. There could be a "happy ending,"

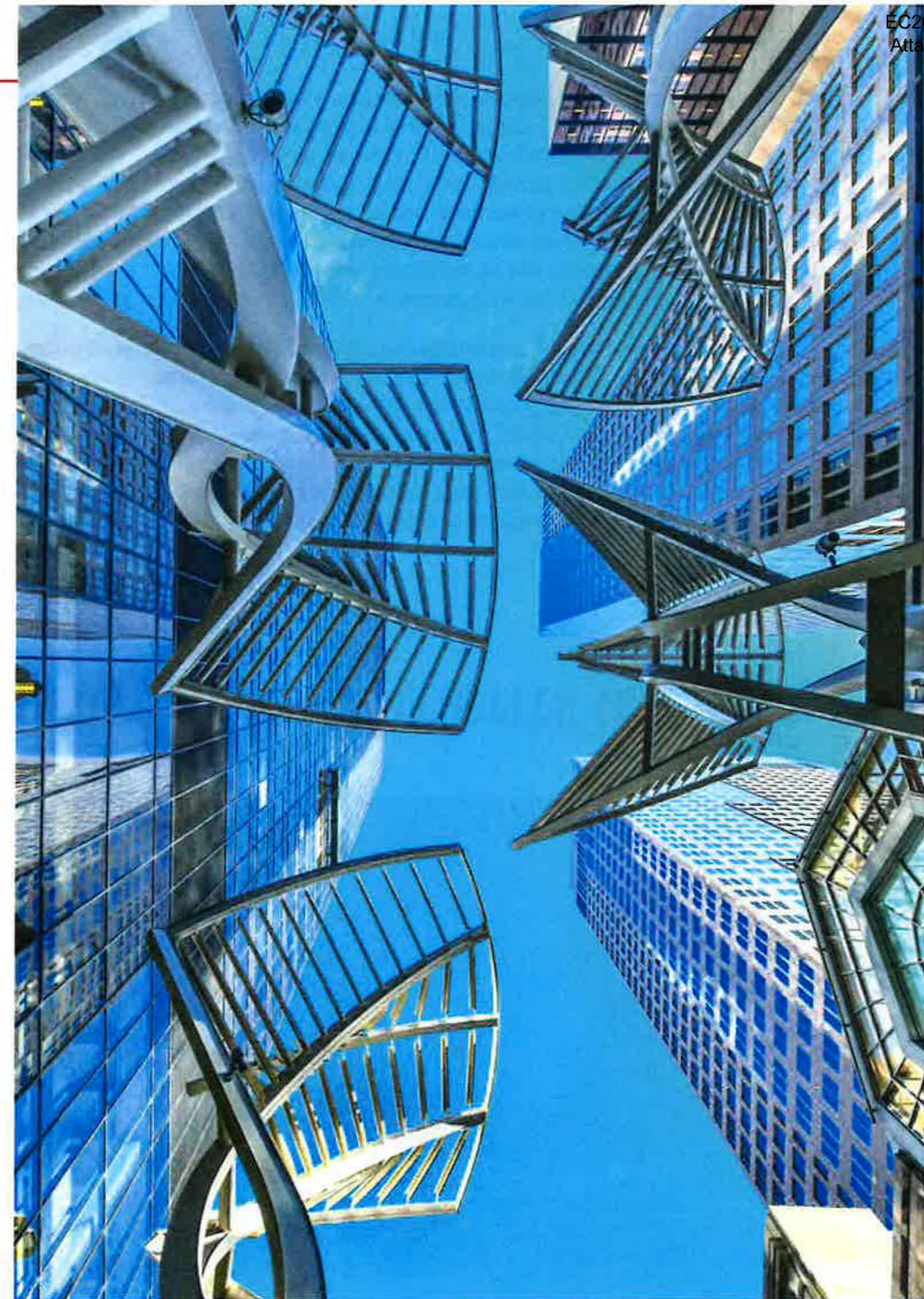
**Exhibit 2.9**  
**Underlying trends impacting all cities**



where the net zero transformation creates new jobs.<sup>46</sup> But such a transformation requires heroic change with all the associated risks. Considerations include: Will there be leaders and leadership? Will the leaders take the risks? Will they get financing and funding? The need for leadership has led to the creation of Canada's Net-Zero Leaderboard, adding a new layer of *competition between cities because that has typically spurred progress*.

Ultimately, even a “happy ending” will undoubtedly involve bumps along the road and extended periods of economic challenge. Note, for example, that the depression of Winnipeg housing prices during the 1990s adversely impacted local government funding through property taxes. The likely future challenges suggest an urgency to the task of reforming The City's funding framework. And as part of that reform, there is a need to build more than the usual buffers and reserves for a smooth pathway through the possible bumps and challenging times. The necessary funding reforms are long overdue. But better to start now, late, than never.

Beyond speed, there is a need for thoughtful solutions. Through the Toronto City Charter, Toronto gained access to new revenue tools that are helpful but generate limited funding (e.g., hotel taxes). Cities need more potent revenue sources allowing genuine policy contributions to challenges, including housing, addressing poverty and economic development. Ordinarily, cities should have no income re-distribution responsibilities (i.e., no de jure responsibility). However, cities increasingly have policy responsibilities that require re-distributing income (i.e., substantial de facto responsibility). Unfortunately, cities do not have sustainable funding tools for re-distribution in their toolkit. A tax point transfer as Calgary and Edmonton have effectively in the gasoline excise tax is potent but still leaves the municipality beholden to the provincial government because they could change the nature of it. As part of a revenue-sharing arrangement, a tax point transfer is a good starting point – cities like Calgary need other revenue sources. Cities have demonstrated spending and policy maturity – they ought to be rewarded with funding maturing too.





# 3

## Brief Review of Emerging Developments in other Municipalities

### 3.1 Canadian municipalities are turning increasingly to user levies (which has limits)

The received policy wisdom from economic analysis is that governments should raise revenue using funding tools that minimize distortions (i.e., minimize negative impacts on the normal functioning of market forces) and maximize fairness.<sup>47</sup>

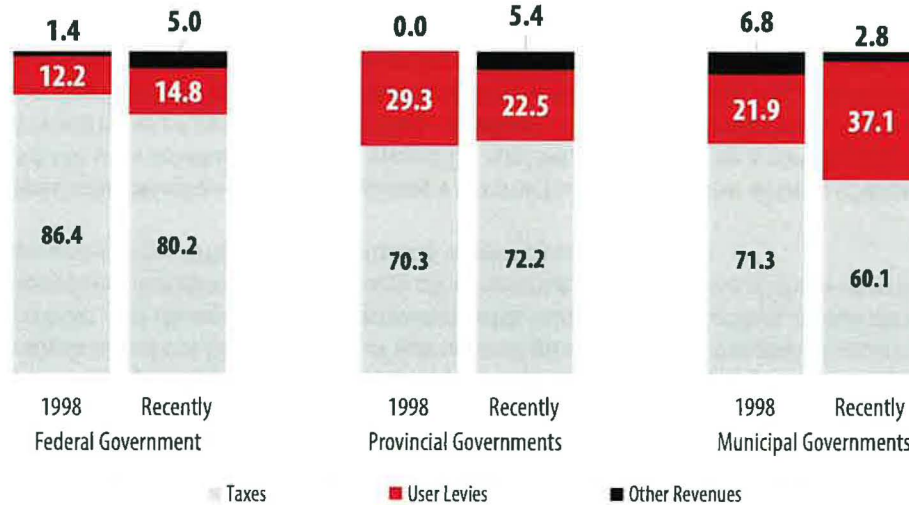
Charging user levies for municipal services sends price signals to the users, helping municipalities to achieve economic efficiency in allocating resources and avoid waste from oversupply. Calgary's municipal finance policies ensure that Calgarians and visitors to the city can enjoy the benefits of the services provided by The City. Taxes fully fund some services (e.g., roads). In contrast, others (e.g., recreational facilities) are funded through user fees (a category of user levies). Whether to charge full or partial user levies is determined by assessing the individual and community benefits. Services that benefit both the individual and society are partially tax-supported. While user fees fully fund those with only private (individual) benefits.

Over the last 25 years (from 1998 to 2023), the need for more revenue has motivated most Canadian municipal governments to look toward user levy funding tools because of limited success securing expanded taxation powers. Specifically, reliance on user levies across the more than 4,500 municipal governments in Canada increased from about 22 per cent of revenue in 1998 to about 37 per cent in 2021 (Exhibit 3.1). While user levies are excellent funding tools because they minimize distortions and maximize fairness, there are limits to the reliance on them as a funding tool.

The limits show up because most user levies focus on cost recovery. They are constrained as revenue sources by legal limitations for user fees and regulatory charges. The limits also show up in the declining reliance on user levies by the provincial and federal governments. It has moved in the opposite direction for Canada's ten provincial and territorial governments. They have reduced their reliance on user levies from 29 per cent in 1998 to 23 per cent in 2021. Although the federal government increased reliance on user levies as a revenue source from 12 per cent (1998) to 15 per cent (2021), the level of dependence is due to automatic adjustments because of



**Exhibit 3.1**  
**Canadian Municipalities have turned Increasingly to User Levies to Fill Gap**



Source: Statistics Canada, Table 36-10-0222-01 and Table 36-10-0450-01



**Canada’s municipal governments are raising more money from user levies. Provincial governments and the federal government have shifted to other own-source revenue tools.**

demographic and economic change – two out of every three dollars of federal government revenue from user levies is from employment insurance and Canada Pension Plan premiums. Unlike municipalities, the provincial and federal governments are increasingly turning their attention to other sources of revenue beyond taxation and user levies.

### 3.2 The user levy focus is strongest in western Canada

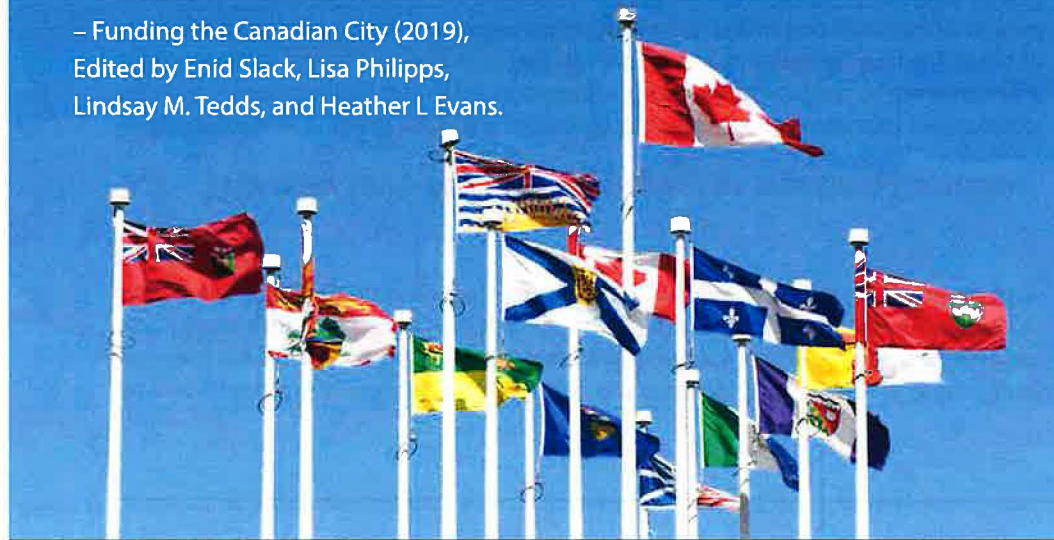
Reliance on user levies is most substantial in the resource-rich western provinces of Alberta, Saskatchewan, and British Columbia. That’s because most of the revenue is attributable to the regulation and sale of resources. For example, municipalities in Saskatchewan and British Columbia benefitted from regulating and selling natural resources. They had the highest reliance on user levies in 2016 at 58 per cent and 45 per cent, respectively (Exhibit 3.2).

One reason for the significant reliance on user levies in Alberta is the introduction of substantial reforms to off-site levies, a regulatory charge. Provincial legislation has become more accommodating of the infrastructure funded by off-site levies. As a result, The City of Calgary recently introduced significant changes to off-site levies that boosted revenue. A second reason is the differences in the extent to which different jurisdictions use proprietary charges. They generate more revenue for municipalities in Western Canada, like Calgary that emphasize franchise fee revenue using dynamic market prices that lead to higher revenue flows during commodity market booms. In short, Calgary has relied heavily on user levies, and the time may be suitable to broaden the revenue considerations.

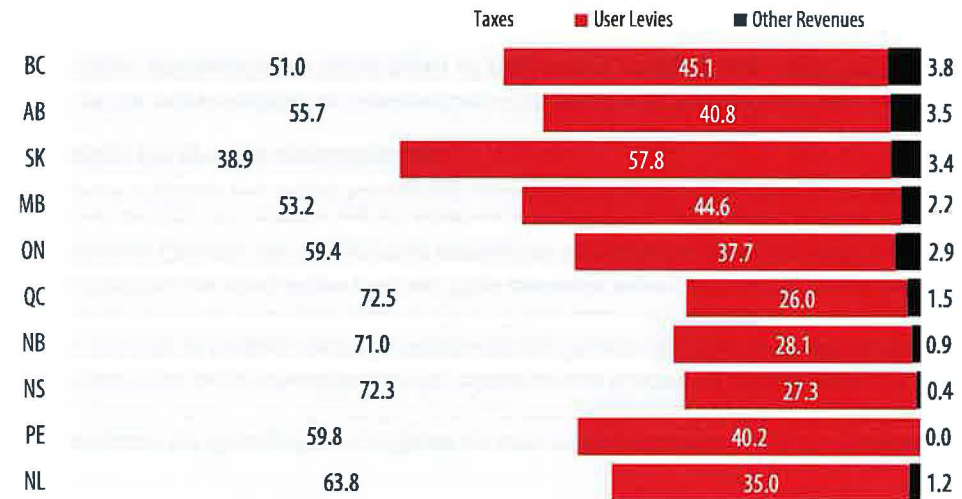
For those municipalities in non-resource-rich provinces, higher user levy revenue has been attributable to other types of proprietary charges (e.g., rents from social housing and proceeds from the sale of liquor) and regulatory charges (e.g., worker safety and compensation regime charges and the administration of different kinds of licensing)<sup>48</sup>

**“Although constrained as revenue sources by legal limitations, user levies provide valuable ways for municipalities to manage their proprietary interests and recoup costs .... municipalities could expand their use in novel ways.”**

– Funding the Canadian City (2019),  
Edited by Enid Slack, Lisa Philipps,  
Lindsay M. Tedds, and Heather L Evans.



**Exhibit 3.2**  
**The User Levy Focus is Strongest in Western Canada**



Source: Statistics Canada. Table 36-10-0222-01 and Table 36-10-0450-01

### 3.3 The key economic differences across categories of revenue

A common practice across municipalities worldwide, frequently captured in OECD analysis about the fiscal capacity of subnational governments, is the goal of securing a robust and diverse funding framework with revenue opportunities across three categories – taxation, user levies, and other revenue. That’s because all three revenue categories have different strengths and weaknesses (Exhibit 3.3).

Taxes raise revenue without requiring a connection between the activity charged and the uses to which the funds would be applied. There must be a connection for all three types of user levies - user fees, regulatory charges, and proprietary charges. User fees fund the provision of specific municipal goods or services, e.g., public transit. Regulatory charges are payments for a right or privilege granted by a municipality, e.g., off-site levies, fines, inspections, environmental protection, and licenses for pets or businesses. Proprietary charges represent a municipal government’s ability to exercise proprietary rights over its public property, e.g., revenue from leasing government property and franchise fees. Proprietary charges are desirable because they have all four desirable economic qualities for revenue sources.

Proprietary charges favour the four qualities listed below but are insufficient because they can only get you so far.

- **Economic Excess:** they act as a funding tool that allows exceeding cost recovery levels as market forces would allow.
- **Economic Effectiveness:** they allow the application of the revenue to any government spending activity to meet needs without restrictions.
- **Economic Equity:** they act as a funding tool for all beneficiaries of services without exceptions or exemptions.
- **Economic Efficiency:** they act as a pricing mechanism to moderate overuse and make it less likely for service demand to exceed supply.

### 3.4 Emerging alternative revenue sources for cities in Canada, the U.S., and other OECD countries

Many large Canadian cities face similar funding challenges and, like Calgary, are investigating options. For example, Toronto City Council approved a motion in February 2023 to have an updated review completed of revenue-generating options for the City of Toronto by no later than the third quarter of 2023.<sup>49</sup>

**Exhibit 3.3**  
**Key Economic Differences Across Categories of Municipal Revenue**

Contemporary Economic View of Major Municipal Revenue Categories		<b>Economic “Excess”</b> Acts as a tool that affords the opportunity to exceed cost recovery levels as market forces would allow	<b>Economic “Effectiveness”</b> Allows application to any type of government spending activity to meet needs without restrictions	<b>Economic “Equity”</b> Acts as tool that can be applied to all beneficiaries of services without exceptions or exemptions	<b>Economic “Efficiency”</b> Acts as pricing mechanism to moderate overuse and make it less likely for service demand to exceed supply
<b>1. Taxes</b>	Property Tax, Land Transfer Tax	High	High	Low – Exemptions for orders of government, universities, etc.	Moderate – Taxes can alter demand but not as strongly as user levies
<b>2a. User Levies [a. User Fees]</b>	Public Transit Fares, Recreation Fees	Low (i.e., disallowed)	Low (i.e., not for general revenue tool or cross-subsidizing other services)	Moderate – Some groups are excluded for affordability reasons	High
<b>2b. User Levies [b. Regulatory Charges]</b>	Off-site Levies, Fines, Pet Licenses	Low (i.e., disallowed)	Low (i.e., not for general revenue tool or cross-subsidizing other services)	Moderate – Some groups are excluded for affordability reasons	High
<b>2c. User Levies [c. Proprietary Charges]</b>	Leasing Government Property, Franchise Fees	High	High	High – All groups are required to pay these charges	High
<b>3. Other Revenue</b>	Investment Income, Proceeds from asset sale	High	High	Moderate – Sometimes not associated with services	Low – These tools do not typically have behavioral implications

- Some Canadian provinces have recently allowed cities alternative revenue sources outside real property taxes
  - Quebec introduced a share of 10 per cent of the growth of the provincial sales tax for all cities.
  - Toronto, Montreal, and Halifax now have fully functioning municipal land transfer taxes.
  - Montreal has a commercial parking levy.
- In the U.S., many states allow cities to levy local general sales tax or local income taxes without restrictions on tax rates, revenue growth, or spending.

- In 114 of 150 central U.S. cities, local general sales taxes contribute 21 per cent of total tax revenues.
- 23 U.S. cities levy local income taxes, and, on average, they contribute 29 per cent of tax revenues.
- About 42 per cent of OECD countries permit local governments to levy income taxes as a source of revenue
  - Cities in the five Nordic countries were recently assigned healthcare, social services, welfare support and K-12 education tasks. It led to an expansion of reliance on local income taxes (>80 per cent of revenue).



# 4

## Framework and Assessment of the Net Benefit of New Revenue Tools

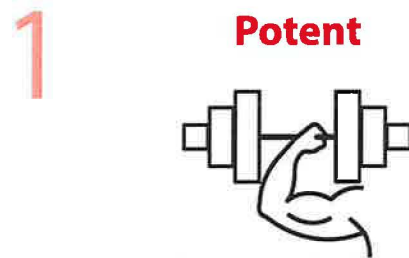
There is a body of evidence suggesting a higher level of ineffectiveness, inefficiency, and lack of accountability when the order of government responsible for spending funding is different from the government responsible and accountable for raising revenue. For example, a transit project run by a city but funded by the provincial

or federal government is more likely to have cost overruns if the provincial or federal government covers the excesses than if the municipal had to go to taxpayers or voters themselves. It is the most powerful justification put forward in economic analysis.<sup>50</sup>

### 4.1 Framework for assessing net benefits of alternative revenue tools uses 12 criteria

In response to the economic justification, economic analysis has also identified a set of criteria to inform the selection of new revenue tools, given the plethora currently available in North America.<sup>51</sup> This chapter reviews The City’s findings on the most

desirable revenue tools – the assessment assumes equal weighting across criteria. However, in practice, the choice of tools should reflect the specific situation. For cities like Calgary that are interested in potent revenue sources that can help address many funding needs, the potency criteria, the first of the 12 criteria summarized below, will have a weight higher than the other criteria. Here’s a summary of the 12 criteria.



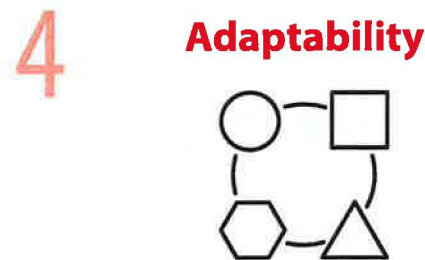
**1 Potent**  
The primary purpose is to collect revenues to address the municipal fiscal gap. New revenue tools should be potent.



**2 Fairness**  
Fairness means that the distribution of revenue responsibility is socially desirable. Describing a revenue option as fair is perception based. Measuring fairness relies on assessing equity.



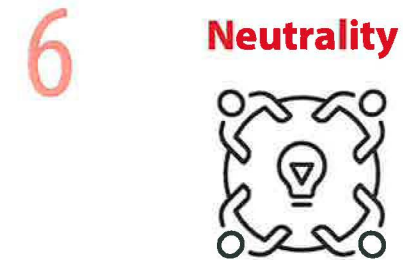
**3 Reliability**  
The revenue options should have appropriate levels of predictability, stability, and reliability to enable the government and citizens to determine the timing and amount of revenues for collection.



**4 Adaptability**  
It is desirable to build adaptability to the municipal revenue system by adding – (a) revenue diversity and (b) revenue options that respond quickly and countercyclically to economic conditions.<sup>53</sup>



**5 Efficiency**  
The addition of new revenue generation should not unduly impede or reduce the economy’s productive capacity.



**6 Neutrality**  
Neutrality means that the revenue options should not unduly influence citizens’ decisions. Their decisions should reflect the economic merits of the associated activity.

7

### Reinforcement



Governments sometimes wish to promote certain behaviours and discourage others, and revenue collections may support or impede this.

8

### Inexpensive



The operating costs for assessing and collecting revenue should be minimized.

9

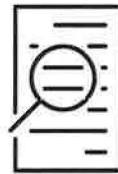
### Simplicity



Simplicity means that the revenue collection amounts should be known in advance, the rules should be simple and easy to understand, and the amount owing should be easy to pay and easy to enforce.

10

### Transparency



Transparency means the revenue information is highly visible and not hidden. Transparency helps to achieve accountability to citizens.

11

### Accountability



Accessibility and visibility of the information on revenue collection laws and their development, modification, and purpose are necessary for citizens to hold governments accountable for their money.

12

### Protection











Revenue collection administration must protect private information from all forms of unintended and improper information disclosure.

## 4.2 Tools related to property taxes, user fees and City assets

### Overview and evidence from other jurisdictions

The content of the Financial Task Force recommendations called for the examination of some tools that are related to property taxes, user fees and City assets. Some of the tools were recently examined for applicability to The City as an individual tool and discussed below for comprehensiveness (per FTF recommendations); other tools, such as the Local Improvement Tax and Special Tax, were not included in this discussion due to the scope of the study. Nevertheless, we recognize the importance of them in funding gaps associated with new development. The following tools are evaluated using the 12 criteria discussed in Section 4.1:

**Exhibit 4.1**  
**Tools related to property taxes, user fees and City assets suggested by the FTF**

	Revenue Tool	Revenue Category	Fundamental Changes Required for Implementation
1.	 Surtax on High-value Residential Properties*	Taxation	Easing property tax constraints
2.	 Non-resident Speculation Tax (NRST) and Property Speculation and Vacancy Tax (SVT)*	Taxation	Easing property tax constraints
3.	 Differential User Fees by Residency	User Levies	Pricing changes for different levies, fees, or fines
4.	 Differential Permit Fees using Application Processing Time	User Levies	Pricing changes for different levies, fees, or fines
5.	 Extension of Home Occupation and Non-resident Business Permits to Online Firms	User Levies	Pricing changes for different levies, fees, or fines
6.	 Differentiate Fines using Ability to Pay	User Levies	Pricing changes for different levies, fees, or fines
7.	 ENMAX Dividends	Other Revenue	Policy changes to increase revenue flow from assets
8.	 Revenue from Calgary Parking Authority Assets	Other Revenue	Policy changes to increase revenue flow from assets

Note: \* Tools 1 and 2 need legislative changes in Alberta. Tools 3 to 8 can be implemented within The City's Authority.



### 1. Surtax on high-value residential properties

A surtax on property in specific value brackets is one step towards a more progressive property tax system. For example, a 0.2 per cent surtax could be set on dwellings valued above \$1 million, rising to 0.5 per cent on values above \$2 million, and 1 per cent on properties above \$3 million. A surtax of this nature implies an additional annual tax of up to \$2,000 on homes valued between one and two million dollars. Dwellings valued between \$2 million and \$3 million will be required to pay a surtax of up to \$7,000. According to data collected by The City of Calgary in 2022, the number of residential properties valued at \$1 million or more in Calgary stood at 17,101, and the average price on these homes was \$2.2 million. The potential revenue from a surtax to The City is estimated to be \$51 million.

Many global cities have explored making their property tax systems more progressive, relieving the burden on lower-income families while providing a revenue boost.

- Differential property tax rates by assessed value remain popular in Europe. Germany has a two-class progressive rate structure for single-family properties (in particular, a 0.26 per cent rate for properties valued at up to €38,347, and 0.35% above). Serbia has a progressive rate structure, ranging between 0.4 per cent and 2.0 per cent. Belgium has a property tax system in place that assesses second homes at 140 per cent of cadastral incomes.<sup>53</sup> Finland has differential property tax rates on residential buildings, ranging between 0.32 per cent and 0.75 per cent.<sup>54</sup>
- Recognizing that the value of individual properties might not correlate with an owner's income, relief measures have also been put in place in most of these progressive structures to ease the burden on property owners. For example, properties up to 2.6 million Danish crowns in Denmark are subject to a 1 per cent tax (and 3 per cent for values above). However, lower rates apply to persons who owned their homes before 1998 and are older than 67 years. Portugal has also implemented a progressive property tax system that provides 4-to-8-year exemptions for low-income owners of high-value properties. Low-income owners of properties valued at less than €708 can be exempted entirely<sup>55</sup>. These adjustments ensure the taxable pool comprises "income-rich and property-rich" owners.

A few Canadian cities have explored this tool as an additional revenue source for municipalities to finance their service responsibilities. In addition to reve-

nue generation, other benefits are discouraging speculative buyers on the market and dampening housing price escalations. The proposal could also raise the cost of vacant dwellings, increase supply on the market and provide more moderately priced dwellings. Recent experiences in Canada are:

- In 1993, the province of British Columbia (BC) withdrew a tax change proposal that included a more progressive property tax system, targeting “high-valued single residential dwellings.” The withdrawal resulted from concern about potential harm to senior citizens who lived in high-value properties but on fixed incomes.
- In 2018, the BC government reintroduced the idea of progressive property taxes or tax rates increasing with property values. Again, this received opposition due to concerns about “property-rich” lower-income individuals. However, in 2018, BC changed the provincial “school tax” to include two new property tax brackets – (a) properties valued between \$3 million and \$4 million pay a 0.2% surtax, and (b) properties valued above \$4 million pay an additional 0.4% surtax on the value above \$4 million.

To tackle the impact on “property-rich but cash-poor” owners such as senior citizens, these groups can defer this tax until the property is sold. In this way, the reform does not affect low-income homeowners with low-value properties, while low-income people owning high-value properties are exempted through the surtax deferral programs.

Alberta municipalities have limited tools to levy differential property taxes on properties beyond separate rates for residential, non-residential and farmland properties. Notably, in Alberta, cities can only impose a property tax rate on the total value of the property, which means a progressive tax structure similar to the income tax structure is not allowed. So even if differential residential rates were implemented through a sub-class, a higher tax rate based on property value would apply to the full value of a property, not just the amount above a set policy threshold.

If the Alberta Government were to expand municipalities’ taxing powers, a property-based surtax more similar to what is in place in Europe and BC could be possible. It is important to note that unless Council opted to increase required tax revenue by a certain amount, no additional fiscal capacity results from a sub-class as described above, and a sub-class otherwise results in a lower tax responsibility for the base residential class.

One factor to consider is the impact of significant changes in property assessments for a subset of property types. Calgary has recently experienced and continues to experience substantial changes across property types. Adopting the surtax for only residential dwellings may lead to (politically) unbearable changes in tax responsibility for individual taxpayers.



## 2. Non-resident Speculation Tax (NRST) and Property Speculation and Vacancy Tax (SVT)

In 2017, the government of Ontario imposed the *Non-Resident Speculation Tax (NRST)*, or Foreign Buyers Tax, a 15 per cent tax on specific foreign buyers of real estate. The NRST applies to all affected purchases that closed on or after April 21, 2017. The implementation of the NRST was in response to concerns about the over-heated housing market and rapidly rising prices. Effective October 25, 2022, the Non-Resident Speculation Tax (NRST) rate increased to 25 per cent.

British Columbia and Ontario governments have implemented Speculation and Vacancy Taxes (SVT) that targeted speculators and quickly helped turn thousands of empty units into homes for people, making housing more affordable for residents. In British Columbia, the speculation tax and the 2 per cent tax rate for foreign owners and satellite families are believed to have encouraged the return of about 20,000 condo units to the long-term rental market in Metro Vancouver<sup>56</sup>.

Besides NRST and SVT, Vancouver and Toronto also levy city level empty (vacant) home taxes:

- First launched in 2017, Vancouver’s Empty Homes Tax is currently set at 3 per cent of a home’s assessed value and is intended to return empty or under-utilized properties to the long-term rental market. This program is credited with a 20 percent reduction in vacant properties between 2020 to 2021.<sup>57</sup>
- Toronto’s new Vacant Home Tax was implemented in 2023, set at 1 per cent of a vacant home’s assessed value.<sup>58</sup>

Although NRST and SVT are successful in Ontario and British Columbia, especially in big cities with housing supply shortages and escalating prices, these tools are not available in Alberta based on the current MGA.



## 3. Differential user fees by residency

Many non-residents of Calgary, including residents of neighbouring municipalities, do not pay the total cost of some municipal services received through user fees. That’s because most services are partly or wholly funded using property taxes. It makes sense to consider introducing a differential user fee by residency system to



improve fairness to Calgarians. For example, suppose the per capita cost of subsidizing a transit trip using property taxes is \$5.00, and a transit ticket is \$3.60 per ride. In that case, the actual cost is \$8.60 for residents versus \$3.60 for non-residents. The same idea applies to recreational facilities such as municipal parks, gyms, and art centres. Evidence from recent surveys of Calgarians indicates that many believe that visitors should pay higher user fees because of the property tax subsidy.

Several North American cities have explored using this approach motivated by the expected revenue increases:

- Greensboro (North Carolina) began a comprehensive differential user fee study in 2003 to achieve a fairer distribution of costs associated with services that benefited residents and visitors. The study identified three areas (parks and recreation, libraries, and cemeteries) where differential fees for use could be applied. Data gathered from this study showed nearly 39 per cent of Greensboro Public Libraries (GPL) users were non-residents of Greensboro. The GPL considered issuing cards to its users and charging non-residents \$35 to \$50 a year.
- The city of Tallahassee and Leon County (Florida) had a partnership in place that allowed Leon County to pay for recreational services offered to its residents by Tallahassee’s Park Recreational Department. Following the cancellation of the partnership, Tallahassee implemented a 50 per cent differential fee for non-residents of Tallahassee using utility billing codes and photo identification to establish proof of residency.
- Brantford (Ontario) released a 2020 report on non-resident user fees. The expected revenue impact reflected the percentage of non-residents using city services.

The explorations also identified potential negative implications of deploying residency-based user fee pricing:

- Greensboro determined that differential user fees for library services could lead North Carolina to reclassify the municipal libraries (meaning Greensboro loses state aid through valuable grants and resources) and reduced patronage (projected 33 per cent decline in the cardholders).



#### 4. Differential permit fees using application processing time

The City of Calgary requires permits and licenses for construction and business activities within the municipality. City staff review various development and business

applications, ensuring they comply with the Alberta building code and City bylaw requirements, and the costs of development approval and business licensing are fully supported by permit and licence charges. The charges reflect a small share of the market value.<sup>59</sup>

The City of Calgary received 21,000 building permit applications in 2021. In Calgary, permits for minor improvements are issued within 21 days, provided all necessary documents and information are submitted with the applications. This process may take as long as 56 days or more for larger projects, depending on the amount of information included with applications and the type of building project. Calgary’s processing times are about average relative to other big cities:

- On average, receiving a building permit in Toronto takes 5 to 20 days. The average processing time for complex building projects is about 30 days.
- Edmonton processing times for building permits also range from a week (for detached houses) to 21 days (for commercial buildings).
- In Vancouver, simple building permits sometimes require eight (8) weeks or more. Complex building permits could take up to eight (8) months.

#### Exhibit 4.2 Benefits of the Expedited Development and Building Option

Benefits To The City of Calgary	Benefits To Applicants/Citizens
<ul style="list-style-type: none"> <li>■ Lower expenses for The City due to faster processes and lower operational costs</li> <li>■ Decreased incidents of illegal construction</li> <li>■ Higher future property tax revenues due to faster project starts</li> <li>■ Reduced climate and environmental risks</li> <li>■ Higher license and permit revenues due to third price discrimination based on ability to pay</li> </ul>	<ul style="list-style-type: none"> <li>■ Affordable housing because of fewer costs associated with lengthy review processes being passed on to homeowners/renters</li> <li>■ Higher time predictability in projects</li> <li>■ Better accountability</li> <li>■ Reduced time cost to developers</li> </ul>

Source: Corporate Economics, The City of Calgary

4. Framework and Assessment of the Net Benefit of New Revenue Tools

Several cities in the U.S., including Los Angeles, Tacoma, Sacramento, and Fort Worth, have differentiated user fee models that reflect an expedited permit option in their service models.<sup>60</sup> The City of Calgary could also explore differential user fees based on processing time options. If applied, the expedited permit option could benefit both The City and the applicants, as illustrated in Exhibit 4.2.



**5. Extension of Home Occupation and Non-Resident Business Permits to online firms**

In today’s digital economy, many firms and businesses operate in cities without a captured presence in non-residential property taxes. Ensuring all businesses are fairly priced for their uses of city infrastructure and services regardless of the method of operation is essential. Many cities have explored a ‘catch-all’ general licence category.<sup>61</sup> For example, the city of Edmonton found that the enforcement of ‘general’ licences is quite challenging. Most home businesses are already regulated under specific professional agencies (i.e., accountants, lawyers, consultants), often affecting the rationale for City licences.<sup>62</sup>

In Calgary, there are currently two business licence categories for home businesses. Still, many home-based businesses are not included in business licensing if regulated by another government-approved agency (e.g., accountants, lawyers). Home Occupation Class 1 businesses currently have no charge in applying for a permit. A Home Occupation Class 2 business permit costs \$457 in 2022, representing a drop from 2021 (\$481).<sup>63</sup>



**6. Differential fines using ability to pay**

In North America, fines are imposed based on the severity of the offence without consideration of the ability-to-pay of offenders. Low-income offenders have incurred large debts due to an inability to pay, often leading to jail time and stiffer fines - a vicious cycle. In contrast, day-fines systems (or fine systems based on the income of offenders) are popular in Europe, including Finland, Germany, Sweden, and Austria.<sup>64</sup> There are strong economic arguments in support.<sup>65</sup>

Fines for municipal bylaw offences could be set at a high level by default, and guilty persons could opt to prove their income to qualify for a discount. Extending this to traffic offences would require provincial involvement. Between 2016 and 2020, The City of Calgary collected an annual average of \$89 million in fine revenue (2.3 per cent of revenue). Assuming a day-fine system, and an average increase of 5, 10, or 20 per cent, the increased revenue assuming no behaviour change is \$4 million, \$9 million, and \$ 18 million, respectively.



**7. ENMAX Dividends**

ENMAX’s annual dividend to The City dates back to the late 1990s. Before the establishment of ENMAX, its forebearer, the City of Calgary Electric System (CCES) contributed to The City’s general revenues through a Tax on Utility Revenue and a dividend. Today, ENMAX pays only annual dividends to The City of at least 30 per cent of its net earnings or \$30 million, whichever is higher under the current dividend practice.

Over the 23 years from 1999 to 2021, The City of Calgary received a cumulative sum of \$1.1 billion in dividends from ENMAX<sup>66</sup>. Between 2009 and 2021, the annual dividend to The City ranged from \$40 million to \$67.5 million despite faster population growth and local inflation in Calgary. Good governance practices require policy review and adjustment every three to five years. Policy reviews and adjustments are more relevant now that ENMAX has changed size, business models, asset bases, operations, and risk exposure over the past 23 years. One of the most notable recent changes for ENMAX was its 2020 acquisition of Versant Power (formerly Emera Maine).

Following the original Financial Task Force recommendations in 2020 and before this mid-2023 update, significant work has occurred to review City assets including broader governance reviews of ENMAX. There are positive early signs, with the 2022 dividend coming in at \$82 million. Studies show that more work is needed.<sup>67</sup>



## 8. Revenue from Calgary Parking Authority Assets

The Calgary Parking Authority (CPA) operates municipally owned on-street and off-street parking facilities throughout Calgary. It had a different reporting structure before becoming a City division on December 19, 2022.

The financial return policies implemented in 2011 required the CPA to transfer to The City: (a) 100 per cent of net revenues from enforcement, and (b) the greater of 65 per cent, or \$11 million, of net CPA revenues. The CPA met or exceeded the minimum requirement every year between 2011 and 2021. However, in recent years, revenue from parking and sales other than fines and penalties have struggled. It declined from \$61.3 million in 2017 to \$60.7 million in 2018 in the recovery phase after the 2015-16 recession, dropping further to \$36.1 million in 2020 and \$32.7 million in 2021 due to the pandemic.<sup>68</sup>

Faced with these revenue challenges, the CPA made concerted efforts to reduce operating costs. Its total expense declined from \$63 million (2016) to \$54 million (2018) and further to \$48 million (2021). Integrating the CPA into The City is estimated to provide further savings of about \$20 million over the next ten years.

The new (digital) economy has disrupted the business model. The upswing in digitally enabled ride-sharing services (e.g., uber), food delivery services (skip the dishes), remote work, and other manifestations of the new economy have changed people's behaviour. The overall demand for parking has declined (potentially permanently). However, Calgary continues to boast some of North America's most expensive downtown parking, just behind New York and San Francisco (in February 2023). The CPA also manages The City's land in downtown, Kensington, Beltline, and Inglewood areas, around LRT stations and near schools. A review of the best use of those lands may yield opportunities.

## Assessed using the evaluation criteria

Broadly speaking, six of the eight tools generate similar net benefits and are good candidates for consideration. Two of them – differential user fee by residency and differential fines by the ability to pay – are an order of magnitude lower (Exhibit 4.3).

### ***Two tools depend on the ability to ease property tax constraints***

A surtax on higher-value residential properties and the Non-Resident Speculation Tax (NRST) or Speculation and Vacancy Tax (SVT) are the two tools that rely on easing constraints related to property taxes. While surtax can help cities move towards a more progressive property tax system with the objective of sustainable revenue generation, the NRST or SVT aims to address housing supply and affordability by changing property owners' behaviours with a short- to medium-term revenue-generating benefit.<sup>69</sup> With respect to examples, the City of Vancouver has a surtax in place. The NRST or SVT is in place in Ontario and BC.

As of today, Alberta does not have these tools in place. Given the recent surge in affordability challenges in Calgary (and elsewhere in Alberta), there may be a future need for these tools, especially when considering immigration and housing availability projections for the next few years. The analysis conducted here then becomes a valuable starting point for further costs and benefits assessment and potential tool deployment.

### ***Four tools depend on pricing changes for different levies, fees, and fines***

Four tools were considered, namely: (a) differential user fees by residency, (b) differential permit fees by permit processing time, (c) extension of home occupation and non-resident business permits, and (d) differential fines by the ability to pay. Executing pricing changes will need to rely on the identification of the appropriate differential pricing strategy:

- Pricing based on location could apply to differential user fees by residency.
- Charging different prices according to demand volumes could apply for differential permit fees.
- Amenity-based pricing could apply to the extension of home occupation permits.
- Pricing based on customer class could apply to differential fines.

There is diversity in the areas where these tools are most beneficial (Exhibit 4.4). For example, the extension of home business licensing promotes fairness and equity,

**Exhibit 4.3**  
**Tools related to property taxes, user fees and City assets do not fare well on the evaluation criteria**

**Scoring Guide:**

Strongly Aligned Partially Aligned Weakly Aligned

	Potent	Fairness	Reliability	Adaptability	Efficiency	Neutrality	Reinforcement	Inexpensive	Simplicity	Transparency	Accountability	Protection
1. <b>Surtax on High-value Residential Properties*</b>	Weakly Aligned	Strongly Aligned	Weakly Aligned	Weakly Aligned	Strongly Aligned	Weakly Aligned	Strongly Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
2. <b>Non-resident Speculation Tax (NRST) and Property Speculation and Vacancy Tax (SVT)*</b>	Strongly Aligned	Strongly Aligned	Weakly Aligned	Weakly Aligned	Strongly Aligned	Weakly Aligned	Strongly Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
3. <b>Differential User Fees by Residency</b>	Weakly Aligned	Partially Aligned	Weakly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Weakly Aligned	Weakly Aligned	Weakly Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned
4. <b>Differential Permit Fees using Application Processing Time</b>	Strongly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
5. <b>Extension of Home Occupation and Non-resident Business Permits to Online Firms</b>	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned
6. <b>Differentiate Fines using Ability to Pay</b>	Partially Aligned	Weakly Aligned	Weakly Aligned	Weakly Aligned	Weakly Aligned	Weakly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned
7. <b>ENMAX Dividends</b>	Strongly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
8. <b>Revenue from Calgary Parking Authority Assets</b>	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned

Note: \* Tools 1 and 2 need legislative changes in Alberta.  
Tools 3 to 8 can be implemented within The City's Authority.

Source: Corporate Economics, The City of Calgary

while differential fines by the ability to pay fosters accountability. One assessment element common to both is the significant administrative burden from implementation – a lot of work would need to go into ensuring that the terms and scope are clearly defined and understood by those making the payments. There are also efficiency considerations – these tools might incentivize businesses to relocate or impede the competitiveness of small/start-up businesses.

**Two tools suggested by the FTF require policy changes to increase revenue flow from assets**

The ENMAX group of companies is 100 per cent owned by the City of Calgary. Like any prudent investor with 100 per cent voting rights, it is up to the City of Calgary to influence ENMAX’s strategic direction and objectives to support returns. Over the last ten years, ENMAX has generated the lowest return on equity across all regulated utilities in Alberta. Achieving better returns would benefit The City.

The Calgary Parking Authority is now a part of The City of Calgary’s Transportation Department. Integration into The City’s reporting structure allows a more inclusive, system-wide approach to parking in Calgary and the deployment of assets, including prime lands, in a manner that generates optimal returns for The City.

**4.3 Additional tools beyond Calgary’s authority**

**Overview and evidence from other jurisdictions**

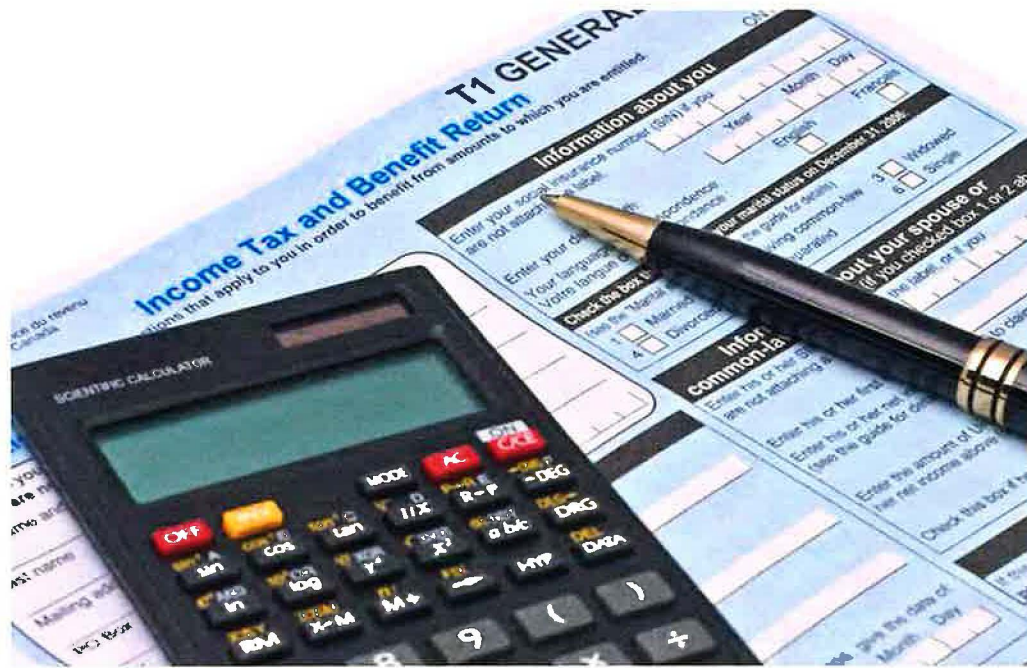
The content of the Financial Task Force recommendations called for the examination of seven categories of tools that are beyond The City’s existing legislative authority. The tools are:

**Exhibit 4.4  
Additional tools that will need legislative change**

Revenue Category	Revenue Tool
I. Taxation – Taxes on Income	9. Personal Income Tax 10. Corporate Income Tax
II. Taxation – Taxes on Production	11. Real Property Tax: Discontinuation of Provincial Property Tax Collection 12. Occupational Privilege Tax 13. Road Pricing 14. Advertising Tax 15. Telecommunications Franchise Fees
III. Taxation – Taxes on Products	16. Municipal General Sales Tax 17. Accommodation Tax 18. Parking Tax 19. Fuel Tax 20. Tobacco Tax 21. Amusement Tax 22. Land Transfer Tax 23. Alcohol Tax 24. Cannabis Tax 25. Gaming Revenue
IV. Taxation – Current Transfers from Households	26. Vehicle Registration Tax 27. Insurance Premium Tax
V. Taxation – Taxes on Non-renewable Resources	28. Royalty Revenue 29. Carbon Tax
VI. Taxation – Taxes related to the New Economy	30. Cloud Computing Tax 31. Digital Sales Tax 32. Ridesharing Tax 33. Digital Amusement Tax 34. Online Marketplace Accommodation Tax 35. Tax on Shared Mobility Services 36. Autonomous Vehicle Registration Tax
VII. User Levies – Levies related to the New Economy	37. Monetization of City Data as an Asset 38. Investing in Digital Connectivity Infrastructure 39. Regulatory Charges for 5G Infrastructure

4. Framework and Assessment of the Net Benefit of New Revenue Tools

**Taxation – Taxes on Income**



**9. Personal Income Tax**

**Tool Description and Calgary Context**

Personal income taxes in Canada are currently levied as a percentage of personal incomes by the provincial and federal governments and based on the place of residence. Revenues from personal income taxes in 2021 were \$183 billion for the Canadian Government and \$128 billion for all provinces, accounting for 47 per cent and 23 per cent of total revenues for the two orders of government in Canada, respectively. Although some Canadian municipalities (excluding Calgary) levied income taxes before World War II, they have not been allowed to do so since 1941.<sup>70</sup>

**Precedents in Other Jurisdictions**

The U.S. has many examples of municipal income taxes, with over 3,800 municipalities levying income taxes of different varieties in 17 states, particularly in the north-eastern part of the country.<sup>71</sup>

Philadelphia (Pennsylvania) has the longest-standing and highest local income tax in the U.S., taxing residents and non-residents for wages earned. Residents pay taxes regardless of where they earn wages. Non-residents only pay tax on wages earned in Philadelphia. Philadelphia has a tax rate of 3.8 per cent on earned income for residents and 3.4 per cent for non-residents. Income taxes made up 33 per cent of Philadelphia's total revenues in 2020.<sup>72</sup>

There are other variations: Detroit (Michigan) taxes residents and non-residents at different rates. Municipalities in Kansas apply local income taxes only on interest and dividend income. Beyond North America, municipal income taxes are also prominent in many European countries.

**Analysis emphasizing notable elements of evaluation criteria**

The assumption of a 10 per cent surcharge on provincial income taxes can be used to estimate the potential revenue that a municipal personal income tax could generate. Using the city's population share and personal income tax revenue for the provincial government, the municipal income tax generated would have been \$420 million in 2021.

A municipal income tax would have a large tax base relative to other types of taxes. It would grow at the same rate as the real economy plus inflation. Between 2007 and 2021, Alberta's nominal GDP grew by 43 per cent, and personal income taxes increased by 51 per cent. Personal income taxes are typically progressive, and those more able to pay contribute more. However, income tax revenues would fluctuate with business cycles. As a result, it is less predictable than real property taxes.

The tax base for a personal income tax in Canada uses an individual's place of residence, which is challenging to change in the short term. As a result, a new municipal income tax would likely have minimal distortionary effects in the short term. In the long run, employees could look for work in other cities without municipal income taxes, negatively affecting the local economy. Another net-benefit is that taxing higher-income individuals at higher rates is progressive and fair.

Taking tax points from the provincial and federal government system or adding a surcharge to their design, and working alongside the Canada Revenue Agency, would make implementation inexpensive and straightforward relative to setting up an independent municipal tax system. According to a study conducted for the City of Toronto, administration costs for a municipal income tax could be in the range of 1.5 per cent of total revenues collected.<sup>73</sup>

## Taxation – Taxes on Income



### 10. Corporate Income Tax

#### *Tool Description and Calgary Context*

Corporate income taxes are applied as a percentage of the taxable income of businesses. Canada’s federal and provincial governments (and no municipalities, including Calgary) levy corporate income taxes based on the location of businesses. Total corporate tax revenues in 2021 were \$70 billion for the Government of Canada and \$47 billion for all provincial governments in Canada. For both the federal and provincial governments, revenues from corporate income taxes accounted about 37 to 38 per cent of their total tax revenues from personal and corporate incomes combined in 2021.

#### *Precedents in other jurisdictions*

Municipal corporate income taxes are a revenue source in some U.S. cities. However, they are rarer than municipal personal income taxes. There are three noteworthy examples:

- Detroit (Michigan) imposes a 2 per cent income tax on corporations.<sup>74</sup>
- Philadelphia (Pennsylvania) levies a tax on corporate income and receipts tax, collecting \$1.414 per \$1,000 on gross receipts as well as 5.99 per cent on taxable net income.<sup>75</sup>
- New York City (New York) imposes taxes vary according to the type of business, ranging from 4.425 per cent for certain manufacturing corporations to 9 per cent for financial corporations.<sup>76</sup>

Income taxes (including personal and corporate income taxes) make up over 80 per cent of all local tax revenue (excluding non-tax revenues) in Denmark, Iceland, Finland, Luxembourg, Norway, and Sweden.<sup>77</sup> Indeed, 97.5% of local tax revenues in Sweden came from income taxes in 2016.

#### *Analysis emphasizing notable elements of evaluation criteria*

A municipal corporate income tax could be a relatively large revenue source for The City. A rough estimate of potential corporate income tax revenues for The City of Calgary can be constructed from the total corporate income tax revenue collected by the province.<sup>78</sup> In 2021, if The City had imposed a corporate income tax rate of 1 per cent, it would have generated estimated revenues of \$170 million. Given Calgary’s high concentration of corporate headquarters, the potential revenues could be even higher than this rough estimate.

Corporate income tax revenue would be very volatile. Not only is the corporate income tax base unstable, but it is also mobile. Businesses could use accounting maneuvers to shift the location of corporate profits without significantly altering physical business operations. A municipal corporate tax could also reduce business investment in Calgary, which would have significant adverse effects on the local economy.

The corporate income tax would satisfy fairness from the ability to pay perspective since the largest and most profitable businesses would pay the most tax.

A municipal corporate income tax could face some complexities concerning the definition of taxable income and would create administrative costs if administered by municipalities. Tax credits or deductions could be used to support behaviour-modifying incentives but would further increase administrative complexities. Like the personal income tax, piggybacking on the provincial or federal corporate income taxes could be a way to reduce administrative costs.

## Taxation – Taxes on Production



### 11. Real Property Tax: Discontinuation of Provincial Property Tax Collection

#### *Tool Description and Calgary Context*

Canadian municipal governments levy real property taxes as a percentage of the assessed property value for the municipal and (typically) provincial governments. The City of Calgary collects real property taxes for municipal purposes and on behalf of the Government of Alberta to cover some education costs. In 2022, The City of Calgary collected over \$772 million in real property tax revenue for the province. It was 27 per cent of property taxes from residential and non-residential properties in Calgary. The Government of Alberta uses its share to fund the kindergarten to Grade 12 education system.

While municipal fiscal imbalance leaves The City of Calgary with a funding gap leading to a reliance on provincial government transfers, at the same time, the province is crowding out the property tax capacity, the primary source of revenue for The City (and only taxation tool). As the provincial property tax represents a substantial component of the total property tax bill, removing some or part of it would allow The City to step in without changing taxpayer responsibility.

#### *Precedents in other jurisdictions*

The province of Newfoundland and Labrador does not collect provincial property taxes. In that province, general provincial revenues continue to fund education after the removal of the business property tax and individual poll tax for education in 1992.<sup>79</sup>

The province of Manitoba is currently in the process of phasing out provincial education property taxes. While locally set and collected school property taxes currently contribute to funding education in Manitoba, the provincial government is exploring a new model where kindergarten to Grade 12 education gets fully funded from provincial general revenues. While school property taxes are still in place today, the Government of Manitoba offered property owners a 37.5 per cent rebate on education property taxes in 2022, with a more significant rebate of 50 per cent expected for 2023.<sup>80</sup>

#### *Analysis emphasizing notable elements of evaluation criteria*

Discontinuation of provincial property tax collection, or municipalities' full access to the real property tax, would provide The City of Calgary with the increased ability to cover the increasing cost of providing municipal services using property taxes. Given the need for fiscal autonomy, it is reasonable because Council can set the total tax rate based on the cost of municipal services and economic conditions. It would significantly improve government accountability. The City would be the only one to set the total tax rate for residential and non-residential properties. It would also increase transparency to taxpayers as there would be direct links between property taxes paid and municipal services received from The City. Many taxpayers believe they only pay real property taxes to The City of Calgary despite various efforts to clarify that the municipality and province receive the revenue.

The drawback of relying more on property tax is that there are better sources to fund income redistributive programs. Property tax does not directly relate to a person's current ability to pay like income tax. The City already has an efficient assessment and taxation department to assess the tax base and years of experience setting real property tax rates.



## Taxation – Taxes on Production



### 12. Occupational Privilege Tax

#### *Tool Description and Calgary Context*

An occupational privilege tax is a special case of a payroll tax. Rather than being calculated as a percentage of earned income, a fixed amount per employee is required to be paid by employers each month. However, exemptions for low-income employees may be applied.

Payroll taxes in Canada are levied by the provincial level of government in some provinces (Ontario and recently BC) but not in Alberta. Revenue from payroll taxes totalled \$18 billion in 2021 for all provinces. That's about 14 per cent of taxes on personal incomes at the provincial level governments in Canada. A municipal level occupational privilege tax for The City of Calgary would be difficult to implement as the province does not have the tax collection system.

#### *Precedents in other jurisdictions*

In the U.S., some municipalities in Colorado, Pennsylvania, and West Virginia generate revenue from occupational privilege taxes.

In Denver, Colorado, employers and employees are subject to occupational privilege taxes. A tax of \$5.75 is withheld per month for each employee working in Denver. At the same time, businesses must also pay \$4.00 per month per taxable employee.<sup>81</sup> The tax only applies to workers earning at least \$500 in monthly compensation.

A City Service Fee of \$5.00 per week is imposed in Huntington, West Virginia, so that an employee may be taxed up to \$260 per year.<sup>82</sup> Most Pennsylvania municipalities with an occupational privilege tax (known as a local services tax) collect only \$52 per employee annually.

#### *Analysis emphasizing notable elements of evaluation criteria*

The City of Calgary could have realized potential revenue of \$70 million in 2021 if it charged an occupational privilege tax rate of \$10 per employee per month. This calculation excludes self-employed workers from paying the tax and does not account for any low-income exemptions.

While an occupational privilege tax would fluctuate with economic conditions, its simplicity would allow revenue predictability with a forecast of employment in the City. Revenue from the tax would grow in the long term along with employment, though adjustments to account for inflation would be needed over time.

Because this tax is a fixed value per employee rather than a percentage of income, it would have a weaker connection to the taxpayer's ability to pay - making it somewhat regressive (even with exemptions for low-income workers). The tax base, linked to the place of work, would be relatively immobile. Still, if the tax is too high (including relative to neighbouring jurisdictions), it could drive some employment out of Calgary and have a negative economic impact.

An occupational privilege tax has the benefit of being simple and transparent for taxpayers. It would also be more straightforward to administer than an income tax. The biggest drawback is that the Government of Alberta does not have occupational privilege taxes, which would make tax administration at the municipal level relatively expensive and resource heavy.

## Taxation – Taxes on Production



### 13. Road Pricing

#### **Tool Description and Calgary Context**

There are three main types of road pricing schemes: (a) tolls applied to a specific road or highway; (b) a cordon (or congestion) charge - a fee applied whenever a vehicle enters a specified zone, such as the city centre; and (c) a charge applied to all vehicles entering municipal boundaries. Additional variations reflect the source and nature of congestion. For example, charges could depend on the time spent in the affected zone; the fee may only apply at peak times, and certain types of vehicles may be included or excluded. Technology (e.g., a transponder device or camera technology) to administer and enforce the toll can make it inexpensive to implement.

There may be cases in which a toll or cordon charge could be legally considered a user fee, as it is a fee paid in return for the service of road access.<sup>83</sup> The drawback is that user fee revenue cannot be used for general purposes, or the charge would be considered a tax.

#### **Precedents in other jurisdictions**

Toll highways and bridges exist in Ontario, Quebec, Nova Scotia, and Prince Edward Island. However, none are collected by municipalities. For example, the MacKay Bridge in Halifax has a toll rate of \$1 for personal vehicles, collected by a Nova Scotia crown corporation.<sup>84</sup> In London, U.K., a congestion charge is applied to the central area. Drivers that enter the zone must pay a £15 daily charge (some exemptions apply).<sup>85</sup> London also has an Ultra-low Emissions Zone (ULEZ) covering a larger area than the congestion zone, in which high-polluting vehicles are subject to a fee. Cordon charges exist in Stockholm (Sweden), Milan (Italy) and Singapore.<sup>86</sup>

#### **Analysis emphasizing notable elements of evaluation criteria**

The revenue collected from a toll or cordon charge depends on the geographical extent, timing, and rates. Consider a cordon charge applied to Calgary's downtown for revenue estimation purposes. In 2019, The City's Central Business District cordon count reported that 179,828 vehicles entered the downtown on an average week-day over 24 hours. During the morning rush (7:00 AM to 9:00 AM), 38,439 vehicles entered the downtown. A \$1 all-day charge for 250 days of the year would have generated \$45.0 million, while a morning-rush-only charge would have generated \$9.6 million. These estimates do not account for a likely decrease in traffic due to the charge. Assuming the total number of people entering the area each day would decrease, it would negatively impact businesses in the area.

While revenues fluctuation may occur due to economic conditions, the long-term outlook is stable. There was little change in the number of vehicles entering downtown Calgary in 2019 from 2012. Fairness is assured since the charges would be paid by the users of the road system. It would also reinforce desired behaviours like car-pooling.

Defining the boundaries of the toll area and other parameters or exclusions could be complex and difficult to understand but would be transparent. A direct connection of the charges to the costs of building and maintaining roads would support accountability. Implementation and administration costs of a road pricing system would be large. Evidence from other cities shows that operating costs for a cordon charge may range from 29 per cent to 47 per cent of revenues, not including upfront implementation costs.<sup>87</sup>

## Taxation – Taxes on Production



### 14. Advertising Tax<sup>88</sup>

#### **Tool Description and Calgary Context**

An advertising tax or sign tax imposes an annual charge on billboards or electronic signs displayed in the city for the purposes of advertising, charged to either the operator of the sign or the owner of the property. Signs that are small, mobile, or for the purposes of identifying a business at its location are typically excluded from the tax. The tax could also be restricted to third-party advertising signs, which direct attention to a business located at a different site than the sign. The size of the tax is typically related to the dimensions of the sign, with a higher charge for larger signs. A sign tax could also be designed with differential rates depending on location or type.

In Calgary, the use of billboards and signs is governed by the Land Use Bylaw. Before putting up an advertising sign, the owner is required to obtain a development permit, with associated fees. However, these fees differ from a tax as they are a one-time charge used to cover the cost of the permitting service, not as a support to general revenues.

#### **Precedents in other jurisdictions**

The City of Winnipeg imposes an advertising tax, at a rate of \$29 per square foot for digital signs and \$3.30 per square foot for physical signs.<sup>89</sup> Signs such as identification and mobile signs are not subject to the tax. The City of Toronto has a third-party sign tax. The tax applies to signs placed in a different location than the business which the sign is advertising. Annual rates for the tax correspond to six size categories. Rates range from \$1,360 per year for the smallest signs to \$45,083 per year for the largest.<sup>90</sup> Sign taxes in the U.S. sometimes take the form of an excise tax. For example, Philadelphia levies a tax of 7 per cent for outdoor advertising.<sup>91</sup>

#### **Analysis emphasizing notable elements of evaluation criteria**

Between 2011 and 2017, the City of Toronto received stable revenues of over \$11 million each year from its third-party sign tax.<sup>92</sup> Assuming Toronto-level returns and adjusting for population size, Calgary could generate \$5 million annually from a similar advertising tax on third-party advertising signs. Revenue would be stable since the limited premium physical space for advertisements will typically be used even in economic downturns. Rates set as a dollar amount per sign would need to be adjusted over time for inflation but would otherwise have a stable growth potential.

Differential rates for signs of different sizes and types would contribute to fairness, as large or electronic signs are more likely to generate greater benefits to their owners. Businesses are unlikely to move outside of the city to avoid the tax, so that a sign tax with reasonable rates would not have significant impacts on economic growth.

An advertising tax with a detailed scheme of rates dependent on size and other features is not simple. Restricting the application of the tax to third-party advertising signs would reduce the burden on small businesses and reduce administrative complexity and revenue. Efficiencies in administration could be found by building off the existing process to obtain a development permit to construct a new sign. Through the development permitting process, The City already gathers information about the characteristics and locations of signs.

## Taxation – Taxes on Production



### 15. Telecommunications Franchise Fees<sup>93</sup>

#### *Tool Description and Calgary Context*

The City of Calgary collects franchise fees (local access fees or municipal consent and access agreements in other jurisdictions) from energy distribution utilities providing natural gas and electricity. Telecommunications providers have access to municipal rights-of-way through negotiated agreements, known as municipal consent and access agreements, which outline the fees. However, unlike franchise fees, these fees are designed with cost recovery in mind, not as a source of general revenue. There are legal barriers, given recent court rulings that place telecommunications under federal jurisdiction. There are operational barriers because wireless service usage is anywhere in Canada, not restricted by a municipality.

#### *Precedents in other jurisdictions*

While other municipalities in Canada also collect cost-recovery fees from telecommunications providers through access agreements, none collect franchise fees for general revenue. In the U.S., local franchise fees for cable television services are com-

mon, though a few limitations still apply. For example, U.S. federal law permits municipalities to charge a franchise fee to cable companies at a rate of no greater than 5 per cent of gross revenues.<sup>94</sup>

#### *Analysis emphasizing notable elements of evaluation criteria*

Potential revenues from franchise fees for telecommunications can be estimated using the data on the total operating income of telecommunications providers in Western Canada. Assuming all of the income could be subject to a franchise fee, and using Calgary's population share in Western Canada, The City would have generated \$23 million in 2019 from a 1 per cent franchise fee on telecommunications. Of course, this would likely require the CRTC consent, which may or may not be granted.

Franchise fees from telecommunications could be a stable and predictable revenue source. They would exhibit less volatility than existing franchise fees on electricity and natural gas, as prices for telecommunications services do not fluctuate like energy prices. The long-term growth potential for telecommunications revenue is strong, particularly for wireless services.

Since power and gas distribution companies in Calgary pay franchise fees, extending the same requirement to telecommunications companies could be considered fair as they benefit from access to municipal rights-of-way. Again, it would likely have to be approved by the CRTC. However, if the costs of the franchise fee were passed onto consumers, the effects may be more impactful on lower-income residents. Access to information can now be considered an essential service, taking up a larger share of total spending for lower-income households.

The uniqueness and essential nature of telecommunication services would limit the effects of additional fees on the use of the services in Calgary. However, even a tiny impact on telecommunications usage would deter investment in telecommunications and potentially put Calgary behind in transitioning to the new, information and communication-driven economy.

Only a few telecommunications providers would be subject to the franchise fee. In addition, agreements already exist with these companies that govern access to rights-of-way. Thus, if they could be permitted, adding franchise fees for telecommunications would come with relatively small administrative costs for The City. For non-wireless telecommunications services, the fee would also be simple and transparent for consumers. For wireless plans with coverage broader than the municipal boundaries, the fee calculation would be more complex.

## Taxation – Taxes on Products



### 16. Municipal General Sales/Value-added Tax

#### *Tool Description and Calgary Context*

A municipal sales tax is applied as a percentage of the price of purchased goods and services. The tax is paid by both residents and non-residents who shop in the jurisdiction where the tax is collected. There are two main types:

1. A retail sales tax (RST) is a non-refundable sales tax applied to the sale of specific products. They are paid by final consumers and businesses purchasing the products as inputs.
2. A value-added tax (VAT) is assessed incrementally through the stages of production and distribution. If it is applied to the price of a product, but the consumer is a business purchasing inputs, it will be refunded.

No municipalities in Canada currently have the authority to implement a sales tax. The federal Goods & Services Tax (GST) is a VAT. A Harmonized Sales Tax (HST) is collected in some provinces, adding a provincial portion to the GST collected by the federal government and remitted to the participating provinces. Other provinces use provincial sales taxes (PST), administered independently of the federal government. Except for Quebec, these provincial taxes follow the RST structure.

#### *Precedents in other jurisdictions*

The government of British Columbia held a referendum in municipalities in the Great Vancouver area in 2015 to test implementing a regional sales tax of 0.5 per cent to fund the regional transit authority, TransLink. The referendum was defeated, with 62 per cent of Metro Vancouver residents voting against the proposed sales tax.<sup>95</sup> Sales taxes at the municipal level are common in the U.S. and can be found across 38 different states.<sup>96</sup> Across the U.S. overall, 7 per cent of all general revenues for local governments come from sales taxes.<sup>97</sup>

#### *Analysis emphasizing notable elements of evaluation criteria*

Alberta is the only province in Canada that doesn't have a provincial GST or HST, so the only low-cost possibility for a municipal sales tax for The City is to look into the idea of piggybacking on the federal GST system, which is the "penny tax" idea proposed by business leaders in 2011.<sup>98</sup> To estimate potential sales tax revenue for The City of Calgary, a simple population share of 30.7 per cent is applied to the total federal GST of \$5.8 billion collected in Alberta. Under a 1 per cent municipal sales tax, the City of Calgary would have received an estimated \$356 million in 2021.

A general sales tax would have a broad tax base. Revenues would face some volatility in response to economic conditions but grow at the same rate as the economy without needing rate adjustments. One potential benefit of a sales tax is that residents and non-residents who shop within municipal boundaries and benefit from City services would contribute through the tax. It would also capture the new (digital) economy transactions. However, sales taxes are generally regressive because high-income earners do not get a higher rate.

The tax base for a sales tax has some mobility. If a neighbouring municipality had no sales tax or taxed at a lower rate, consumers would be motivated to shop just outside City limits, negatively impacting the local economy. Complex inclusions and exclusions of goods and services from the tax could create challenges. The City would incur substantial costs to establish and maintain an independent municipal sales tax. A penny tax piggyback on the federal GST system would need multi-government approval and collaboration. A municipal sales tax would be more feasible if the Alberta government explored it. The City could advocate for a municipal portion of the tax with estimated higher RST revenue (1.3 times the VAT revenue) using data from BC, Saskatchewan, and Manitoba RST systems.

4. Framework and Assessment of the Net Benefit of New Revenue Tools

**Taxation – Taxes on Products**



**17. Accommodation Tax<sup>99</sup>**

***Tool Description and Calgary Context***

An accommodation tax (hotel tax or tourism levy) is a tax on the price of short-term accommodations such as hotels, motels, and bed and breakfasts.<sup>100</sup> Some municipalities also have a mandatory destination marketing fee (DMF) in addition to the tax. These could fund tourism marketing initiatives or support general revenues in Calgary if available.

The Government of Alberta collects a 4 per cent tourism levy on the purchase price of accommodation for residential short-term rentals through online marketplaces and traditional hotels and motels. An additional 3 per cent on the purchase price generates a destination marketing fee (DMF) the Calgary Hotel Association collects voluntarily.<sup>101</sup> DMF funds from 58 hotels (70 per cent of Calgary hotel rooms) are the primary funding source for Tourism Calgary (Calgary’s tourism marketing and development organization).<sup>102</sup> Tourism Calgary received \$5.7 million in 2021.<sup>103</sup>

***Precedents in other jurisdictions***

In Ontario and Manitoba, municipalities control accommodation taxes. Winnipeg collects a 5 per cent tax, while Ottawa and Toronto collect at a rate of 4 per cent. In British Columbia, the province administers a Municipal and Regional District Tax (MRDT) of up to 3 per cent on accommodations for interested municipalities with restrictions on the use of funds by municipalities. Vancouver has an additional 2.5 per cent MRDT charge from February 1, 2023, to January 31, 2030, to cover costs to host the 2026 FIFA World Cup.<sup>104</sup> Local accommodation taxes are also seen in many cities and counties throughout the United States.

***Analysis emphasizing notable elements of evaluation criteria***

An accommodation tax would be a small, targeted revenue source and very susceptible to economic swings.

Before the COVID-19 pandemic, Calgary hotels generated about \$16 million yearly for the provincial tourism levy.<sup>105</sup> Thus, if The City imposed its own 3 per cent tax on hotel rooms, it would have generated about \$12 million. Revenues from an accommodation tax would be unstable and difficult to predict, subject to the volatility of the hospitality industry. In the long-term, revenues would grow as tourism in Calgary increases.

An accommodation tax is fair since visitors to Calgary benefit from City services such as infrastructure and protective services but do not pay property taxes. An accommodation tax could deter tourists from visiting Calgary if the cost of accommodations rose too much from the tax, which would negatively affect the hotel industry and the overall economy.

Since the provincial government already collects a tourism levy and a local DMF is already collected by many hotels in Calgary, adding a municipal tax or reallocating the existing provincial tax to municipalities would be simple. The City would either piggyback onto a concurrent provincial tax or need to collect the tax independently. Although the administrative burden would be reasonable even if The City administered the tax, having the province collect it on behalf of municipalities would reduce administrative costs.

## Taxation – Taxes on Products



### 18. Parking Tax

#### *Tool Description and Calgary Context*

A parking ‘tax’ is implemented either as a type of sales tax on paid commercial parking or as an annual levy based on the area of a non-residential parking lot and is not available in Calgary. It is distinct from existing ‘parking charges’ in Calgary that some consider high. An annual tax levy may apply to all types of parking or only paid parking. It may be specific to a geographical area within the municipality, such as the city centre.

#### *Precedents in other jurisdictions*

Montreal applies an annual tax to all non-residential parking spaces in some of the city’s downtown. The tax value is a specific rate on the taxable area of the parking spaces. Montreal’s 2022 budget outlines rates from \$6.05 to \$48.65 per square meter, depending on the location of the parking lot and whether it is interior or exterior.<sup>106</sup> The 2022 budget also projects \$22.0 million in revenues from the parking tax.

TransLink, the regional transit authority in the Vancouver metropolitan area, collects a parking tax. The tax is for commercial parking in the Vancouver area at 24 per cent of the purchase price.<sup>107</sup> TransLink’s parking tax is expected to generate \$62.7 million in revenue in 2022.<sup>108</sup>

In the U.S., sales taxes on commercial parking lots generate revenue for several municipalities in various states. Pittsburgh (Pennsylvania) has the highest rate, with a 37.5 per cent tax on parking lot fees. Pittsburgh’s parking tax brought in \$37 million in revenue in 2021, or 5.2 per cent of Pittsburgh’s total tax-supported revenues.<sup>109</sup>

#### *Analysis emphasizing notable elements of evaluation criteria*

Taking the revenues generated from parking taxes in Montreal and the Vancouver metropolitan area and adjusting them to Calgary’s population gives a rough estimate of the revenue potential for a parking tax. A tax modelled after Montreal’s annual levy on non-residential parking lots could generate an estimated \$15 million annually. A sales tax on paid parking at the 24 per cent rate used in Vancouver could generate \$30 million per year for The City of Calgary.

A parking tax set as an annual levy would be more stable than a sales tax on paid parking. Both tax-setting approaches are fair since payments (directly or indirectly) reflect users of the municipal road system. The revenues can then fund transportation services in the areas where the tax applies.

An increase in the price of paid parking would result in a small reduction in demand for parking by consumers. Under an annual levy approach, there may be a small effect on the supply of free parking, which may be converted to other uses or less likely to be added to new developments. Increases in parking costs could deter people from visiting areas with paid or limited parking, to the detriment of businesses in those areas. For example, Calgary’s downtown is currently in need of revitalization. A parking tax that deters downtown activity would counter The City’s downtown strategy initiatives. On the other hand, this would also result in a reduction in congestion and pollution from vehicles.

A sales tax approach taxing parking revenues would generally set a single tax rate and be reasonably simple and transparent. An annual levy based on parking lot area would require a definition of the taxable area, which could add complexity. Since the tax would be administered municipally, with no option to piggyback on a provincial tax, The City would incur administrative costs.

4. Framework and Assessment of the Net Benefit of New Revenue Tools

**Taxation – Taxes on Products**



**19. Fuel Tax**

***Tool Description and Calgary Context***

A fuel tax is an excise tax on gasoline and diesel. It is typically a fixed value per litre for the federal (10 cents per litre for gasoline and 4 cents per litre for diesel) and provincial governments. In 1936, Alberta initiated a 2 per cent sales tax on various goods. The general sales tax was short-lived, but the part applied to fuel stayed. Today the Alberta government collects 13 cents per litre for gasoline and diesel. The Federal Gas Tax Fund (now Canada Community-Building Fund) was conceptually set up to fund grants for municipalities but used general revenue.

***Precedents in other jurisdictions***

In British Columbia, the provincial government collects fuel taxes. The province collects an additional amount for the regional transit authorities in the Vancouver and Victoria areas. The dedicated rates are 18.5 cents per litre (Vancouver) and 5.5 cents per litre (Victoria). The provincial governments in Ontario and Quebec have specific programs that share revenues from fuel taxes with municipalities. In Ontario, 2 cents per litre of the provincial fuel tax is funds municipal transit systems.<sup>110</sup> The Montreal municipal fuel tax is three cents per litre. Municipalities (often counties) in 13 U.S. states charge local fuel taxes at a fixed price per gallon or have local sales taxes that

apply to gasoline.<sup>111</sup>

***Analysis emphasizing notable elements of evaluation criteria***

To estimate fuel tax revenues, suppose the Alberta government shared 10 per cent of its fuel tax revenues with the municipalities distributed per capita; The City would have received an estimated \$32 million in 2021. The same estimate would arise from an independent City of Calgary fuel tax at 1.3 cents per litre, assuming no market distortions. It is a low-end estimate, given higher rates in other jurisdictions.

A fuel tax would have limited volatility because it uses fuel consumption and is independent of prices. However, continued advancements in fuel efficiency and electric vehicle adoption mean revenue would decline over time.

Earmarking fuel tax revenue for road infrastructure would make it fair as the taxpayers are the users of the road system. Fuel tax funds are also often used to support local transit systems, which reduce congestion. Among drivers, the tax will account for a higher share of income for low-income earners than high income-earners, making it less equitable. The offset is the availability of public transit as an alternative for lower-income households.

While fuel consumption is relatively unresponsive to changes in fuel prices in the short term, a fuel tax would incentivize reduced fuel usage and a shift to electric vehicles or other modes of transportation over the long term. While the tax would have a negative economic impact on fuel retailers in Calgary, a reduction in fuel use would be positive reinforcement for the Climate Strategy, resulting in fewer greenhouse gas emissions. A less desirable result would be if neighbouring jurisdictions without a fuel tax attracted motorists to purchase fuel outside Calgary. A regional agreement to set equal rates across municipalities could alleviate these market distortions.

A fixed tax per litre of fuel is simple and already exists at the federal and provincial levels. They lack transparency because they are embedded in the posted price. Reliance on the provincial system would ease administration, but implementing an independent municipal fuel tax would not. The fact that this tax is applied on a cent per litre basis instead of a per cent basis means that the purchasing power of money collected through this tax is eroded over time.



## Taxation – Taxes on Products



### 20. Tobacco Tax

#### *Tool Description and Calgary Context*

A tobacco tax is an excise tax applied to cigarettes and other tobacco products. The tax is typically a fixed amount per unit or gram. Alternatively, it could be a percentage of the purchase price. The items covered by the tax could include e-cigarettes and vaping products. The Government of Alberta has a tax of 27.5 cents per cigarette on top of the federal 14.5 cent tax.<sup>112</sup> The Government of Alberta also taxes smokeless tobacco products and loose tobacco on a per gram basis. There are no municipal tobacco taxes in Alberta.

#### *Precedents in other jurisdictions*

No municipalities in Canada collect tobacco taxes. Municipalities in several U.S. states, including New York, Illinois, Alaska, Colorado, and Pennsylvania, are permitted to charge local cigarette taxes. In total, more than 645 local jurisdictions have a local tobacco tax in the U.S.<sup>113</sup> In some Colorado municipalities, the local tax is as high as 20 cents per cigarette.

#### *Analysis emphasizing notable elements of evaluation criteria*

To estimate potential tobacco tax revenues, the assumption that is used is that the Government of Alberta shares 10 per cent of its tobacco tax revenue with the municipalities, distributed on a per capita basis. Under this assumption, The City could have received \$20 million from a tobacco tax in 2021. Similarly, The City of Calgary could have generated the same revenue assuming an independent municipal tobacco tax system at the same 10 per cent rate for purchasing tobacco products. This estimate assumes no market distortions from taxation.

Revenues from a tobacco tax would be relatively stable and predictable but lack long-term growth potential if tobacco use decreases. However, deterring tobacco use would be a positive reinforcement for public health efforts underway to reduce tobacco use and could incentivize earlier achievement of desired goals.

A municipal tobacco tax does not strongly align with the desire for fairness. It is the same tax charge for anyone who purchases tobacco - it does not reflect differences in the ability to pay. While the tax revenue would help fund public services, the services offered by The City of Calgary have a weak connection to tobacco use.

An increase in the price of tobacco would create a mild decrease in demand. More importantly, if neighbouring municipalities offered lower tobacco prices than Calgary, customers may purchase tobacco outside Calgary to avoid the tax. An increase in black market tobacco or smuggling from lower-tax jurisdictions could also occur.

The tobacco tax would be straightforward if the rules were similar to those that apply to the existing provincial tobacco tax. Despite the simplicity, tobacco taxes are typically included in the purchase price of tobacco products, making the tax less transparent. Piggybacking on the existing provincial tobacco tax would reduce administrative costs. Retaining control of the tax rate in the hands of The City would support accountability more than a tax-sharing scheme controlled by the province.

4. Framework and Assessment of the Net Benefit of New Revenue Tools

**Taxation – Taxes on Products**



**21. Amusement Tax**

***Tool Description and Calgary Context***

An amusement tax (or entertainment tax) is a selective sales tax as a percentage of the admission price for entertainment facilities (and, in some cases, also for facility rentals). Venues subject to the tax may vary, including or excluding large entertainment venues. The tax may apply to live performances, sports events, amusement parks, commercial cinemas, recreational facilities, bowling alleys, nightclubs, etc.

Sometimes, a “retailers’ discount” may be applied, which returns a small portion of the tax collected back to the businesses paying the tax to help cover compliance costs. This type of tax does not exist in Calgary.

***Precedents in other jurisdictions***

Winnipeg has a Simplified Entertainment Funding Tax.<sup>114</sup> It applies only to admission to large venues with at least 5,000 seats and commercial cinemas. The tax is 10 per cent of the admission price. The City of Winnipeg raised \$2.1 million in 2019 and \$0.4 million in 2020 (due to the pandemic).<sup>115</sup> The revenue supports arts and culture in

Winnipeg. Regina’s Amusement Tax that applies only to commercial cinemas. The tax is set at 10 per cent of the ticket price.<sup>116</sup>

Amusement taxes are found in many U.S. municipalities. In some cities, the amusement tax applies more broadly to all types of amusement activities, not just large venues. For example, the City of Chicago’s amusement tax applies to live performances and presentations, participatory recreational activities, and paid television programming. The rates vary from 0.5 to 10 per cent. The tax is applied to gross receipts from amusement activities, not just admissions. Pittsburgh (Pennsylvania) charges 5 per cent of admission fees and received US\$15.6 million in 2019 (2.6 per cent of total general fund revenues).<sup>117</sup> It declined to US\$7.5 million in 2021 (1.3 per cent of total revenues) because of the pandemic.<sup>118</sup>

***Analysis emphasizing notable elements of evaluation criteria***

Amusement taxes in Canada fluctuated in a narrow band between 2007 and 2021, ranging from a low of \$290 million in 2014 to a high of \$371 million in 2018. Using the Winnipeg model as a baseline for estimation, a 10 per cent amusement tax in Calgary could generate \$4 million annually.

An amusement tax applied to large event venues would have a narrow tax base, unpredictable revenues, and volatility through economic cycles. Defining a broader amusement tax could create complexities and potential for loopholes without increasing growth potential. Since amusement spending is discretionary, it may be sensitive to changes in price brought on by a new tax. To the extent that the tax reduces event attendance or shifts demand to nearby municipalities, it would negatively impact economic growth.

The tax would be visible as a percentage of the admission price for designated types of amusements. Earmarking amusement tax revenues to support arts and culture would increase accountability. It is also a way to receive tax revenue from non-residents who spend money on amusements in Calgary and benefit from City services.

The City would have to administer the tax with no provincial equivalent. Limiting the scope to a few select venues would reduce potential revenue but also reduce the administrative burden for tax collection.

## Taxation – Taxes on Products



### 22. Land Transfer Tax

#### *Tool Description and Calgary Context*

A land transfer tax is a percentage of the purchase price on the sale of a property. The tax rate may be a flat rate or a sliding scale mechanism with increasing marginal tax rates on the property's value. The buyer of the property usually pays the tax. Alberta has no land transfer tax, collecting only a small land transfer registration fee.

#### *Precedents in other jurisdictions*

Many provinces in Canada collect a land transfer tax. Toronto has had a municipal land transfer tax since 2008, in addition to the Ontario provincial land transfer tax. It is a percentage of the purchase price of a property, starting at 0.5 per cent for properties \$55,000 or under and ending at 2.5 per cent for properties exceeding \$2 million.<sup>119, 120</sup> First-time home buyers may be eligible for a full or partial tax rebate. Montreal and other Quebec municipalities collect land transfer taxes – property transfer duties – with increasing marginal tax rates, like Toronto.<sup>121</sup> Halifax has a land transfer tax at a single fixed rate of 1.5 per cent.<sup>122</sup>

Many municipalities use municipal land transfer taxes in the U.S. Pittsburgh's municipal portion of the land transfer tax (called the deed transfer tax) is 3 per cent of the selling price. Land transfer taxes accounted for 12.7 per cent of Pittsburgh's general governmental revenues in 2021.<sup>123</sup> In Chicago, the municipal government collects a real property transfer tax of 0.75 per cent, with an additional 0.3 per cent going to the local transit authority. The buyer and seller split tax responsibility.<sup>124</sup>

#### *Analysis emphasizing notable elements of evaluation criteria*

Land transfer taxes in Canada generated \$9.2 billion in 2021 for the provincial and municipal governments that levy the tax. The tax revenue grew dramatically between 2007 and 2021, by 281 per cent.

The residential resale portion of potential land transfer tax revenues can be estimated using the number of sales in the resale market and the average price of homes in Calgary in 2021. If the City of Calgary imposed a 1 per cent land transfer tax in 2021, it would have received an estimated \$140 million. This conservative estimate does not account for potential revenue from new construction homes or transactions in the non-residential market.

A land transfer tax could be a significant source of revenue for The City. However, it would be volatile in line with local real estate market conditions. Revenue growth would reflect increases in real estate prices and housing inventory growth in the city. The burden of a land transfer tax would be borne most heavily by households that move more frequently. However, those who can afford to purchase more expensive homes would pay more, as the tax is tied to the value of the purchased property.

While empirical evidence is mixed, it is expected that a land transfer tax would reduce the number of real estate transactions.<sup>125, 126</sup> It may be beneficial in overheated real estate markets in Toronto and Vancouver, but not Calgary. A single flat tax would be simple and transparent. Some administrative costs would come along with implementation.

**Taxation – Taxes on Products**



**23. Alcohol Tax**

***Tool Description and Calgary Context***

An alcohol tax is an excise tax on alcoholic beverages. The tax is typically a fixed amount per litre but can also be a percentage of the sale price. The tax can apply to alcohol sold in retail stores and licensed establishments such as restaurants, bars, and nightclubs.

In Alberta, rather than being administered as a liquor gallonage tax, Alberta Gaming, Liquor & Cannabis (AGLC) collects revenue on behalf of the provincial government from liquor trading profits by applying a markup to the liquor it sells to licensees. Depending on the type of liquor, the alcohol content, and the type of manufacturer, these markups range from \$0.10 to \$18.33 per litre.<sup>127</sup>

***Precedents in other jurisdictions***

No municipalities in Canada collect alcohol taxes. Municipalities in 19 U.S. states are permitted to collect alcohol taxes.<sup>128</sup> Chicago (Illinois) and Washington D.C. collect alcohol taxes on a per unit volume basis, with different rates for different types of

alcoholic beverages. In Philadelphia (Pennsylvania), the local alcohol tax is designed as a 10 per cent sales tax – revenue from the tax support the school district of Philadelphia.

***Analysis emphasizing notable elements of evaluation criteria***

If Alberta shared 10 per cent of its liquor revenues through AGLC with the municipalities, distributed on a per capita basis, Calgary would have received an estimated \$28 million in the year ending March 31, 2021. This could also represent revenue for The City of Calgary from an independent tax with rates of 10 per cent of the provincial markups.

An alcohol tax could be a stable and slow-growing revenue source for The City but with a narrow tax base. If set as a fixed price per litre, tax rates need adjustments over time to account for inflation.

Under a per unit volume tax, more expensive alcoholic beverages are taxed the same as less expensive beverages of the same type. Thus, the tax will only partly reflect taxpayers’ ability to pay to the extent that higher-income earners purchase more alcohol. While retail sales of alcohol would mostly come from residents, some tax revenue from licensed establishments may come from visiting non-residents who benefit from City services.

The tax could discourage alcohol consumption, adversely affecting the economic fortunes of local alcohol retailers, restaurants, and bars. On the other hand, reducing alcohol consumption would positively reinforce public health preferences and reduce drunk driving, saving health care and policing costs. A more economically undesirable result would be a shift of alcohol purchases to neighbouring municipalities that may not have an alcohol tax.

Due to the many types of alcoholic beverages, a moderately complex scheme of differing rates is required for a per unit volume tax. A tax set as a percentage of the sale price would be a simpler alternative from the customer’s point of view. Since the province generates revenue from alcohol through markups to sales through AGLC, a revenue-sharing agreement would be an option to reduce administrative costs.

## Taxation – Taxes on Products



### 24. Cannabis Tax

#### *Tool Description and Calgary Context*

A cannabis (or marijuana) tax is an excise tax applied as a percentage of the sale price or as a fixed amount per gram. The Government of Alberta has a cannabis tax, which the federal government collects on the province's behalf. The Government of Alberta receives the greater of 75 cents per gram or 7.5 per cent of the producer price, plus the revenue from an additional tax of 10 per cent of the retail price.<sup>129</sup>

#### *Precedents in other jurisdictions*

No municipalities in Canada currently collect cannabis taxes. In some U.S. states where cannabis is legalized and taxed, municipalities can add their own excise tax, such as in Colorado and Massachusetts. In Denver, Colorado, retail marijuana products are subject to a tax of 5.5 per cent of the sale price, in addition to Denver's general sales tax rate of 4.31 per cent.<sup>130</sup> Medical marijuana is only subject to the general sales tax.

In Massachusetts, however, some municipalities have repealed their newly instituted marijuana taxes. When cannabis was legalized in the state in 2018, municipalities were given the option to collect a 3 per cent local tax on marijuana. In early 2022, the cities of Cambridge and Northampton repealed their local marijuana taxes to support the fledgling industry.<sup>131</sup>

#### *Analysis emphasizing notable elements of evaluation criteria*

Assuming the Government of Alberta shared 10 per cent of its cannabis tax revenues with the municipalities, distributed on a per capita basis, Calgary would have received an estimated \$5 million in 2021. A cannabis tax would currently have a very small tax base, but there is potential for growth in the future. Revenues may face some volatility in response to economic conditions.

The rationale behind a cannabis tax would be similar to the reasons for a tobacco or alcohol tax. Like most sales taxes, the link to the ability to pay is weak. In addition, payment of the tax would not be associated with benefits received from City services.

Taxing cannabis could lead to a reduction in consumption. If Calgary's neighbouring municipalities have lower rates or no tax, many consumers could avoid the tax by travelling outside the city to purchase cannabis products. High tax rates may also encourage growth in the black market for cannabis, which would offset one of the primary purposes of legalizing cannabis, which is to deter illegal activities in relation to cannabis. However, in discouraging cannabis use, the tax may also reduce health risks associated with cannabis use.

The tax would be relatively simple, especially if integrated with the federal tax collection system. If included in the price of cannabis, the tax would be less transparent. Piggybacking on the provincial tax base would be the most straightforward approach to tax administration. Creating an independent municipal cannabis tax would create high administrative costs.

4. Framework and Assessment of the Net Benefit of New Revenue Tools

**Taxation – Taxes on Products**



**25. Gaming Revenues**

***Tool Description and Calgary Context***

The gaming (gambling) industry can be a valuable source of government revenues. Rather than using an excise tax, provincial governments typically extract revenue by retaining profits from government-run gaming facilities or licensing gaming activities.

In Alberta, the provincial agency Alberta Gaming, Liquor & Cannabis (AGLC) collects revenues from licensing gaming activities such as casinos, bingo halls, and horse racing. Alberta uses a charitable gaming model, so proceeds from all gaming activities in the province go towards charitable programs or are used to fund government services. As such, a revenue-sharing scheme with the provincial government would be more realistic than a municipal tax or municipally administered gaming activities.

***Precedents in other jurisdictions***

No municipalities in Canada directly tax or extract revenue from gaming activities. The Government of British Columbia shares 10 per cent of net revenues from community gambling centres and casinos with the municipalities where the facilities exist. In the 2016 to 2017 fiscal year, it distributed \$96.8 million to all municipalities in the province.<sup>132</sup> A similar revenue-sharing system is in place in Ontario.

There is also evidence of gaming revenues in U.S. municipalities. For example, municipalities in Illinois receive a share of revenues collected by the state from video gambling machines in their jurisdictions.<sup>133</sup>

***Analysis emphasizing notable elements of evaluation criteria***

Assuming the Government of Alberta shared 10 per cent of its gaming profits with the Alberta municipalities, distributed on a per capita basis, The City of Calgary would have received \$32 million in 2021. However, its potency as a revenue tool is declining over time. For example, in Alberta, the provincial government’s gaming profits revenue has steadily declined, from \$1.8 billion in 2007 to \$1.3 billion in 2019 and \$1.1 billion in 2021.

A revenue-sharing agreement that extends provincial gaming revenues to Alberta municipalities would provide a new revenue source to The City that is moderately sensitive to economic conditions. However, many governments are not interested in positive reinforcements for gaming activity because there is evidence that gambling can become addictive and can lead to bankruptcy, poor mental health, and other social costs.

## Taxation – Current Transfers from Households



### 26. Vehicle Registration Tax<sup>134</sup>

#### *Tool Description and Calgary Context*

A vehicle registration tax is an annual charge that the owner of a motor vehicle must pay. Although some jurisdictions use a vehicle registration fee so that revenue only covers costs, that is not the intention here. In Alberta, the provincial government licenses personal and business vehicles, and an annual fee is required. A municipal tax could be applied to personal, business, commercial (via a stop in designated commercial loading zones) or all vehicles.

#### *Precedents in other jurisdictions*

The province of Quebec collects a \$30 fee as part of its annual provincial personal vehicle registration fee to fund local public transit projects on behalf of municipalities.<sup>135</sup> Montreal collects an additional annual \$45 tax on passenger vehicle registration on top of the \$30 provincial add-on. Vancouver requires commercial vehicles to display a city-issued decal to stop in commercial loading zones. Charges for the decal are according to the vehicle's weight, varying from about \$26 to \$42 annually.<sup>136</sup> A similar program exists in the City of Victoria – the annual charges are higher, ranging from \$100 to \$300.<sup>137</sup> Toronto enacted a "Personal Vehicle Tax" in 2008, which generated about \$55 million annually until repealed in 2011. Recent attempts to revive Toronto's vehicle registration tax were defeated.<sup>138</sup>

Vehicle registration fees at the local level are also common in the U.S., especially by county governments. The state government usually collects the county vehicle registration fees on behalf of the local government.

#### *Analysis emphasizing notable elements of evaluation criteria*

Alberta registration fees vary by the type of vehicle, with progressively higher fees for larger commercial vehicles. Assuming The City of Calgary receives \$8 for each vehicle registration (10 per cent of the \$80 provincial government fee for passenger vehicles, even though this example applies to all vehicles), The City would have received \$8 million in 2021 with 1 million vehicles registered in Calgary.<sup>139</sup> Using a \$45 flat fee like The City of Montreal would have yielded even more revenue (\$45 million in 2021) as well as higher fees for commercial vehicles.

A vehicle registration tax would be a stable revenue source. The tax base is the number of vehicles in The City, which grows with the population of The City. Rates will need adjusting over time to keep up with inflation. A vehicle registration tax is fair because payments are by vehicle owners who drive on City-provided roads. Funds generated can support the construction and maintenance of the transportation system. A scheme with higher rates for larger or more valuable vehicles would be fairest at the risk of increasing complexity and administrative costs. Leveraging the provincial collection system would make it administratively simple for The City.

The tax could discourage vehicle ownership in the city, negatively impacting the economic fortune of the vehicle-related industries. A vehicle registration tax would positively reinforce efforts to reduce greenhouse gas emissions and traffic and parking congestion. These positive and negative effects would be small because of the small size of the tax.

4. Framework and Assessment of the Net Benefit of New Revenue Tools

**Taxation – Current Transfers from Households**



**27. Insurance Premium Tax**

***Tool Description and Calgary Context***

Provincial governments in Canada collect an insurance premium tax on various types of insurance, such as life, health, auto, home, or other property insurance. It is typically levied as a percentage of insurance premiums paid.

***Precedents in other jurisdictions***

No municipalities in Canada collect insurance premium taxes. The province of Alberta has a 3 per cent tax on life, sickness, and accident insurance. For other types of insurance, the rate is 4 per cent.<sup>140</sup>

Local premium taxes exist in 5 U.S. states. For example, in Kentucky, nearly all municipalities collect insurance premium taxes. The rates applied to different types of insurance vary between municipalities. Some municipalities in Kentucky tax all types of insurance at rates as high as 16 per cent, though municipalities more commonly set rates ranging from 5 to 12 per cent.<sup>141</sup> Health and life insurance taxes are often exempt in Kentucky municipalities or may be taxed at a lower rate.

***Analysis emphasizing notable elements of evaluation criteria***

If the Alberta government shared 10 per cent of its insurance tax revenues with the municipalities, distributed on a per capita basis, Calgary would have received \$23 million in the year ending March 31, 2022. This estimate could also represent revenues for The City of Calgary resulting from an independent tax with rates set at 10 per cent of the provincial rates.

An insurance premium tax would provide stable and predictable revenue despite a narrow tax base. Residents with more expensive homes and automobiles to insure would pay more for property insurance, giving some alignment with the ability to pay.

Additional taxes on insurance could reduce the demand for insurance coverage with a different level of impact across the various types of insurance. The demand for automobile insurance, which is required to use a vehicle on public roads, would only see a slight decrease in response to an increase in price due to taxation.<sup>142</sup> The demand for life insurance, however, would be significantly reduced in the face of a tax increase.<sup>143</sup> These distortions in the demand for insurance could create inefficiencies and expose residents to an undesirable level of risk.

Tax rates that vary according to the type of insurance may be less clear than a uniform tax rate, but the taxes would be simple in structure. However, the tax amount would be hidden in the total insurance premium payments, making it less transparent to most residents. Piggybacking on the provincial insurance tax would reduce the administrative costs of a municipal insurance premium tax and reduce complexities for insurance providers that remit the tax.



## Taxation – Taxes on Non-Renewable Resources



### 28. Royalty Revenues

#### *Tool Description and Calgary Context*

The government of Alberta collects royalties on oil and gas resources extracted in the province. As a percentage of the revenue derived from the sale of natural resources, government royalties fluctuate both with the quantity of production and the market price. While a major component of total provincial government revenues, revenue from resource royalties is very volatile: it was only \$3.1 billion in 2020-2021 but is expected to be \$28.1 billion in 2022-2023 due to a dramatic rebound in oil and gas prices.<sup>144</sup>

Many oil and gas companies have their headquarters in Calgary. Municipal services are the foundation of a viable living environment for employees and a desirable environment to house those headquarters, which indirectly contribute to the success of the oil and gas industry. Suggesting a revenue-sharing scheme for provincial resource revenues with municipalities is not without reason. Especially with the royal-

ties from non-renewable resources, sharing with municipalities would help the local communities to build the future and diversify their economies in preparation for a time when such revenues are no longer available.

#### *Precedents in other jurisdictions*

The province of Quebec shares resource royalty revenues with municipalities that contain natural resource extraction sites.<sup>145</sup>

In Mexico resource revenues are shared more generally rather than just to municipalities where resources are extracted.<sup>146</sup> 20 per cent of Mexico's federal resource revenue and tax revenue is transferred to state governments. In turn, the states are required to pass on 20 per cent of their transfers received through this mechanism to their municipalities. An additional 1 per cent of federal resource and tax revenues is transferred to municipalities through a separate municipal development fund. Funds are allocated among municipalities according to a formula based on variables such as population or property tax collection.<sup>147</sup>

#### *Analysis emphasizing notable elements of evaluation criteria*

If Alberta shared 10 per cent of its resource revenues with the municipalities, distributed on a per capita basis, Calgary would have received \$496 million in the year ending March 31, 2022. This amount equals 13 per cent of The City's total expenditure in 2021.

Provincial resource revenue-sharing with municipalities would provide The City with a significant revenue source. Although resource revenues are very volatile and with an unpredictable long-term future, the revenue for The City today would help it invest for the future. Especially without the flexibility of deficit financing, The City could save some of the royalty revenues in its reserve funds to smooth the negative impacts of recessions.

Benefitting from resource royalties can be considered fair because natural resources are collective assets of Alberta's residents. Revenues from these royalties would be appropriate for economic diversification and climate action initiatives. As The City and province work on these efforts, it would be suitable for the province to share royalty revenues with The City. Such a revenue-sharing agreement would also be simple and not create administrative costs.

## Taxation – Taxes on Non-Renewable Resources



### 29. Carbon tax (Carbon Pollution Pricing)<sup>148</sup>

#### *Tool Description and Calgary Context*

A carbon tax is a tax on activities that result in the emission of greenhouse gases, primarily the burning of fossil fuels. The tax is typically quantified as a price per tonne of CO<sub>2</sub> equivalent. The federal carbon levy applies in the province of Alberta and increased to \$50 per tonne of CO<sub>2</sub> equivalent in April 2023. In addition, Alberta's output-based carbon pricing system for large industrial emitters, first implemented in 2007, remains in place.

#### *Precedents in other jurisdictions*

Several Canadian provinces administer their carbon taxation system, while those that do not are subject to the federal carbon pricing backstop. Unlike some U.S. municipalities, no Canadian municipality currently administer a carbon tax. Boulder, Colorado, has collected a carbon tax on electrical bills since 2006. Boulder residents

have a sole electricity provider under a franchise agreement with the city of Boulder. A Climate Action Plan tax is applied to each electrical bill based on the amount of electricity used, at a rate of 0.49 cents per kWh for residential users.<sup>149</sup>

#### *Analysis emphasizing notable elements of evaluation criteria*

The revenue from the fuel charge component of the federal carbon tax and Calgary's population share help estimate potential revenue. If The City collected a similar fuel charge at \$4 per tonne of CO<sub>2</sub> equivalent (or 10 per cent of the federal carbon price in 2021), The City would have received estimated revenues of \$45 million in the year ending March 31, 2022. Municipalities could rely on a tax-sharing agreement with the federal government where 10 per cent of carbon tax revenues get distributed to municipalities. Carbon tax revenue could grow if the price of carbon increased over time, like the federal carbon pricing scheme.

A carbon tax could be a revenue source with only mild volatility since it is determined based on consumption rather than volatile prices. However, revenues would diminish in the long term if consumption of carbon-emitting fuels decreases, as would be the intended effect of the tax. The tax would have a tax base broader than a fuel tax on gasoline or diesel, extending to all fuel types and with rates varying based on the carbon emissions associated with each fuel type.

Carbon taxes are often regressive, with lower-income households spending more on energy and fuel. Additional measures may be needed to address equity concerns.

A carbon tax would reinforce the goal of reducing greenhouse gas emissions, thereby aligning with The City's Climate Strategy and complementing other efforts to reduce city-wide emissions. However, the federal government also has a carbon tax. An additional municipal carbon tax may result in a larger carbon tax than necessary to reach defined emissions targets and lead to substantially negative economic consequences.

With specific rates required for each fuel type subject to the carbon tax, the tax calculation may sometimes be unclear and poorly understood. Substantial administrative costs would be associated with implementing and administering a carbon tax scheme, with specific rates applied to the various sources of emissions.

## Taxation – Taxes related to the New Economy



### 30. Cloud Computing Tax

#### *Tool Description and Calgary Context*

A cloud computing tax is a selective sales tax applied to nonpossessory computer leases, also known as cloud computing services. It would apply to cloud services accessed within a jurisdiction, even if the computer hardware being used is located elsewhere.

#### *Precedents in Other Jurisdictions*

In 2016, the City of Chicago modified its Personal Property Lease Transaction Tax to apply to cloud services accessed from Chicago.<sup>150</sup> The tax applies to all transactions that make use of a provider’s computer when the customer is located in Chicago, even if the computer being used is not in Chicago. The tax had previously applied to property rentals such as cars and business equipment. Chicago raised the tax rate to 9 per cent in 2021.

#### *Analysis emphasizing notable elements of evaluation criteria*

In 2021, 45 per cent of businesses in Canada purchased cloud computing services.<sup>151</sup> Businesses that used cloud computing spent an average of \$43,000, though large businesses spent as much as \$558,000 on average. Using the reported business counts for Calgary in 2021 to calculate an estimate, businesses in Calgary spent about \$550 million on cloud computing services in 2021. If a 1 per cent cloud computing tax were applied, this would translate into \$6 million in revenues for The City.

Revenues from a cloud computing tax would grow as the use of cloud computing increases in Calgary.

A tax on cloud computing would favour businesses that use their own hardware rather than cloud services. Smaller businesses would be more likely to require cloud services and be unable to afford their dedicated computer hardware, so the tax could be considered unfair to small businesses and start-ups. The tax may discourage Calgary’s growing tech industry and impede long-term economic diversification and innovation.

There is no link between cloud computing and municipal services, making it challenging to justify the tax and define the purpose of revenues.

Since the tax would be applied mainly to businesses outside of Calgary, it may have significant administration costs relative to the tax revenue. There is also no provincial parallel to a cloud computing tax, so there is currently no opportunity to piggyback on a provincial collection system.

A cloud computing tax would have future growth potential as the use of cloud computing technology becomes more prevalent. However, the tax would not be related to municipal services. It would discourage economic diversification and the growth of tech companies in Calgary.

4. Framework and Assessment of the Net Benefit of New Revenue Tools

**Taxation – Taxes related to the New Economy**



**31. Extension of Sales Tax to the Digital Economy<sup>152</sup>**

***Tool Description and Calgary Context***

Under this tax option, sales taxes would apply to digital economy goods and services purchased by residents of Calgary, which may not have been typically subject to sales taxes in Canada. It may be administered as part of an existing sales tax system, such as a retail sales tax or value-added tax. Under this modified sales tax, a physical presence in the country is not required for a vendor to be subject to the payment of the sales tax. For example, the sales taxes would apply to non-resident vendors of digital products, which may not be required to remit a traditional sales tax. The tax may also cover non-resident distribution platform operators who sell goods from local fulfillment warehouses.

***Precedents in Other Jurisdictions***

In 2021, the government of Canada extended the GST/HST program to apply to e-commerce revenue. The extension was designed to help level the playing field for Canadian and foreign-based businesses. Following the extension, businesses required to remit GST to the federal government included:

- Foreign-based vendors with no physical presence in Canada selling digital products or services in Canada
- Foreign-based vendors that sell goods located in Canadian fulfillment warehouses.

- Digital platforms for short-term accommodation

Canadian provinces such as Quebec, Manitoba, Saskatchewan, and British Columbia that collect provincial sales taxes also recently expanded their respective sales taxes to apply to more digital economy businesses. Many states in the U.S. have also changed their sales taxes to include more digital products and services.<sup>153</sup>

***Analysis emphasizing notable elements of evaluation criteria***

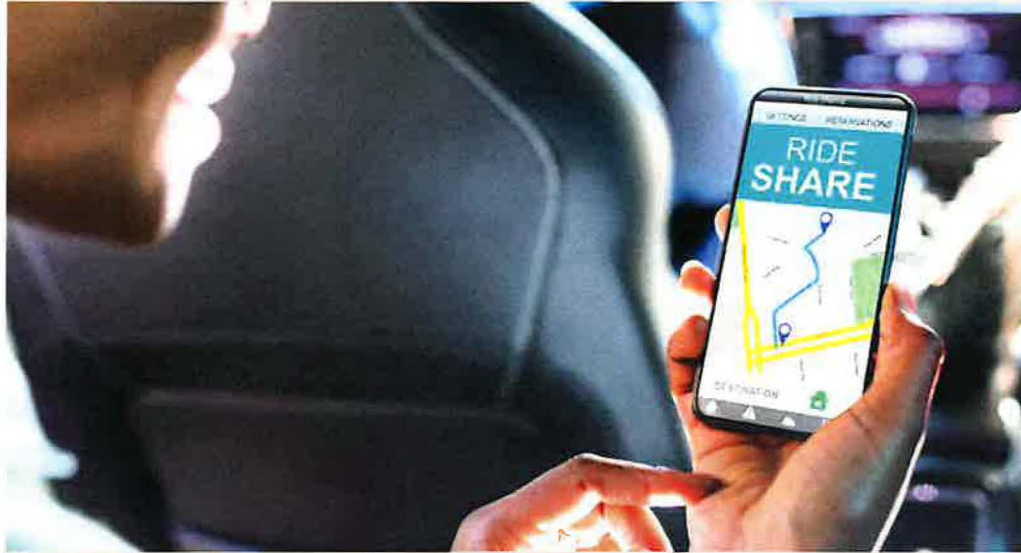
In its Fall 2020 Economic Statement, the federal government projected that including additional digital economy transactions to the GST would generate \$3.2 billion over five years. The federal estimate can be scaled down to provide an estimate for a similar sales tax extension for The City of Calgary, adding foreign-based vendors and digital accommodation platforms to a municipal sales tax. If The City established a similar extension to a traditional municipal general sales tax, the additional annual revenue is estimated to be \$5 million for a 1 per cent tax.

Extending a municipal sales tax to all kinds of digital economy activities, including those from foreign vendors, would slightly increase the revenue collected by the sales tax. Like general sales tax revenues, some fluctuations would result from economic cycles. The digital economy component of sales tax revenues should increase over the next several years. Collecting sales taxes from foreign vendors on digital platforms when a general sales tax is already in place for local vendors ensures a level playing field. However, sales taxes are typically proportional or regressive rather than progressive, as high-income earners do not pay a higher rate.

Taxes from online purchases would be less susceptible to avoidance. Since purchases would typically be attached to the customer’s address, customers would not face incentives to shop in neighbouring municipalities. Extending sales tax collection to digital economy services would increase administrative costs, primarily because of collections from foreign-based businesses. For residents, creating more uniform tax rules across different kinds of purchases would not increase the complexity of the tax.

Extending a municipal sales tax to digital economy services, including those from foreign-based vendors, would increase revenue and create a level playing field for local businesses. Administrative costs associated with tax collection would increase, but the tax would not be more complex for residents, nor would it harm the local economy

## Taxation – Taxes related to the New Economy



### 32. Ridesharing Tax<sup>154</sup>

#### *Tool Description and Calgary Context*

Ridesharing services offered through Transportation Network Companies (TNC) such as Uber and Lyft have dramatically increased in popularity over the last several years.

The City of Calgary already requires operators of ridesharing services to pay regulatory charges that cover the cost of regulating the industry in Calgary. A TNC may choose from two payment methods: one consisting of only annual licence fees or one including a yearly administration fee and a \$0.20 per trip fee.<sup>155</sup> The City would require legislative authority to expand this regulatory charge into a tax providing general revenue. Potential ride-sharing taxes may take the form of a charge per ride or a sales tax on the fare price. Rates may differ for rides beginning or ending in designated areas to deter congestion. Rates may also be lower for shared rides, where multiple passengers share the rides.

#### *Precedents in Other Jurisdictions*

In Canada, it is common for municipalities to require ridesharing service operators to

pay regulatory charges to receive a license. Aside from charges to cover the cost of regulating the ridesharing industry, no municipalities levy specific taxes on ridesharing services. However, general sales taxes such as the federal GST do apply.

General sales taxes also commonly apply to ridesharing in the U.S. However, some cities and states in the U.S. levy specific taxes on ridesharing services. The City of Chicago's Ground Transportation Tax levies a base per trip charge on rides provided by a TNC of US\$0.53. Higher rates apply for trips to and from congestion-prone areas, but lower rates apply for shared rides.<sup>156</sup> Traditional taxi services are also taxed, but on a fixed monthly or daily basis.

In Washington D.C., ridesharing services are taxed 6 per cent of the fare price, with funds used to support local public transit.<sup>157</sup> In Massachusetts, 20 cents per trip are collected from ridesharing operators.<sup>158</sup> Of the revenues collected, 5 cents are designated to support the taxi industry, 5 cents go to the State, and 10 cents go to municipalities.

#### *Analysis emphasizing notable elements of evaluation criteria*

In 2019, before the COVID-19 pandemic, there were 11.8 million trips via TNCs in Calgary. If an additional \$0.30 per trip were charged as a tax on top of existing regulatory charges, a ridesharing tax would have generated over \$3 million for The City's general revenues. A ridesharing tax would have reasonable revenue growth potential. The tax base would be narrow and potential revenues would be much smaller than general revenue sources. Revenue would also be subject to some volatility in response to economic conditions.

The use of ridesharing services relies on the City's transportation system and contributes to congestion, so a ridesharing tax could be considered fair. However, a high tax may not support a level playing field between ridesharing operators and other transportation providers such as taxis. The tax would discourage ridesharing services instead of personal vehicle use, taxi services, public transit, or other transportation options. An overall reduction in vehicle use would alleviate traffic congestion. Tax competition with neighbouring municipalities would not be a concern, as key destinations are located in Calgary. There would be minimal administrative costs and no complexity to add the tax to existing regulatory charges. The potential revenues from a ridesharing tax would be relatively small compared to revenue sources with more general tax bases.

4. Framework and Assessment of the Net Benefit of New Revenue Tools

**Taxation – Taxes related to the New Economy**



**33. Digital Amusement Tax**

***Tool Description and Calgary Context***

A digital amusement tax extends an amusement tax to include electronically delivered amusements, such as paid audio and video streaming services. This selective sales tax is more specific than the digital sales tax (i.e., tool #23).

***Precedents in Other Jurisdictions***

In 2015, the City of Chicago modified its amusement tax so that digital entertainment services, such as paid video streaming services, would be subject to the 9 per cent sales tax.<sup>159</sup> The amendment is commonly referred to as the “Netflix tax” since it brought digital video streaming services into the scope of the amusement tax. While streaming services are taxable under the amendment, the tax does not apply to per-

manent downloads of videos, music, or games.

***Analysis emphasizing notable elements of evaluation criteria***

In the year ending June 30, 2021, the City of Chicago collected US\$31 million from its 9 per cent tax on digital entertainment services.<sup>160</sup> Assuming that The City of Calgary could generate a similar amount of revenue per capita as Chicago, an identical 9 per cent tax could generate roughly US\$15 million (CAD\$19 million) in Calgary. At a 1 per cent rate, The City could collect around CAD\$2.1 million per year.

A digital amusement tax would have a narrow tax base, with potentially volatile and unpredictable revenues, since it is related to discretionary spending on entertainment. However, revenue would be expected to grow over time.

It is fair to tax digital amusements similar to other types of entertainment. However, digital amusements are not linked to City services like live events at large venues, offering a challenge to the fairness argument. Since digital amusements are discretionary spending, those with a higher ability to pay will likely pay more.

The narrow application of this tax to streaming services, omitting digitally downloaded products, makes it less efficient than a sales tax applied to all goods and services sold digitally since substitutes to the taxed product exist. However, large businesses located outside of Calgary would primarily feel the economic impacts, and the local economy would be minimally affected.

Enforcing and collecting the tax may be very administratively challenging since it would be collected from many businesses outside Calgary. It may also be unclear how to determine whether a digital purchase occurs within municipal boundaries.

A digital amusement tax would not have a link to municipal services, affecting its justification. Administrative costs would be high since many foreign-based businesses will pay the tax. It may also be challenging to determine whether the purchase or use of a subscription to digital services takes place within the city.

## Taxation – Taxes related to the New Economy



### 34. Online Marketplace Accommodation Tax

#### *Tool Description and Calgary Context*

While the short-term accommodations market was traditionally made up of hotels, motels, and bed and breakfasts, the landscape has changed in recent years with the addition of online marketplaces such as Airbnb and Vrbo. These online marketplaces allow private individuals to rent out all or part of their property for short-term stays, competing with the traditional hotel industry.

Traditional short-term accommodations at hotels are often subject to accommodation taxes, set at a percentage of the sale price. An existing accommodation tax can easily be extended to apply to all short-term accommodations, including those provided through online marketplaces.

#### *Precedents in Other Jurisdictions*

In 2021, Alberta modified its 4 per cent tourism levy to include short-term rentals booked through online marketplaces.

Municipal accommodation taxes in cities such as Toronto and Ottawa apply to accommodations booked through online platforms. In 2018, the British Columbia provincial government agreed to extend the Municipal and Regional District Tax it collects on behalf of municipalities to include bookings through online marketplaces.

The City of Winnipeg's Accommodation Tax does not apply to short-term rentals booked through online marketplaces.

#### *Analysis emphasizing notable elements of evaluation criteria*

Under a 3 per cent accommodation tax, The City would receive an estimated \$1.7 million attributable to short-term rentals from online marketplaces. This would represent approximately 14 per cent of total accommodation tax revenues.

Including short-term accommodations based on online marketplaces in an accommodation tax would augment revenues from the tax. Creating a level playing field for all types of short-term accommodations would also be fair.

Following the modification of Alberta's tourism levy to include short-term rentals through online marketplaces, it would be simple to design a municipal accommodation tax in the same way.

## Taxation – Taxes related to the New Economy



### 35. Tax on Shared Mobility Services<sup>161</sup>

#### **Tool Description and Calgary Context**

Advances in digital technology have led to a rise in what is known as the “sharing economy.” The sharing economy is a broad concept that refers to using shared goods and services instead of individual ownership. App-based shared mobility services that have recently arrived in Calgary include e-scooter or e-bike rentals (micro-mobility) and carsharing (such as Communauto, an app-based service offering short-term one-way and round-trip car rentals).

The City currently requires the operators of these services to be licensed and pay various fees. For example, micro-mobility operators must pay a set of initial permit fees and a 15-cent per trip fee. The City has a three-tier fee structure governing annual fees per vehicle in the operator’s fleet for carsharing services. Carsharing services that park vehicles in the priced parking areas downtown must pay more than a service operating outside downtown or only in unpriced areas.

All these fees are currently collected to cover the costs of administering the licensing programs. Increasing the fees to turn them into a source of general revenue would make the fees a tax and require additional legislative authority.

#### **Precedents in Other Jurisdictions**

E-scooter programs are now common in many cities in North America. However, a review of permit fees in midsize cities in the U.S. demonstrated that they are typically cost recovery in nature, not a tax for general revenue.<sup>162</sup>

Carsharing programs are commonly found in North American cities, and operators pay licensing fees to municipal governments. Some cities, such as Boston, Denver, San Francisco, and Vancouver, offer designated parking spaces at different rates depending on the density of the parking location.<sup>163</sup>

#### **Analysis emphasizing notable elements of evaluation criteria**

The City of Calgary currently receives annual revenues of \$100,000 to \$200,000 each from micro-mobility licensing fees and carsharing parking fees, for a total of under \$400,000. Even if these programs expanded in the future, they would remain a relatively small revenue source for The City. The revenues from these programs are currently used only to cover the costs of administering the programs.

If The City gained authority to charge above cost recovery levels and support general revenues with fees from micro-mobility and carsharing, a doubling of current fee levels with half of the fee considered a tax would result in under \$400,000 in general revenue from the tax portion.

Licensing or tax revenue from micro-mobility and carsharing stems from a narrow tax base. Revenue would fluctuate with changes in the economy but would grow as these alternative modes of transportation grow in prevalence. Increased fees may discourage using shared mobility and further innovation in this space. Also, residents may substitute for active transportation or public transit modes if they are more affordable.

Current licensing schemes for micro-mobility and carsharing are fair because they recover the cost of administering the programs. Increasing the fees to support the costs of The City’s road network could be justifiable if The City receives the legislative authority to collect these fees as a tax. Increasing fees under the current framework would avoid creating new administrative costs.



## Taxation – Taxes related to the New Economy



### 36. Autonomous Vehicle Registration Tax<sup>164</sup>

#### *Tool Description and Calgary Context*

While autonomous (driverless) car technology is in development, it is not yet close to being ready for deployment on Calgary roads. Since autonomous vehicles rely on cameras to identify lane markings and obstacles, Calgary's winter snow conditions create difficulty for autonomous vehicles. It will likely be many years before Calgary sees autonomous vehicle technology ready for public roads, even after many locations in warmer climates embrace it.

The City of Calgary did run an autonomous shuttle pilot for 22 days in September 2018. This shuttle operated on a short, closed route at slow speeds. The successful pilot showed that the technology needed further development before using autonomous vehicles in mixed traffic and weather conditions.

A general vehicle registration tax could also cover autonomous vehicles. Applying the tax to only autonomous vehicles or using a different rate would be an alternative way to structure the tax.

Regulating vehicle safety on public roads is a provincial responsibility, and municipalities are unlikely to receive responsibility for regulating autonomous vehicles. Thus, for The City, an annual charge for ownership of an autonomous vehicle could be better characterized as a tax than a permitting charge.

#### *Precedents in Other Jurisdictions*

Autonomous vehicle technology moved beyond the testing phase in other municipalities. There are municipalities in the U.S. where for-hire robotaxi services are now up and running 24/7. As warmer climates without the challenges of snowfall will be able to utilize autonomous vehicle technology before Calgary, some precedents will likely exist before The City begins seeing autonomous vehicles on its roads.

#### *Analysis emphasizing notable elements of evaluation criteria*

Autonomous vehicle licensing can only become a revenue source once the technology is developed. However, general vehicle registration fees have the potential to be a revenue source of \$45 million, with a flat fee of \$45 for all vehicles (assuming no behaviour changes). In the long term, if autonomous vehicle technology becomes available and widespread in Calgary, registration of autonomous vehicles could become a similar revenue source.

Autonomous vehicle technology is not developed enough to become a revenue source. In the very long term, autonomous vehicles could be a source of stable revenues through a specific or general vehicle registration tax.

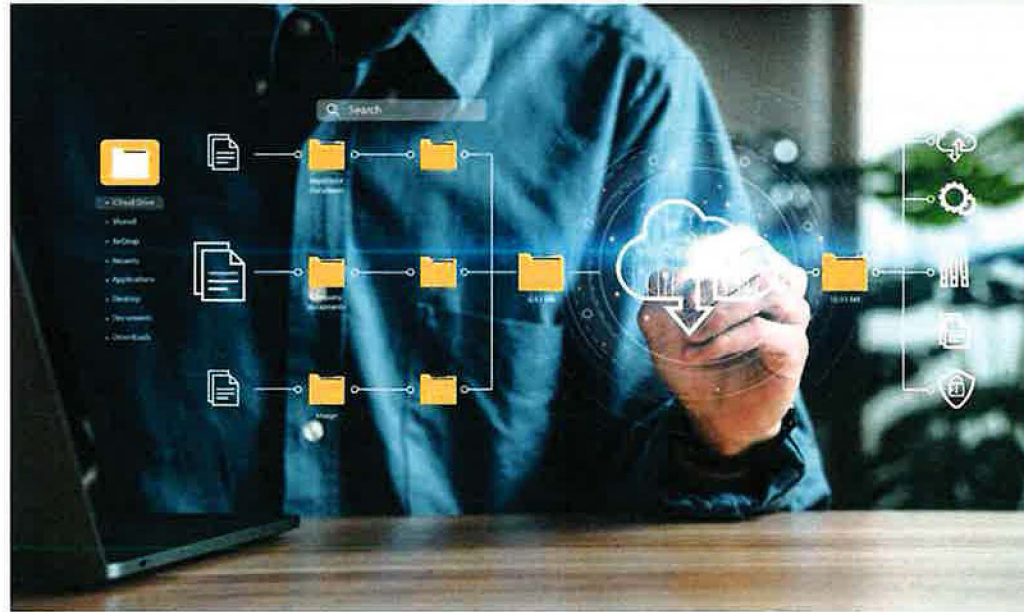
A registration tax for individually owned autonomous vehicles should be the same as for driver-operated vehicles to be fair. If autonomous vehicles are part of a carsharing fleet, separate rules and fees related to the parking of shared vehicles may be appropriate. Higher taxes or fees for autonomous vehicles compared to traditional vehicles may slow the adoption of autonomous vehicles.

Piggybacking on a provincial registration fee system would be the administratively most straightforward approach. Independently administering a municipal autonomous vehicle registration fee program would create high administration costs for collection and enforcement.

Autonomous vehicles will not arrive on Calgary's roads for many years. However, the technology will likely be deployed and become widespread in the long term. A registration tax for individually owned vehicles and shared fleets could become a small but stable revenue source for The City.

4. Framework and Assessment of the Net Benefit of New Revenue Tools

User Levies – Levies related to the New Economy



37. Monetization of City Data as an Asset<sup>165</sup>

**Tool Description and Calgary Context**

The City of Calgary has sold licenses for its proprietary data since the 1990s. Data available for licensing from The City includes detailed engineering drawings, digital aerial survey maps and utility location maps. As part of a SAVE business case, The City recently adjusted its pricing for data licenses to reflect market rates and increase revenue.

The City also shares many datasets for free public use under an open data license. Datasets on The City’s open data portal include assessment and building permit data, crime and traffic incidents, and civic census data.

Despite the opportunities to generate revenue through data licensing, there is an ongoing trend among governments in many countries to release more free, open data. The benefits of open data policies include government transparency, improved public service, and societal and economic opportunities.<sup>166</sup> Rather than treating data

as only a revenue source, The City may be able to provide value to the community by continuing to openly share data to support innovation, collaboration, and economic growth.

**Precedents in Other Jurisdictions**

Open data programs have been growing in many North American municipalities in recent years. The 2020 Open Cities Index, a benchmarking study for open data initiatives, noted a maturity in municipal open data programs in North America since 2015.<sup>167</sup> The City of Edmonton’s open data program received the top place in the index, followed by The City of Ottawa and The City of Winnipeg. The City of Calgary received the fourth highest ranking. Despite the trend towards open data, most cities in Canada still offer some types of data for purchase, such as geospatial maps.

**Analysis emphasizing notable elements of evaluation criteria**

In 2021, The City received about \$3.7 million in revenue from data licensing. Rates for property information reports were increased in July 2021 to reflect market rates, so revenue should be higher in 2022. Beyond 2022, revenue from data licensing will likely remain a small revenue source.

Rates for data licensing currently reflect market values, so The City has already captured most of the revenue growth potential. Revenues are relatively stable in response to economic conditions. Fees for data use are fair since they reflect the market value, and businesses that benefit from the use of data contribute to the cost of making the data available.

Making unique data available promotes economic growth as the data gets used for innovation and improved decision-making. Charging rates too high may reduce the number of users of the data and eliminate productive applications of City data. Open data initiatives promote economic growth by removing barriers to accessing government data.

Prices for many types of City data licenses are simple and visible on The City’s website. Other custom licenses may require specific license agreements, which are less visible. Selling licenses for the use of existing City data is not administratively burdensome. The value of transparency, innovation, and economic efficiencies that result from open data may outweigh the value of including more of The City’s data in a paid licensing model.

**User Levies – Levies related to the New Economy**



**38. Investing in Digital Connectivity Infrastructure<sup>168</sup>**

***Tool Description and Calgary Context***

The City of Calgary currently owns a network of 650 kilometers of fibre optic cable, connecting over 900 City facilities and assets.<sup>169</sup> This network is critical support for various business units that require reliable high-speed connectivity to deliver services such as controlling traffic lights and trains, managing a clean water supply, and providing emergency services throughout Calgary. As more business units adopt digital technologies, network usage is increasing.

The City avoids estimated costs of \$8 million each year by using its own fibre network instead of purchasing third-party connectivity services. In addition, The City has excess fibre optic capacity (dark fibre) on its network, which it leases to other organizations and businesses. Annual revenues from leasing fibre capacity have followed an increasing trend over the last several years, reaching \$1.2 million in 2021.

Another type of municipal fibre infrastructure would be a “fibre-to-premise” system that connects to individual residences and businesses on a broad scale to deliver broadband internet connectivity. Such systems are sometimes built by municipally owned electric utilities in cities where residents may have previously lacked access to a high-speed broadband network. In Calgary, however, TELUS is currently expanding its private fibre optic network to connect more than 90 per cent of Calgary homes and businesses by 2024.<sup>170</sup> For The City of Calgary, there would be little benefit in building a fibre-to-premises municipal broadband network as the private sector is already providing this service.

***Precedents in Other Jurisdictions***

The Town of Olds helped finance the construction of a locally owned fibre network in Olds known as O-NET beginning in 2011. While the network achieved its goal of connecting residents and businesses to high-speed internet, the Town incurred \$14 million in debt as well as a \$4 million line of credit during the construction of the network.<sup>171</sup>

In the U.S., over 500 municipalities have created municipal broadband networks. Chattanooga (Tennessee) was one of the first municipalities to build a municipal broadband network through its municipally owned electric utility. Chattanooga’s network started providing high-speed internet in 2009 and spurred economic development.<sup>172</sup>

***Analysis emphasizing notable elements of evaluation criteria***

The City of Calgary received over \$1.2 million in revenue through the leasing of its fibre assets in 2021, as well as avoiding an estimated \$8 million in costs.<sup>173</sup> The City’s fibre optic network provides leasing revenue and helps avoid high costs for connectivity needs. Revenue should increase modestly over the next several years.

The fees are fair because businesses that benefit from The City’s fibre optic network pay and contribute to its further development. Since leasing City fibre is a fee for a unique service, it does not distort business decisions. Access to City fibre promotes innovation, enhanced efficiencies, and economic growth. There are simple, publicly available rates for access to City fibre. However, complex applications may need customized rates. The administration costs are reasonable, with set-up costs for new customers recovered through non-recurring fees.

4. Framework and Assessment of the Net Benefit of New Revenue Tools

User Levies – Levies related to the New Economy



**39. Regulatory Charges (Franchise Fees) for 5G Infrastructure<sup>174</sup>**

***Tool Description and Calgary Context***

5G wireless infrastructure includes small cell antennas that can be attached to street poles to provide broad 5G coverage. The City has a Wireless Infrastructure Deployment Program that guides its collaboration with wireless providers to enable the buildout of 5G wireless technology in Calgary. In 2021, master license agreements were finalized with two major wireless service providers.<sup>175</sup> These agreements govern annual license fees for using City assets, representing a new revenue source for The City. However, unlike a franchise fee calculated as a percentage of value, the fees received from the wireless providers will be relatively small, fixed, annual payments.

Imposing a franchise fee for 5G wireless infrastructure would not be possible since telecommunications fall under federal jurisdiction. The federal agency Innovation, Science and Economic Development Canada (ISED) is the approving authority for radiocommunication in Canada, limiting The City’s ability to impose regulations on wireless infrastructure.

***Precedents in Other Jurisdictions***

No Canadian municipalities collect franchise fees from telecommunications companies, including for wireless 5G infrastructure. In the U.S., the Federal Communications Commission (FCC) laid out rules in 2018 that restricted the ability of municipalities

to generate revenue from small wireless (5G) infrastructure.<sup>176</sup> The fees charged by municipalities to wireless providers for 5G infrastructure must be cost-based, not intended to generate additional revenue. To enforce this rule, the FCC set out specific fee levels that would be permitted to comply with the new standard. Municipalities in the U.S. must approve or deny permits for small cell 5G infrastructure within 60 or 90 days of an application.

***Analysis emphasizing notable elements of evaluation criteria***

Revenue for The City from the deployment of 5G wireless technology in Calgary will come from annual site licenses. The rates of these fees are determined by the master license agreements signed with the wireless service providers. Fees for using individual poles would be very small but high in volume. Fees for using the rooftops of municipal buildings would be higher, but there would be fewer potential locations. The City will also benefit from cost avoidance, as wireless providers may install new poles that support their 5G infrastructure, reducing lifecycle costs for The City. Revenue from site licenses could be a few million dollars per year once 5G deployment nears completion.

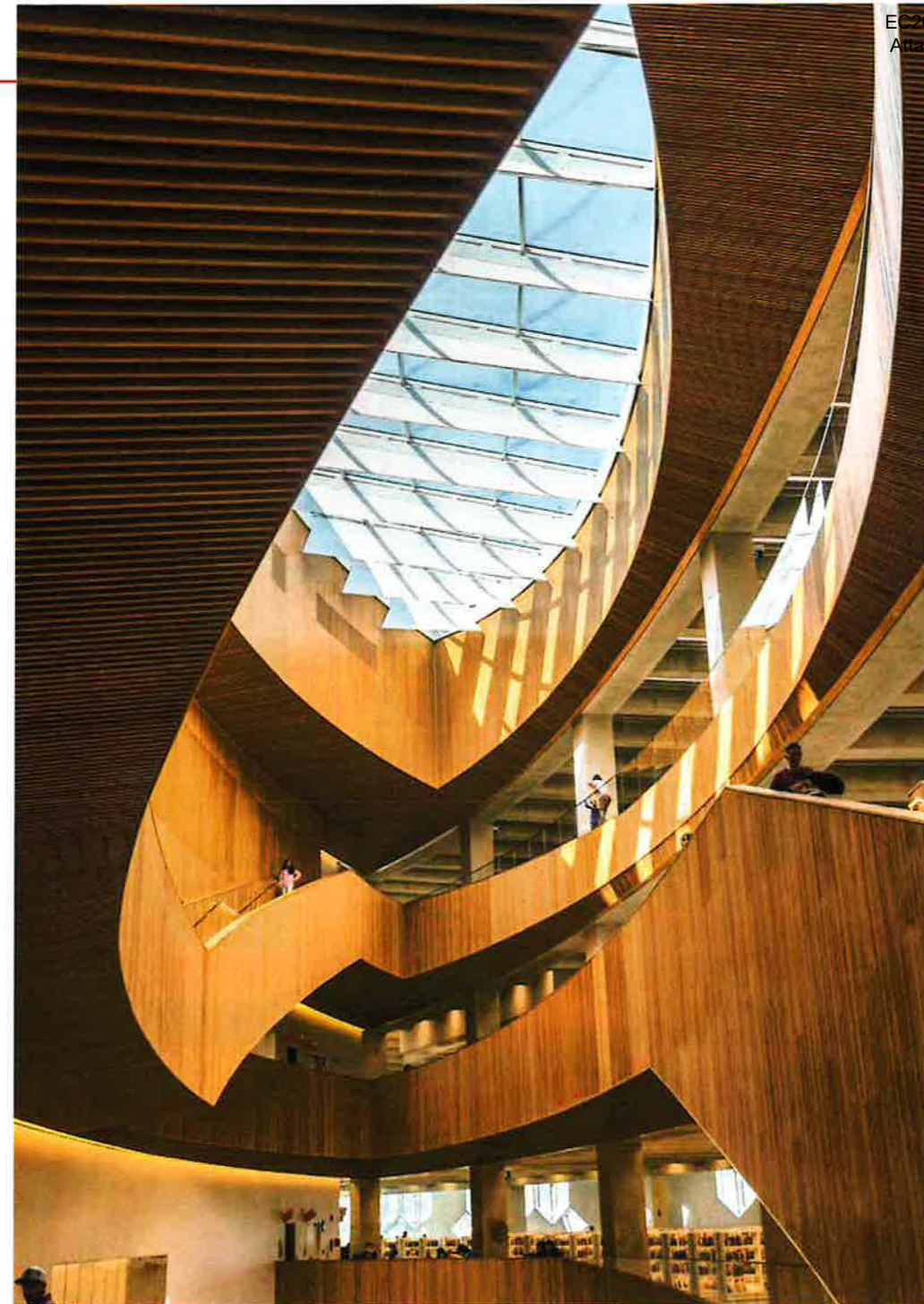
If franchise fees were collectable, revenues from wireless 5G traffic would grow as the technology is deployed and adopted. Revenue from site licences for 5G installations will increase until the 5G network deployment is complete. Under current legislation, The City can collect fees from annual site licensing of poles and buildings for installing small 5G wireless infrastructure. A franchise fee approach could lead to more significant revenues but is not legislatively feasible.

Cost-recovery-based fees for 5G site licenses are fair. High fees for installing 5G wireless infrastructure could reduce the extent to which the technology gets deployed throughout Calgary, making Calgary less attractive to technology investment and reducing economic growth. Fee structures, as contained in master licence agreements with telecommunications companies, are not overly complex. Since only a few different telecommunications companies directly pay the fees to The City, administration costs are relatively small.

### Assessed using the evaluation criteria

Most of the 31 tools considered perform very well on some of the 12 criteria, so the selection process for identifying tools depends on decision-maker preferences across the 12 criteria that put a higher weight on some criteria. A few notable distinctions across the tools are highlighted in Exhibit 4.5 and summarized below:

- The ten (10) tools related to the new (digital) economy can only materialize in the long-term or very long term. There are several implementation hurdles to overcome for many of them.
- The two (2) tax tools related to current household transfers can be swiftly implemented. They are the ones that require the least amount of implementation time should speed to implementation become a critical factor.
- The ten (10) tools that are taxes on products are most commonly deployed in other jurisdictions. There are several instances of them in Canadian and U.S. cities. While they may need a bit more implementation time, deploying them will not take much longer than the taxation tools related to current transfers from households.
- The five (5) tools that are taxes on production require intricate administrative work to ensure that their deployment would not lead to distortions or create reputational concerns.
- The two (2) tools that are taxes on income, alongside the two (2) tools that are taxes on non-renewable resources, are the most potent. They have the most significant capacity to help address funding gaps.



**Exhibit 4.5 (a)**  
**Additional tools that require Legislative Change fare well on the evaluation criteria**

**Scoring Guide:**

■ Strongly Aligned ■ Partially Aligned ■ Weakly Aligned

		Potent	Fairness	Reliability	Adaptability	Efficiency	Neutrality	Reinforcement	Inexpensive	Simplicity	Transparency	Accountability	Protection
<b>I. Taxation - Taxes on Income</b>	9. Personal Income Tax	Strongly Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Weakly Aligned	Partially Aligned	Strongly Aligned
	10. Corporate Income Tax	Strongly Aligned	Partially Aligned	Weakly Aligned	Strongly Aligned	Weakly Aligned	Weakly Aligned	Weakly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Partially Aligned	Strongly Aligned
<b>II. Taxation - Taxes on Production</b>	11. Real Property Tax (Discontinuation of Provincial Property Tax Collection)	Strongly Aligned	Partially Aligned	Strongly Aligned	Weakly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
	12. Occupational privilege tax	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Strongly Aligned
	13. Road pricing	Strongly Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Weakly Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
	14. Advertising Tax	Partially Aligned	Strongly Aligned	Strongly Aligned	Weakly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned
	15. Telecommunications Franchise Fees	Strongly Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned
<b>III. Taxation - Taxes on Products</b>	16. Municipal General Sales/ Value-added Tax	Strongly Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned
	17. Accommodation Tax	Partially Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Weakly Aligned	Strongly Aligned
	18. Parking Tax	Strongly Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
	19. Fuel Tax	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned
	20. Tobacco Tax	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned
	21. Amusement Tax	Partially Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned
	22. Land Transfer Tax	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
	23. Alcohol Tax	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned
	24. Cannabis Tax	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Strongly Aligned
	25. Gaming Revenue	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Strongly Aligned

Source: Corporate Economics, The City of Calgary

**Exhibit 4.5 (b)**  
**Additional tools that require Legislative Change fare well on the evaluation criteria**

**Scoring Guide:**

■ Strongly Aligned  
 ■ Partially Aligned  
 ■ Weakly Aligned

		Potent	Fairness	Reliability	Adaptability	Efficiency	Neutrality	Reinforcement	Inexpensive	Simplicity	Transparency	Accountability	Protection
IV. Taxation - Current Transfers from Households	26. Vehicle Registration Tax	Strongly Aligned	Partially Aligned	Strongly Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
	27. Insurance Premium Tax	Strongly Aligned	Partially Aligned	Strongly Aligned	Weakly Aligned	Strongly Aligned	Partially Aligned	Weakly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned
V. Taxation – Taxes on Non-Renewable Resources	28. Royalty Revenue	Strongly Aligned	Strongly Aligned	Weakly Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Weakly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned
	29. Carbon Tax	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
VI. Taxation – Taxes related to the New Economy	30. Cloud Computing Tax	Partially Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Weakly Aligned	Partially Aligned	Weakly Aligned	Weakly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Strongly Aligned
	31. Digital Sales Tax	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned
	32. Ridesharing Tax	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Strongly Aligned
	33. Digital Amusement Tax	Partially Aligned	Partially Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Weakly Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned
	34. Online Marketplace Accommodation Tax	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Strongly Aligned
	35. Tax on Shared Mobility Services	Partially Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
	36. Autonomous Vehicle Registration Tax	Weakly Aligned	Partially Aligned	Strongly Aligned	Weakly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Partially Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
VII. User Levies – Levies related to the New Economy	37. Monetization of City Data as an Asset	Partially Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Strongly Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
	38. Investing in Digital Connectivity Infrastructure	Partially Aligned	Strongly Aligned	Strongly Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned	Strongly Aligned
	39. Regulatory Charges for 5G Infrastructure	Partially Aligned	Partially Aligned	Strongly Aligned	Weakly Aligned	Partially Aligned	Partially Aligned	Weakly Aligned	Strongly Aligned	Strongly Aligned	Partially Aligned	Partially Aligned	Strongly Aligned

Source: Corporate Economics, The City of Calgary

# 5

## Approaches for Achieving Progress in Securing a New Funding Framework



### 5.1 Targeting tools that best align with the 12 evaluation criteria

Using the 12 evaluation criteria and equally weighting the importance of each criterion, it is possible to identify a shortlist of new funding tools that can serve The City of Calgary well. Many of these tools are beyond The City's authority. For example, the following seven tools perform strongly – a municipal fuel tax, a vehicle registration tax, a municipal personal income tax, higher real property tax following discontinuation of the provincial property tax collection, municipal accommodation tax, sharing of royalty revenue, and a municipal general sales tax. The City of Calgary can share the findings of this investigation with other orders of government and secure support from other Alberta municipalities for success.

There are two valuable considerations when targeting these tools. The first is **timing**. Many of these tools require significant time to secure and deploy. One tool – a municipal sales tax – will take a very long term, given the need to rely on the province to have a sales tax in place and the historical preference not to have a sales tax in Alberta, partly because of the availability of royalty revenue as an offset for sales tax revenue. Two tools – a municipal fuel tax and a vehicle registration tax – can be secured and deployed relatively quickly. That's not only because the administrative mechanisms for tax administration are at the highest level of maturity but also because the funding levels attributable to these tools are not substantial. The other tools – a municipal personal income tax, higher real property tax following discontinuation of the provincial property tax collection, municipal accommodation tax, and sharing of royalty revenue – will need some time to secure support from other interested parties (Exhibit 5.1).

The second reason for targeting these tools is **diversity**. Calgary has endured financial challenges from over-reliance on specific economic activities. The oil and gas industry volatility and the knock-on impact on the demand and supply for downtown office towers are still fresh in everyone's mind. The City can measure, track and report on revenue diversity annually.<sup>177</sup> The more comprehensive the range of tools, the stronger the ability to alter the reliance across them as economic conditions and public sentiments change.



**Exhibit 5.1**  
**Shortlist of Potential Revenue Sources for The City of Calgary that best align with the 12 evaluation criteria**

Source of Revenue	Assumption for Initial Estimates	Net Initial Estimated Revenue in 2021 (\$ millions)	Share of The City's total expenditure in 2021	Growth Drivers	Administration Channels	Targeted Implementation Time
<b>Municipal Fuel Tax</b>	10% of provincial fuel tax rates	32	1%	Growth of vehicles in the city	Piggyback to the federal tax system	Fastest Possible
<b>Vehicle Registration Tax</b>	\$8 or \$45 per vehicle	8 or 45	0.2% or 1.2%		Piggyback to the provincial registration system	Fastest Possible
<b>Municipal Personal Income Tax</b>	10% surcharge on provincial income tax collections	420	11%	Overall growth in the local economy,	Piggyback to the federal tax system	Medium Term
<b>Real Property Tax: Discontinuation of Provincial Property Tax Collection</b>		772	20%	Set by City Council	City of Calgary's system	Medium Term
<b>Municipal Accommodation Tax</b>	3% tax rate	12	0.3%	Population growth	Piggyback to the provincial tax system	Medium Term
<b>Sharing of Royalties Revenues</b>	10% of provincial revenues distributed to municipalities by population share	496	13%	Growth in Alberta's oil and gas sector	Piggyback to the provincial tax system	Medium Term
<b>Municipal General Sales Tax</b>	1% tax rate	356	9%	Population growth	Piggyback to the federal tax system	Long Term

Source: Corporate Economics, The City of Calgary

**5.2 Targeting tools that best align with current funding needs**

The City of Calgary's operating activities (as distinct from capital investments) that are fully funded by user levies could adjust their charges to match costs. Those operating activities partly or wholly supported by property taxes are affected by the legislated balanced operating budget approach, which pressures Alberta municipalities to adjust property tax increases in line with population growth and municipal

cost inflation as well as service changes approved by Council. However, it is hard to predict the sudden swings in inflation in Alberta, and inaccuracies may arise. Also, increasing expenditures during a high inflation and a high-population growth environment may be politically untenable unless the local economy is firing on all cylinders. The City will benefit from procyclical tools to support operating activities for those situations. Examples of tools that fit the bill are amusement and land transfer taxes.

## 5. Approaches for Achieving Progress in Securing a New Funding Framework

The situation for capital investments is somewhat different. Ordinarily, the level of public capital investments should respond to the size and demands of a province's economy. However, Alberta's provincial and municipal governments' capital investments as a percent of GDP over the long term, using the 30 years between 1990 and 2019 (i.e., excluding pandemic-related distortions) is below average - Alberta's provincial and municipal capital investments (2.6 per cent) were below the average across Canadian provinces (3.0 per cent).

It has led to a significant increase in Calgary's infrastructure funding gap. The latest estimates from Calgary's 2022 Corporate Asset Management Plan indicate a 10-year infrastructure funding gap of \$7.2 billion. Like with operating activities, utility rate-funded capital investments can adjust their rates to match costs. The shortfall is attributable to eight asset categories – (a) affordable housing; (b) buildings; (c) fire and emergency response; (d) golf and athletic park recreation opportunities; (e) IT solutions and support; (f) parks, pathways, trails and parks infrastructure; (g) roads, bridges, and tunnels; and (h) transit infrastructure and fleet. Not all of the 31 funding tools beyond The City's authority or the eight funding options within The City's decision-making authority (as it relates to tax base determination and tax rate setting) apply to each asset category. An essential next step for executing this approach involves targeting tools aligned with top funding priorities.

### 5.3 Targeting tools that are best suited for a wide variety of funding needs

There is a significant difference in the size of the capital funding shortfall attributable to the eight asset categories for City-owned capital assets. The category-specific 10-year funding gap for the capital assets is:

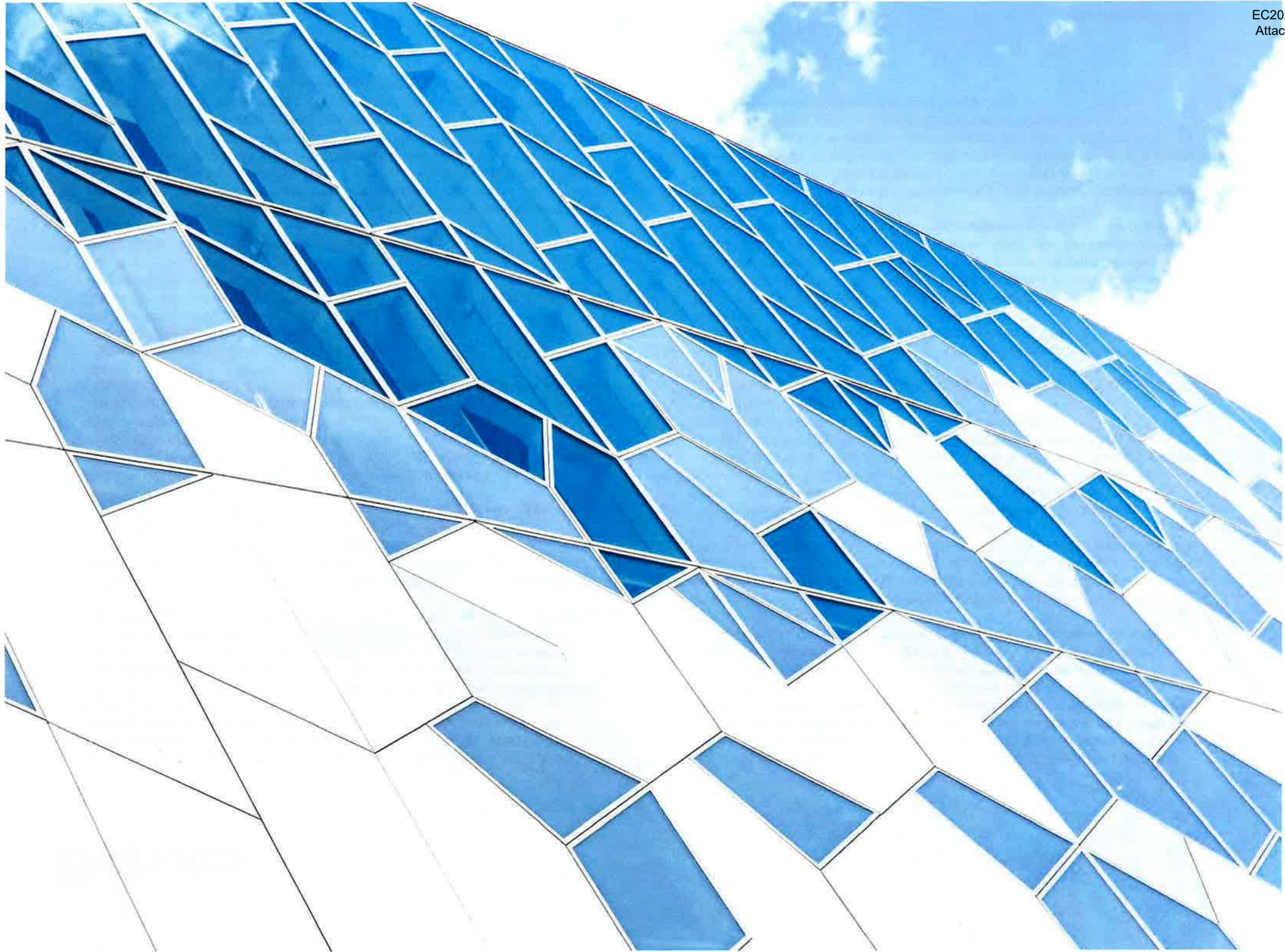
1. Affordable housing (\$173 million).
2. Buildings (\$1,973 million).
3. Fire and emergency response (\$306 million).
4. Golf and athletic park recreation opportunities (\$201 million).
5. IT solutions and support (\$15 million).
6. Parks, pathways, trails and parks infrastructure (\$793 million).
7. Roads, bridges, and tunnels (\$1,833 million).
8. Transit infrastructure and fleet (\$1,973 million).

While securing tools that best align with present-day capital funding priorities may be compelling, it may be more prudent to broaden diversity for the long term in preparedness for all categories of operating and capital funding challenges.

While the strong evidence of a municipal vertical fiscal imbalance favours own source tax revenue over shared taxes, expanding both types would be beneficial. For own-source taxes, Calgary would have the leeway over rates and bases. However, this ability may be regulated and restricted, reducing taxing power (e.g., by imposing caps, exemptions, etc.). Many municipalities in other jurisdictions benefit from a great diversity of direct and indirect local taxes in addition to the typical "autonomous" tax – the property tax.

Under this approach, the goal for Calgary is to ensure that the widest variety of needs are covered – both operating and capital. As a result, many municipalities in some countries favour a local personal income tax because it applies to all municipal services. In other cases, multiple tools are secured across the range of needs – motor vehicle tax (for transit and transportation-related needs), gambling tax (to promote local entertainment initiatives), tourist and hotel taxes (to support local arts and culture), and environmental tax (to support climate change initiatives).

Calgary can extend the tax sharing success through Alberta's recent Local Government Fiscal Framework (LGFF). As the LGFF takes off, and to the extent that it proves reliable, Calgary can secure other shared tax options where provincial (or federal) taxes get shared with municipalities, such that they are redistributed as tax revenues and not as grants.



# Endnotes

- 1 Vammalle, C. and I. Bambalaite (2021), "Funding and financing of local government public investment: A framework and application to five OECD Countries", OECD Working Papers on Fiscal Federalism, No. 34, OECD Publishing, Paris, <https://doi.org/10.1787/162d8285-en>.
- 2 Two examples are: (1) The City of Calgary (May 2006) "Alberta's competitive advantage: empowering municipalities with new municipal revenue sources," prepared for the Minister's Council on Municipal Sustainability. (2) The City of Calgary (November 4, 2010) "A case of fiscal imbalance: The Calgary Experience," prepared for Council and later presented to the Fiscal Issues Session of the Canadian Economic Association (CEA) 2011 Conference.
- 3 Technical Appendix 1 on the municipal fiscal gap and other technical appendices are available upon request for those interested in deeper exploration.
- 4 in addition to First Nation, Inuit and Metis governments.
- 5 [An Introduction to How Canada's Parliament Works: The Division of Powers](#)
- 6 Source: <https://www.canada.ca/en.html> and <https://www.alberta.ca/index.aspx>, accessed Jan 12, 2023
- 7 Based on the 2021 Census of Population conducted by Statistics Canada, the population was 662,248 in the city of Vancouver and 749,607 in the city of Winnipeg, compared to 1,306,784 in the city of Calgary.
- 8 Multiple sources on services offering:
  - <https://www.winnipeg.ca/interhom/> accessed Dec 7, 2021;
  - [https://www.hydro.mb.ca/articles/2021/02/led\\_street\\_light\\_update/](https://www.hydro.mb.ca/articles/2021/02/led_street_light_update/) accessed Dec 7, 2021;
  - <https://vancouver.ca/> accessed Dec 6, 2021; and
  - <https://www.vpl.ca/> accessed Dec 6, 2021.
- 9 The full results of that survey are available in Technical Appendix 2.
- 10 Details on municipal purposes, natural person powers, and powers to pass bylaws in Alberta are covered in Technical Appendix 3.
- 11 [City of Vancouver Climate Emergency Action Plan](#)
- 12 [City of Edmonton Carbon Budget 2023-2026](#)
- 13 See Technical Appendix 4 for details.
- 14 Urbanization is a complex process in which a country's population centres tend to become larger, more specialized and more interdependent over time.
- 15 Using 2001 and 2021 federal census results, cumulative population growth in Calgary (49 per cent) was faster than in Alberta (43 per cent) and Canada (23 per cent).
- 16 Alberta has the fastest population growth, followed by the population growth in British Columbia (+24%) and Ontario (+18%) over the period of 2002 and 2022.
- 17 Urban centres are all census metropolitan areas and census agglomerations. Rural areas are areas outside census metropolitan areas and census agglomerations.
- 18 <https://www.calgary.ca/home.html>
- 19 This section is in response to the FTF Recommendation #9: Develop research and analysis that document the extent of the decline in bricks and mortar and the transition to new models of delivering goods and services. Use it to demonstrate that municipalities' traditional real estate tax revenues cannot capture the transition to e-commerce transactions. Use the findings to advocate for the reform of municipal finances and the revenue-generating tools available to municipalities.
- 20 A summary of the well-known limitations, such as they are not directly related to the ability to pay, nor do they grow at the same rate as the economy, is available in Technical Appendix 5.
- 21 Amanda Sinclair (May 3, 2019) "[Measuring digital economic activities in Canada: Initial estimates](#)", the National Economic Accounts Division, Statistics Canada.
- 22 Calgary's municipal property tax share for residential property owners increased from 48% in 2015 to 52% by 2021. The share of non-residential property taxes attributable to other non-residential property types also increased.
- 23 The Financial Task Force recommended a detailed review of the consequences of the transition to the digital economy on the property tax base. Specifically, FTF Recommendation #9: Develop research and analysis that document the extent of the decline in bricks and mortar and the transition to new models of delivering goods and services. Use it to demonstrate that municipalities' traditional real estate tax revenues cannot capture the transition to e-commerce transactions.
- 24 More details are available in Technical Appendix 6.
- 25 <https://www.calgary.ca/business-economy/csps/abs/short-term-rentals-and-lodging-houses.html>
- 26 Federalism is a system of government in which sovereignty is constitutionally divided between a central governing authority and constituent political units (like states or provinces).
- 27 A federal system is characterized as being more centralized (or less decentralized) than another when more of its decision-making powers are in the hands of authorities with a larger jurisdiction. A common measure of the extent to which a system is decentralized is the expenditure decentralization ratio, defined as the share of total government expenditures made by subnational governments, exclusive of grants received from the central government.
- 28 An externality is a cost or benefit of an economic activity experienced by an unrelated third party, but is not reflected in the final cost or benefit of a good or service.
- 29 Economies of scale (or scale economies) occur when more units of a good or service can be produced with fewer input costs due to the large scale of an enterprise.
- 30 Equity, or economic equality, is the concept or idea of fairness in economics, particularly in regard to taxation or welfare economics.

- 31 Vertical fiscal imbalance refers to a gap between a government's own-source revenues and spending responsibilities due to the allocation of taxation powers. In Canada, both the provincial and municipal governments have vertical fiscal imbalances. Transfer payments for health under the Canada Health Transfer and transfers for post-secondary education and various social services under the Canada Social Transfer help address the provincial fiscal imbalance.
- 32 A thorough analysis of vertical fiscal imbalance facing municipalities is available in Technical Appendix 1.
- 33 <https://www.calgary.ca/green-line/green-line-governance/green-line-funding.html>
- 34 This section is in response to the FTF Recommendation #13: (a) Collaborate with the province to authorize access to tools that address services that arise from provincial government direction or changes; (b) Identify services that may have been directed to The City explicitly or inadvertently; (c) The inadvertent transfer of responsibility occurs when third parties are no longer able or willing to deliver the services, but The City steps in for continuity as the last resort government service provider; (d) These services have value for those who access them. Ensuring continuity, as well as adequate funding for those services, is vital; (e) Use the results from the review to engage in a dialogue with the province. Collaborate to determine and agree on the fiscal tools necessary to allow effective delivery of those services by the municipality.
- 35 A review of downloading experienced by three big cities – Calgary, Vancouver, and Toronto – is available in Technical Appendix 7.
- 36 Alberta Government: [Budget 2007 highlights](#).
- 37 [Alberta Government Municipal Affairs grant programs: Municipal Sustainability Initiative](#), accessed on Mar 1, 2023
- 38 This is covered in multiple reports including Dougherty, S. and K. Forman (2021), "Evaluating fiscal equalisation: Finding the right balance", OECD Working Papers on Fiscal Federalism, No. 36, OECD Publishing, Paris, <https://doi.org/10.1787/253da2b8-en>.
- 39 Kim, J. and S. Dougherty (eds.) (2020), Local Public Finance and Capacity Building in Asia: Issues and Challenges, OECD Fiscal Federalism Studies, OECD Publishing, Paris, <https://doi.org/10.1787/a944b17e-en>.
- 40 Kim, J. and S. Dougherty (eds.) (2020), Local Public Finance and Capacity Building in Asia: Issues and Challenges, OECD Fiscal Federalism Studies, OECD Publishing, Paris, <https://doi.org/10.1787/a944b17e-en>.
- 41 Automatic stabilizers are countercyclical fiscal policy tools that respond immediately to economic conditions without the need for policy adjustments. They have the advantage of speed. A good example of an automatic stabilizer on the revenue side is the income tax. Employment Insurance (EI) is another example on the expenditure side.
- 42 [https://www.toronto.ca/ext/digital\\_comm/inquiry/inquiry\\_site/cd/gg/add\\_pdf/77/Governance/Electronic\\_Documents/Other\\_CDN\\_Jurisdictions/Powers\\_of\\_Canadian\\_Cities.pdf](https://www.toronto.ca/ext/digital_comm/inquiry/inquiry_site/cd/gg/add_pdf/77/Governance/Electronic_Documents/Other_CDN_Jurisdictions/Powers_of_Canadian_Cities.pdf)
- 43 A more recent precedent from Quebec is covered in section 3.4.
- 44 [Saskatchewan municipal revenue sharing](#)
- 45 [Ontario dedicated gas tax funds for public transportation program review and the Ontario community infrastructure fund](#)
- 46 [From Pledge to Practice: Navigating Canada's Net-zero Policy Landscape in 2023, Delphi](#), February 13, 2023.
- 47 Richard M. Bird and Enid Slack, Local Taxes and Local Expenditures: Strengthening the Wicksellian Connection, International Centre for Public Policy Working Paper no. 13-23 (Atlanta: Georgia State University, Andrew Young School of Policy Studies, October 2013).
- 48 Lindsay M. Tedds, 2019, Non-Tax Revenue for Funding Municipal Governments: User Levies – Adoption, Constraints and Emerging Opportunities, in Funding the Canadian city, edited by Enid Slack, Lisa Philipps, Lindsay M. Tedds, and Heather L. Evans.
- 49 Additional information about the notice of motion (2023.MM3.5) is available [here](#).
- 50 Plenary remarks delivered by Don Drummond at The City of Calgary's 2022 Trends Event. Don Drummond is the Stauffer-Dunning Fellow and Adjunct Professor at the School of Policy Studies at Queen's University. Mr. Drummond is currently Chair, Canadian Centre for the Study of Living Standards; Fellow-in-Residence, C.D. Howe Institute and; member of the Expert Advisory Group to the Canadian Institute for Climate Choices.
- 51 See Technical Appendix 8 for details.
- 52 These taxes are called automatic stabilizers. Examples include income tax and sales tax.
- 53 Cadastral income is used as the basis for collecting property tax and determining the property income taxed in personal income tax. Cadastral income is not an actual income, but a notional income corresponding to the average normal net income that the property provides its owner in a year.
- 54 A list of European countries with progressive property rate structures is available in Technical Appendix 9.
- 55 Source: The Global Urban Economic Dialogue Series; Property Tax Regimes In Europe.
- 56 Source: Government of British Columbia, Ministry of Finance.
- 57 <https://vancouver.ca/home-property-development/why-an-empty-homes-tax.aspx>
- 58 <https://www.toronto.ca/services-payments/property-taxes-utilities/vacant-home-tax/>
- 59 The total market value across all permits was \$5.7 billion in 2022.
- 60 Details are available in Technical Appendix 10.
- 61 The City of Calgary has been criticized for having too many licence categories in the past The City is currently working to simplify and reduce the number of business licence categories, to reduce red tape.
- 62 There are currently two types of business licence categories, but many home-based businesses are not included in City business licensing if they are regulated under another agency. (e.g., accountants, lawyers).
- 63 A home occupation is any business that operates out of a dwelling and is allowed under Calgary's Land Use Bylaw provided it meets all bylaw requirements. Class 1 home businesses do not involve any client or customer visits to the dwelling. Class 1 home businesses do.
- 64 Details are available in Technical Appendix 11.
- 65 For example, Gillette and Hopkin (1987) and Nallathiga (2009), and Kitchen (2021).
- 66 <https://www.enmax.com/AboutUsSite/Documents/our-companies/ENMAX-Overview.pdf>

- 67 For example, Technical Appendix 12 includes a review of a study that found that EEC has previously underpriced its services.
- 68 References: (a) AC2022-1251 “Calgary Parking Authority Financial Statements, December 31, 2021”; (b) TT2021-1258 “Calgary Parking Authority Report to SPC on Transportation and Transit, September 1, 2021”; and (c) AC2019-0630 “Calgary Parking Authority Financial Statements, December 31, 2018.”
- 69 For example, revenue from Vancouver’s Empty Home Tax dropped 38% from 2018 to 2021 (<https://vancouver.ca/files/cov/vancouver-2021-empty-homes-tax-annual-report.pdf>). If the policy is successful, jurisdictions should end up collecting minimal revenue using this tool over the long term. Revenue collected from vacancy taxes is generally earmarked for investment in affordable housing.
- 70 Slack, Enid. (2005). *Easing the Fiscal Restraints: New Revenue Tools in the City of Toronto Act*.
- 71 Jared Walczak (July 2019) “Local Income Taxes in 2019”, The Tax Foundation
- 72 City of Philadelphia, Annual Financial Report Fiscal Year Ended June 30, 2020. <https://www.phila.gov/media/20210108144752/annual-financial-report-FY2020.pdf>
- 73 KPMG LLP (2016), *City of Toronto Revenue Options Study*
- 74 <https://detroitmi.gov/departments/office-chief-financial-officer/ocfo-divisions/office-treasury/income-tax/income-tax-information>
- 75 <https://www.phila.gov/services/payments-assistance-taxes/business-taxes/business-income-receipts-tax-birt/>
- 76 <https://www.nyc.gov/site/finance/taxes/business-corporation-tax.page>
- 77 Kitchen, H., McMillan, M., & Shah, A. (2019). *Local Public Finance and Economics: An International Perspective*. Springer Nature.
- 78 Adjustments are made to reflect Calgary’s share of the provincial working-age population (defined here as people aged 15 to 64) for the estimation.
- 79 [https://www.gov.nl.ca/education/files/publications\\_archives\\_schoolfeesreport.pdf](https://www.gov.nl.ca/education/files/publications_archives_schoolfeesreport.pdf)
- 80 <https://www.gov.mb.ca/edupropertytax/index.html>
- 81 <https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directories/Department-of-Finance/Our-Divisions/Treasury/Business-Tax-Information#>
- 82 <https://www.cityofhuntington.com/business/taxes-and-fees/city-service-fee/>
- 83 Althaus, C., Tedds, L. M., & McAvoy, A. (2011). The feasibility of implementing a congestion charge on the Halifax peninsula: Filling the “missing link” of implementation. *Canadian Public Policy*, 37(4), 541-561.
- 84 As of Dec 2, 2022, see <https://www.hdbc.ca/>.
- 85 <https://tfl.gov.uk/modes/driving/congestion-charge>
- 86 KPMG LLP (2016), *City of Toronto Revenue Options Study*.
- 87 The same source as mentioned in the previous reference.
- 88 This revenue idea relates to the item (f) of the FTF recommendation 21: *Advertisement charges that include billboards and digital ads targeted in Calgary*.
- 89 <https://clkapps.winnipeg.ca/dmis/DocExt/ViewDoc.asp?DocumentTypeId=1&DocId=761>
- 90 <https://www.toronto.ca/services-payments/building-construction/sign-permits-information/third-party-sign-tax/>
- 91 <https://www.phila.gov/services/payments-assistance-taxes/business-taxes/outdoor-advertising-tax/>
- 92 <https://www.toronto.ca/legdocs/mmis/2017/pg/bgrd/backgroundfile-103950.pdf>
- 93 This revenue idea relates to item (e) of Financial Task Force recommendation #21: *Explore the use of regulatory charges, like ‘franchise fees’ or ‘local access fees’ for services provided in the City of Calgary which do not otherwise pay property tax (e.g. telecommunications infrastructure)*
- 94 [The Cable Franchising Authority of State and Local Governments and the Communications Act, Section 622 of Title VI.](#)
- 95 <https://www.cbc.ca/news/canada/british-columbia/transit-referendum-voters-say-no-to-new-metro-vancouver-tax-transit-improvements-1.3134857>
- 96 Janelle Cammenga (February 2022) “State and Local Sales Tax Rates, 2022”, the Tax Foundation.
- 97 Jeffrey L. Barnett, Cindy L. Sheckells, Scott Peterson, and Elizabeth M. Tydings, December 2014, 2012 Census of Governments: Finance— State and Local Government Summary Report, Available at: [http://www2.census.gov/govs/local/summary\\_report.pdf](http://www2.census.gov/govs/local/summary_report.pdf).
- 98 <https://www.cbc.ca/news/canada/calgary/proposed-penny-tax-would-pay-for-infrastructure-1.1111682>
- 99 This relates to item (m) of recommendation 21: Develop and implement taxes that would focus on tourists and visitors that use City services.
- 100 Short-term accommodations listed on online marketplaces such as Airbnb and Vrbo are discussed separately.
- 101 <https://www.calgaryhotelassociation.com/industry>
- 102 <https://www.calgaryhotelassociation.com/industry>
- 103 In 2018, as the provincial government was in the process of creating the City of Calgary Charter, it considered giving The City greater control over Calgary’s DMF. The changes could have permitted the DMF to become mandatory for all hotels. However, following opposition from the hotel industry, The City of Calgary was not granted greater authority over the DMF as part of the City Charter.
- 104 <https://www.destinationvancouver.com/meeting/plan/helpful-tips-resources/vancouvers-tax-structure/>
- 105 <https://calgaryherald.com/news/politics/calgary-hotel-association-calls-on-province-to-waive-travel-levy>
- 106 <https://montreal.ca/en/articles/montreals-2022-budget-and-2022-2031-ten-year-capital-works-program-24778>
- 107 <https://www.translink.ca/about-us/about-translink/taxes-and-charges#parking-tax>
- 108 TransLink, [2022 Business Plan.](#)
- 109 City of Pittsburgh, [2021 Annual Comprehensive Financial Report.](#)
- 110 <https://news.ontario.ca/en/backgrounders/1001445/2021-22-gas-tax-funding-by-municipality>
- 111 Michael, Joel. Survey of State and Local Gasoline Taxes. Research Department., Minnesota House of Representatives, 2017. Accessed from <https://www.house.leg.state.mn.us/hrd/pubs/ss/ssgastax.pdf>

- 112 <https://www.alberta.ca/taxes-levies-overview.aspx>,  
<https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/edn70/budget-2021-changes-excise-duty-rates-tobacco-products.html>
- 113 <https://www.tobaccofreekids.org/assets/factsheets/0267.pdf>
- 114 [https://assessment.winnipeg.ca/AsmtTax/English/Other\\_Taxes/Entertainment.stm](https://assessment.winnipeg.ca/AsmtTax/English/Other_Taxes/Entertainment.stm)
- 115 The City of Winnipeg, *Detailed Financial Statements 2020*.
- 116 <https://www.regina.ca/bylaws-permits-licences/bylaws/Amusement-Tax-Bylaw/>
- 117 <https://pittsburghpa.gov/finance/tax-descriptions>
- 118 The City of Pittsburgh, Annual Comprehensive Financial Reports 2019-2021, <https://pittsburghpa.gov/controller/annualreport>
- 119 <https://www.toronto.ca/services-payments/property-taxes-utilities/municipal-land-transfer-tax-mltt/municipal-land-transfer-tax-mltt-rates-and-fees/>
- 120 For property types other than single-family residences, the 2.5 per cent tax rate threshold is set at \$400,000.
- 121 <https://www.oaciq.com/en/articles/property-transfer-duties#>
- 122 <https://www.halifax.ca/home-property/property-taxes/covid-taxes-halifax>
- 123 City of Pittsburgh, 2021 Annual Comprehensive Financial Report
- 124 [https://www.chicago.gov/city/en/depts/fin/supp\\_info/revenue/tax\\_list/real\\_property\\_transfertax.html](https://www.chicago.gov/city/en/depts/fin/supp_info/revenue/tax_list/real_property_transfertax.html)
- 125 Dahlby, Bev, and Braeden Larson. "Should Alberta Adopt a Land Transfer Tax?" The School of Public Policy Publications (2019) Volume 12.5 (2019).
- 126 Haider, Murtaza, Amar Anwar, and Cynthia Holmes. Did the Land Transfer Tax Reduce Housing Sales in Toronto?. Institute on Municipal Finance and Governance, 2016.
- 127 <https://aglc.ca/liquor/about-liquor-alberta/liquor-markup-rate-schedule>
- 128 Mosher, James F et al. "Review of State Laws Restricting Local Authority to Impose Alcohol Taxes in the United States." Journal of Studies on Alcohol and Drugs vol. 78,2 (2017): 241-248. doi:10.15288/jsad.2017.78.241
- 129 <https://www.alberta.ca/cannabis-framework.aspx>
- 130 [https://www.denvergov.org/content/dam/denvergov/Portals/571/documents/TaxGuide/TaxGuideTopic95\\_MarijuanaMedicalAndRetail.pdf](https://www.denvergov.org/content/dam/denvergov/Portals/571/documents/TaxGuide/TaxGuideTopic95_MarijuanaMedicalAndRetail.pdf)
- 131 <https://www.thecrimson.com/article/2022/3/23/cambridge-eliminate-weed-tax/>
- 132 <https://www2.gov.bc.ca/gov/content/sports-culture/gambling-fundraising/gambling-in-bc/where-money-goes>
- 133 <https://www2.illinois.gov/rev/localgovernments/Pages/gaming.aspx>
- 134 This revenue idea relates to the item (g) of the FTF recommendation 21: *Develop and implement licensing charges for business vehicles. It provides an opportunity for targeted relief when required for businesses.*
- 135 <https://saaq.gouv.qc.ca/en/saaq/rates-fines/vehicle-registration/cost-registration-renewal/passenger-vehicles/contribution-public-transit>
- 136 <https://vancouver.ca/streets-transportation/commercial-vehicle-permits-and-decals.aspx>
- 137 <https://www.victoria.ca/EN/main/business/permits-licences/business-licences/decals-requirements.html>
- 138 KPMG LLP (2016), City of Toronto Revenue Options Study, see also <https://www.cbc.ca/news/canada/toronto/toronto-vehicle-registration-tax-1.6287494>
- 139 Vehicle counts include all motorized vehicles for highway use as registered on March 31 of that year. Counts exclude any trailers, off-highway vehicles, and dealer-plated vehicles. The registered owner's mailing address is used to determine the location of vehicles.
- 140 <https://www.alberta.ca/insurance-premiums-tax.aspx>
- 141 <https://insurance.ky.gov/ppc/Documents/2022-2023%20Tax%20Schedule%204-6-2022.pdf>
- 142 Sherden, William A. "An analysis of the determinants of the demand for automobile insurance." Journal of Risk and Insurance (1984): 49-62.
- 143 Laurin, Alexandre, and Farah Omran. "Piling On—How Provincial Taxation of Insurance Premiums Costs Consumers." CD Howe Institute Commentary 522 (2018).
- 144 [Government of Alberta 2022-23 Mid-year Fiscal Update and Economic Statement](#).
- 145 Bird, Richard M., and Enid Slack. Provincial-Local Equalization in Canada: Time for a Change?. Institute on Municipal Finance and Governance, 2021.
- 146 Mexico: Reforming Intergovernmental Transfers to More Effectively Advance Their Policy Objectives (English). Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/570741554210015070/Mexico-Reforming-Intergovernmental-Transfers-to-More-Effectively-Advance-Their-Policy-Objectives>
- 147 In the State of Mexico for example, the allocation of municipal transfers is dependent on changes in the relative shares of population and property tax collection across municipalities. See <https://transparenciafiscal.edomex.gob.mx/ramo28> (documents in Spanish).
- 148 <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/carbon-pollution-pricing-federal-benchmark-information/federal-benchmark-2023-2030.html>
- 149 Commercial and industrial users face a lower rate. See Chapter 12 of the Boulder municipal code: [https://library.municode.com/co/boulder/codes/municipal\\_code?nodeId=TIT3RETA\\_CH12CLACPLEXTA](https://library.municode.com/co/boulder/codes/municipal_code?nodeId=TIT3RETA_CH12CLACPLEXTA)
- 150 <https://news.bloombergtax.com/daily-tax-report-state/chicago-on-a-revenue-roll-from-cloud-and-netflix-taxes>
- 151 <https://www150.statcan.gc.ca/n1/daily-quotidien/220913/dq220913b-eng.htm>
- 152 This revenue idea relates to the item (h) of the FTF recommendation 22: *Develop and implement taxation for e-commerce revenue generated from local consumption of goods and services not reflected in bricks and mortar.*
- 153 <https://www.cnn.com/2020/02/24/states-are-imposing-a-netflix-and-spotify-tax-to-raise-money.html>
- 154 This revenue source relates to part of the item (f) of the FTF recommendation 22: *Develop and implement licenses for new economy services, e.g. e-scooters, ridesharing.*
- 155 <https://www.calgary.ca/taxis-ride-share/drivers-licence-fee-payment.html>

- 156 [https://www.chicago.gov/city/en/depts/fin/supp\\_info/revenue/tax\\_list/ground\\_transportationtax.html](https://www.chicago.gov/city/en/depts/fin/supp_info/revenue/tax_list/ground_transportationtax.html)
- 157 <https://www.nbcwashington.com/news/local/dc-council-approves-tax-hike-on-uber-lyft-rides-to-fund-metro/2056008/>
- 158 <https://www.reuters.com/article/us-massachusetts-uber/massachusetts-to-tax-ride-hailing-apps-give-the-money-to-taxis-idUSKCN10U1ST>
- 159 [https://www.chicago.gov/city/en/depts/fin/supp\\_info/revenue/tax\\_list/amusement\\_tax.html](https://www.chicago.gov/city/en/depts/fin/supp_info/revenue/tax_list/amusement_tax.html)
- 160 <https://news.bloombergtax.com/daily-tax-report-state/chicago-on-a-revenue-roll-from-cloud-and-netflix-taxes>
- 161 This revenue source relates to part of the item (f) of the FTF recommendation 22: *Develop and implement licenses for new economy services, e.g. e-scooters, ridesharing.*
- 162 Goodman, Dan, et al. "E-Scooter management in midsized cities in the United States." Pedestrian and Bicycle Information Center (2019).
- 163 [https://sustain.ubc.ca/sites/default/files/2018-56b%20Supporting%20Carshare%20North%20American%20Parking%20Policies\\_Lempert.pdf](https://sustain.ubc.ca/sites/default/files/2018-56b%20Supporting%20Carshare%20North%20American%20Parking%20Policies_Lempert.pdf)
- 164 This revenue idea relates to the item (e) of the FTF recommendation 22: *Develop and implement vehicle permitting charges with the transition to driverless cars.*
- 165 This revenue idea relates to the item (i) of the FTF recommendation 21 and the item (c) of the FTF recommendation 22: 21(i) *Charges for the use of proprietary assets, e.g. data.* 22(c) *Exchange value created by City, e.g. data and other assets, subject to privacy rules, for private sector services or dollars to limit cost pressures.*
- 166 Cowan, Donald, Paulo Alencar, and Fred McGarry. "Perspectives on Open Data: Issues and Opportunities." 2014 IEEE International Conference on Software Science, Technology and Engineering. IEEE, 2014.
- 167 PSD Citywide Inc., 2020 Open Cities Index
- 168 This revenue idea relates to the item (a) of the FTF recommendation 22: *Consider investing in broadband infrastructure to gain long term dividends, including through partnerships with the telecommunications industry.*
- 169 2021 Fibre Infrastructure Annual Update, CD2022-0531
- 170 <https://www.telus.com/en/about/news-and-events/media-releases/telus-invests-2-billion-to-expand-its-fibre-optic-network-in-calgary>
- 171 <https://www.mountainviewtoday.ca/olds-news/o-net-information-sharing-expected-in-new-year-4903716>, <https://www.mountainviewtoday.ca/olds-news/future-of-o-net-olds-fibre-unclear-following-agm-3772137>
- 172 <https://money.cnn.com/2014/05/20/technology/innovation/chattanooga-internet/>
- 173 2022 Fibre Infrastructure Strategy Annual Update, CD2022-0531
- 174 This revenue idea relates to the item (d) of the FTF recommendation 22: *Develop and implement 'franchise fee' type charges that leverage value in regulated assets that reflect the transition to the new economy, e.g. Calgary's 5G infrastructure.*
- 175 <https://newsroom.calgary.ca/city-of-calgary-the-most-connected-canadian-municipality-enters-master-agreements-with-wireless-service-providers/>
- 176 Federal Communications Commission ruling FCC 18-133, see <https://www.federalregister.gov/documents/2018/10/15/2018-22234/accelerating-wireless-and-wireline-broadband-deployment-by-removing-barriers-to-infrastructure>
- 177 This can be achieved by using the results from annual Hirschman-Herfindahl index calculations.
- 178 These taxes are called automatic stabilizers. Examples include income tax and sales tax.

*Note: Financial task force reports to Council are available in the Technical Appendix 13.*



# Acknowledgments

The Corporate Economics team is extremely grateful to the Technical Committee and Steering Committee members who have provided us with guidance and feedback while this report was developed. Without their help and expertise, we could not have completed the report as it is today. Special thanks to those who have written or met with us to discuss their feedback and suggestions. They are:

## ***Technical Committee members:***

- Assessment - **Edwin Lee & Jessica Park**
- Assessment/TIPP - **Betty Gong**
- CBO - **Chris Jacyk**
- Communications - **Rudy De Ciancio & Jill Gaume**
- CPFS Service Excellence - **Karim Pabani**
- CPP-BP - **Michael T. Jankovic & Cameron Stark**
- Emergency Mgmt. Comm Safety Cost of Service - **Anita Blackstaffe**
- IGA - **Jeremy Clarke & Kelly L. Cote**
- Law - **Lori E. Bonnett, Henry Chan, & Denise Jakal**
- Regional Planning - **Matthew L. Atkinson**

## ***Steering Committee members:***

- **Chris Arthurs**
- **Aaron Brown**
- **Carla Male**
- **Dave Mewha**
- **Doug Morgan**
- **Gurbir Nijjar**
- **Chris Stewart**
- **Les Tochor**
- **Rene Wells**
- **Mike Yuzwa**

## Who We Are

Corporate Economics provides services in four areas: forecasting, information provision, policy analysis and consulting. We also monitor the current economic trends which allows us to develop unique insights on how external events are impacting the local economy and the Municipal government. We are experienced at researching different economic topics and have developed reliable methods of forecasting and analysis.

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Many of our publications are available on the internet at [www.calgary.ca/economy](http://www.calgary.ca/economy).

## Notice of Motion Checklist

The checklist is a tool intended to support the sponsor(s) of a Notice of Motion. The items listed below are important considerations when crafting and submitting a Notice of Motion. It is also intended to support other Members of Council, as the same considerations are important when reaching a decision on a Notice of Motion.

The checklist is therefore an opportunity for the sponsor(s) to:

- Consider what advice might be helpful to them in formulating their proposal; and
- Share key points about the advice received with their council colleagues, to inform their deliberations.

This document is recommended to be provided to City Clerks alongside every Notice of Motion and will become part of the Corporate record. It is at the discretion of the sponsor(s) to decide with whom to consult and what information to include.

Title of the Motion: Managing the costs linked to downloading of provincial responsibilities to municipalities

There are two classifications of a Notice of Motion (Check the one that applies):

Regular

Urgent (Include details in Urgency Rationale box below)

Is this Notice of Motion Confidential? (Include details in procedural box below)

<b>Financial and Other Resource Capacity</b>
There is no additional burden placed on Administration with this Notice of Motion; rather, it provides an indication of how Council wishes to manage our funding shortfall. The direction laid out is in keeping with the standing budget item at Executive Committee.
<b>Legal/Legislative</b>
N/A
<b>Technical Content</b>
The timing of reports and information has been verified with the Finance and Corporate Planning & Performance teams.
<b>Procedural (Include reasons for confidentiality)</b>
N/A

Other Considerations
N/A
Urgency Rationale – N/A



Report Number: EC2024-0373

Meeting: Executive Committee

Meeting Date: 2024 March 12

## NOTICE OF MOTION

### RE: Plebiscite on City Wide Blanket Re-Zoning

**Sponsoring Member(s) of Council:** Dan McLean, Andre Chabot, Sonya Sharp, Sean Chu, Peter Demong, Terry Wong

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**WHEREAS** Council approved the Calgary Housing Strategy “Home is Here – The City of Calgary’s Housing Strategy 2024-2030”.

**AND WHEREAS** One of the key actions in Housing Strategy is to propose citywide rezoning to a base district of R-CG and return to Council with the proposal by Q2 2024.

**AND WHEREAS** Actions related to rezoning and land-use or bylaw changes are required to follow the regular legislated process.

**AND WHEREAS** Public engagement on city wide rezoning began on January 15, 2024. This included a citywide mail out and a series of in person and online sessions for the public and industry which began on January 30, 2024.

**AND WHEREAS** A public hearing on the blanket R-CG rezoning is scheduled for April 22, 2024.

**AND WHEREAS** Many Calgarians have contacted their Councillors offices in opposition to blanket rezoning, with concerns related to their property value, their neighborhood character, and other potential issues including, but not limited to increased crime, traffic, and parking.

**AND WHEREAS** Blanket rezoning impacts every low density residential property owner, every property taxpayer, and all Calgary residents as well as the character and nature of the communities in which they live.

**AND WHEREAS** The City of Calgary has previously held plebiscites on issues of public importance including The 2026 Winter Olympics bid and the re-installation of fluoride into Calgary’s drinking water system.

**THEREFORE BE IT RESOLVED** that Council cancel the 2024 April 22 Public Hearing Meeting of Council.

**AND FURTHER BE IT RESOLVED** that Council direct City Administration to plan for and prepare a vote of the electors on city wide blanket rezoning to be in held in conjunction with the Municipal Election on October 20, 2025.

Attachment(s):

1. Notice of Motion Checklist



### NOTICE OF MOTION CHECKLIST

The checklist is a tool intended to support the sponsor(s) of a Notice of Motion. The items listed below are important considerations when crafting and submitting a Notice of Motion. It is also intended to support other Members of Council, as the same considerations are important when reaching a decision on a Notice of Motion.

The checklist is therefore an opportunity for the sponsor(s) to:

- consider what advice might be helpful to them in formulating their proposal; and
- share key points about the advice received with their Council colleagues, to inform their deliberations.

This document is recommended to be provided to City Clerks alongside every Notice of Motion and will become part of the Corporate record. It is at the discretion of the sponsor(s) to decide with whom to consult and what information to include.

#### **Title of the Motion: Plebiscite on Blanket Rezoning**

There are two classifications of a Notice of Motion (Check the one that applies):

Regular

Urgent (Include details in Urgency Rationale box below)

Is this Notice of Motion Confidential? (Include details in Procedural box below)

Financial and Other Resource Capacity

Minimal additional financial resources required due to the proposed plebiscite being held in conjunction with the municipal election.

Legal / Legislative

The Municipal Government Act states:

Electors to vote on a question

236(1) A council may provide for the submission of a question to be voted on by the electors on any matter over which the municipality has jurisdiction.

(2) A vote of the electors under subsection (1) does not bind council.

Local Authorities Election Act

237 A vote of the electors under this Part must be conducted in accordance with the Local Authorities Election Act.

Technical Content
<ul style="list-style-type: none"><li>- Public engagement on city wide rezoning began on January 15, 2024. This included a citywide mail out and a series of in person and online sessions for the public and industry which began on January 30, 2024.</li><li>- A public hearing on the blanket rezoning is scheduled for April 22, 2024.</li><li>- This Motion proposes that Council direct City Administration to postpone the public hearing on the blanket rezoning, scheduled for April 22, 2024, until after the October 20, 2025 Municipal Election.</li><li>- This Motion also proposes that Council direct City Administration to plan for and prepare a Plebiscite on city wide blanket rezoning to be in held in conjunction with the October 20, 2025 Municipal Election.</li></ul>
Procedural (Including reasons for confidentiality)
Proposed to be forwarded to the March 12, 2024 Executive Committee Meeting, followed by the March 19, 2024 Regular Meeting of Council.
Other Considerations
Blanket rezoning impacts every property owner, every property taxpayer, and all Calgary residents as well as the character and nature of the communities in which they live.
Urgency Rationale
Not applicable





Report Number: EC2024-0374

Meeting: Executive Committee

Meeting Date: 2024 March 12

## NOTICE OF MOTION

**RE: Conservation of Trees on Private Properties**

**Sponsoring Member(s) of Council:** Councillor Wong, Councillor Chabot

WHEREAS a strong tree canopy improves quality of life, psychological wellbeing and community pride;

AND WHEREAS the *Municipal Development Plan* identified tree canopy coverage as a core indicator of the Plan's success, with a 60-year target of 14-20 per cent coverage;

AND WHEREAS the Urban Forestry Plan 2017-2022 sought to increase the tree canopy to at least 9.2 per cent by 2026;

AND WHEREAS, due to a combination of age, increasingly severe weather, development and funding constraints that required a focus on tree replacement rather than new plantings, Calgary lost net tree canopy from 2012-2022, decreasing from 8.51 per cent to 8.22 per cent;

AND WHEREAS the types of development seeing the highest net tree canopy loss from 2012-2022 were:

- Mixed Use Development – 3.39 per cent
- Residential – High Density – 1.72 per cent
- Residential – Medium Density – 0.88 per cent
- Residential – Low Density – 0.74 per cent;

AND WHEREAS Local Area Plans (LAPs) state that development should:

- retain existing, healthy public trees and landscaping on, or adjacent to, development sites
- retain existing, healthy private trees and landscaping on development sites, particularly in street facing setback areas
- design and locate infrastructure in a manner that minimizes disturbances to existing public trees
- incorporate existing, healthy trees and landscaping, where possible;

AND WHEREAS the City Building Program is currently updating The City's land use policies, land use regulations and street design guidelines through the Calgary Plan, Zoning Bylaw and Street Manual respectively, which will affect The City's requirements for public and private trees;

AND WHEREAS, through PUD2021-0030, Council raised concerns about tree canopy loss and directed Administration to "review policy options, legal considerations, engagement considerations, and resource requirements to support the retention/replacement of trees on private lands";

AND WHEREAS Administration responded to the above direction on 2022 December 1, through a Private Tree Protection Briefing (CD2022-1300), noting that "a status-quo approach to public and private tree protection will result in a sustained loss of tree canopy over time";

AND WHEREAS public engagement conducted to support CD2022-1300 found that:

- Calgarians overwhelmingly agree with the environmental, financial and social benefits of a strong tree canopy
- 82 per cent of those surveyed want to see the tree canopy increase, with only 1 per cent wanting to see it decrease
- 56 per cent of those surveyed support introducing restrictions on removing trees on private property, while 42 per cent oppose;

AND WHEREAS CD2022-1300 noted that, while private trees can be removed at any time regardless of development, “one of the biggest challenges to canopy growth on private land is that communities across Calgary continue to lose private tree canopy through re-development and there is currently no requirement to replace what is lost”;

AND WHEREAS internal engagement conducted to support CD2022-1300 noted various approaches used by other municipalities to support private tree protection, with the most preferred options as follows:

- Incentives such as grants and tax credits to maintain or add private trees
- Tree bonds paid by developers that are forfeited if private trees are damaged
- Community engagement and education
- Required permits to remove private trees depending upon circumstance
- Fines for developers who do not maintain planted private trees;

AND WHEREAS CD2022-1300 concluded that, with 66% of the existing canopy on private land, “we need to be able to enforce here if we are to increase/maintain the canopy”;

AND WHEREAS CD2022-1300 advised that The City of Calgary should not move forward with any form of private tree regulations without significantly increased staffing support including administrative, bylaw, urban forestry technicians and development inspectors;

AND WHEREAS Council declared a Climate Emergency on 2021 November 15 through EC2021-1525;

AND WHEREAS a strong tree canopy plays a key role in mitigating climate change and adapting to its consequences, particularly by absorbing carbon dioxide, supporting air quality, preventing soil erosion, improving water quality, enabling biodiversity and providing shade;

AND WHEREAS Council approved the Calgary *Climate Strategy – Pathways to 2050* on 2022 July 5 through CD2022-0465, which set a goal of 10 per cent tree canopy coverage by 2030 and 16 per cent tree canopy coverage by 2050;

NOW THEREFORE BE IT RESOLVED that Administration prepare options for how private tree conservation tools and incentives could be applied in Calgary, including options for a private tree protection bylaw, based on similar practices across Canada and which are suitable for the Calgary context;

AND FURTHER BE IT RESOLVED that Administration report with recommendations, budget estimates and public education and engagement needs on the above through the Community Development Committee no later than 2025 Q1.

Attachment(s):

1. Notice of Motion Checklist

### NOTICE OF MOTION CHECKLIST

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Title of the Motion:  
Conservation of Trees on  
Private Properties

There are two classifications of a Notice of Motion (Check the one that applies):

- Regular
- Urgent (Include details in Urgency Rationale box below)

Is this Notice of Motion Confidential? (Include details in Procedural box below)

Financial and Other Resource Capacity
Consulted
Legal / Legislative
Consulted

Technical Content
Consulted
Procedural (Including reasons for confidentiality)
NA
Other Considerations
NA
Urgency Rationale
NA

Law, Legislative Services and Security Briefing to

Executive Committee

2024 March 12

ISC: UNRESTRICTED

EC2024-0136

## The City of Calgary Privacy Management Program 2023 Annual Briefing Report

### **PURPOSE OF BRIEFING**

At the 2020 January 27 Strategic Meeting of Council, Council directed that the City Clerk/FOIP Head provide an annual report to the Executive Committee (formerly Priorities and Finance Committee) on the Privacy Management Program. The City of Calgary's ("The City's") Privacy Management Program 2023 Annual Report conveys the activities of the Privacy Management Program and highlights key achievements for Calgarians and The City.

### **SUPPORTING INFORMATION**

The Attachment, *2023 Privacy Management Program Annual Report*, provides information on The City's key privacy statistics in addition to privacy trends and outlines the status of the *Privacy Program Strategic Plan*.

### **Next Steps**

The focus for 2024 will be the continued implementation of the recommendations from the *Privacy Program Strategic Plan*. Building a culture of privacy awareness is one of the key components of an accountable privacy management program and promoting best practices for the protection of privacy at The City will continue to be a priority in 2024.

### **ATTACHMENT**

Attachment – 2023 Privacy Management Program Annual Report

Author: Nicole Dengis, City Clerk's Office

General Manager Jill Floen concurs with the information in this Briefing.





# 2023 Privacy Management Program Annual Report

# THE YEAR IN NUMBERS

The City of Calgary’s (“The City’s”) Privacy Management Program consists of two main functions: Privacy Complaint Management and Privacy Impact Assessments (“PIAs”). Privacy Complaint Management is a reactive process that investigates and addresses privacy complaints after they have been reported. A PIA is a proactive process that identifies potential privacy risks associated with the collection, use, and disclosure of personal information for any new or modified project, initiative, program, administrative practice or process, or information system.

## Privacy Complaint Management Highlights

### New Privacy Complaints Received

**118**

A **25% increase** from 2022.

### Closed Privacy Complaint Investigations

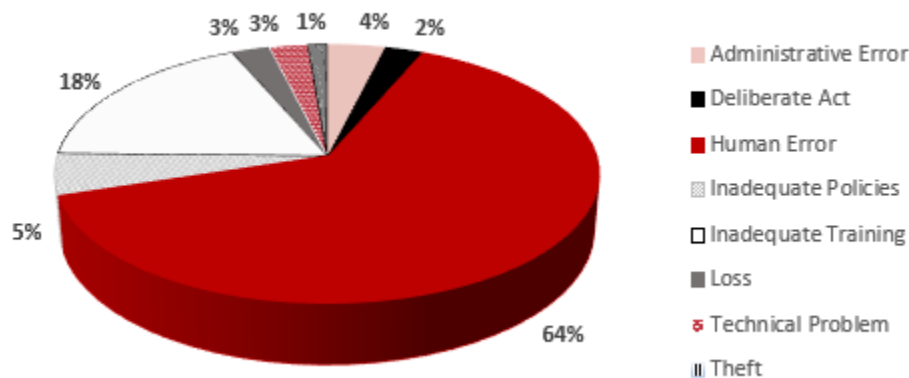
**101**

Includes **14** Privacy Complaint Investigations from 2022.



- 41** Closed Investigation – Confirmed not a privacy breach
- 60** Closed Investigation – Confirmed privacy breach

## Type of Confirmed Privacy Breach by Percentage





# THE YEAR IN NUMBERS

## Privacy Impact Assessment Highlights

New PIAs Received

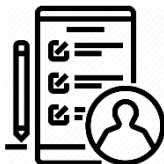
82

A **21% decrease** from 2022.

PIAs Completed

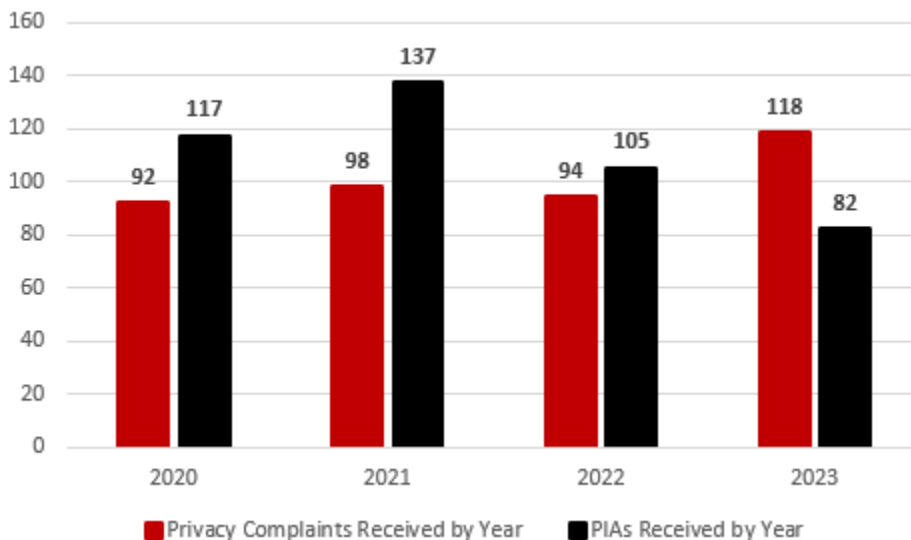
64

Includes **16** PIAs from 2022.



**53** Percent of PIAs are IT-Related Projects

## Privacy Complaints and PIAs Received by Year



# Privacy Program Management Highlights

## 2023 ACCOMPLISHMENTS

The City continues its commitment towards advancing the Privacy Management Program.

**TRANSITION** of the Access to Information and Corporate Privacy section (formerly Access and Privacy).

Completed phase one of automation workflow for **PIA FOLLOW-UP PROCESS**.

Established a framework for the development of The City's **PERSONAL INFORMATION BANK ("PIB")**.

The **PROTECTION OF PRIVACY** Administration Policy was approved by ELT on December 18, 2023, with an effective date of February 1, 2024.

Implemented an updated *Freedom of Information and Protection of Privacy* ("FOIP") **DELEGATION ORDER**

Technology and workflow established to develop an external facing **PERSONAL INFORMATION REGISTRY**.

Initiated a review to update **SERVICE PROVIDER** contracts to ensure compliance with FOIP Act and confidentiality requirements.

**342** Employees completed privacy-related **ONLINE TRAINING SESSIONS**.

**768** Employees provided targeted privacy awareness training across **16 BUSINESS UNITS**.

## Corporate Planning and Financial Services Briefing to

Executive Committee

2024 March 12

ISC: UNRESTRICTED

EC2024-0218

## Annual Property Tax Exemptions and Tax Relief Expenditures - 2023

### PURPOSE OF BRIEFING

In accordance with Council direction arising from [EC2022-0649](#), Administration has prepared an annual briefing for Council on the context of property tax exemptions and tax relief expenditures in Calgary. This information supports accountability and transparency in Calgary's property tax system.

### SUPPORTING INFORMATION

Property tax exemptions are applied pursuant to the *Municipal Government Act* (MGA) and *Community Organization Property Tax Exemption Regulation* (COPTER) based on use or the entity that owns or holds the property. Generally, taxable status is determined by the province; however, the MGA provides Council with some limited discretionary tools related to subsidies, incentives or relief including the power to:

- Make some particular types of properties taxable by bylaw;
- Exempt some particular types of properties by bylaw; and
- Cancel, reduce, refund, or defer all or part of a tax, including penalties and arrears, when Council considers it equitable to do .

When properties are exempt from property tax, the tax responsibility is redistributed to the remainder of the tax base. As the taxable assessment base decreases, the tax rate increases to meet the municipal property tax revenue requirement set out in the annual budget. Tax cancellations, refunds, rebates, and deferrals are considered expenditures because property tax and penalty revenue is included in the annual budget.

Table 1 below details the assessment and estimated municipal property tax value for exemptions and other tax relief provided in 2023 using 2023 residential and non-residential municipal property tax rates. Given that exemptions redistribute property tax responsibility within the residential and non-residential classes, the actual value would likely be different if some or all of these properties had been reflected in the taxable assessment roll. This briefing provides information on the 2023 assessment roll because the 2024 assessment roll will not be finalized until 2024 December 31.

Tax agreements, including those pursuant to MGA sections 333.1 and s. 360, are also a potential tax subsidy but are excluded from the scope of this briefing due to their unique nature and complexity. Municipalities may enter into tax agreements in specific circumstances where instead of paying taxes, parties agree to pay an annual amount calculated under the agreement.

Additional background information on property tax exemptions and Council's discretionary tax relief powers was detailed in [PFC2019-0491](#).

Updated and corrected 2022 property tax exemptions and tax relief expenditure information is provided on page 3, including Property Tax Assistance Program values and correcting a data mistake in the 2022 information previously provided in EC2023-1040.

**Table 1: 2023 Roll Year Property Tax Exemptions and Expenditures**

CATEGORY	2023 ASSESSED VALUE	ESTIMATED MUNICIPAL TAX VALUE
<b>EXEMPTIONS</b>		
Crown Property – Federal (MGA s. 362(1)(a) and Constitution Act s. 125) <sup>1</sup>	30,836,000	563,787
Crown Property – Provincial (MGA s. 362(1)(a) and Constitution Act s. 125) <sup>2</sup>	2,459,154,550	28,612,383
Hospitals and Health Region (MGA s. 362(1)(e) and (g.1))	5,293,765,000	96,655,316
Nursing and Seniors Homes and Lodges (MGA s. 362(1)(h), (m) and (n)(iv))	947,370,000	8,217,745
Post-Secondary Education Purposes (MGA s. 362(1)(d))	3,413,556,250	62,280,003
Public and Charter School Purposes (MGA s. 362(1)(c)(i-i.2))	3,374,029,500	62,140,446
Private School Purposes (MGA s. 362(1)(c)(ii))	502,120,500	9,238,055
Environmental, Municipal, School, and Utility Reserve (MGA s. 361(c))	2,455,042,830	45,173,086
Municipal Property (MGA s. 362(1)(b))	9,216,830,090	159,417,476
Library Purposes (MGA s. 362(1)(j))	109,481,500	2,018,116
Cemeteries (MGA s. 362(1)(l))	64,215,820	1,183,716
Religious Activities (MGA s. 362(1)(k))	1,515,851,926	27,704,795
*Properties Exempt by Private Bill or Local Authorities Board (MGA s. 351(b)) <sup>3</sup>	564,216,160	9,426,495
*Hostels (MGA s. 363(1)(b))	2,930,000	54,010
*Royal Canadian Legions and Veterans Associations (MGA s. 363(1)(c))	58,683,000	1,081,727
**Non-Profit/Charitable Uses (MGA s. 362(1)(n)(i-iii),(v) and COPTER s. 15)	2,614,822,370	39,315,544
*Other Residence Associations (Bylaw 5M2013 pursuant to MGA s. 364(1))	15,830,000	291,801
*Machinery and Equipment (Bylaw 15M2023 pursuant to MGA s. 364(1.1))	\$382,190,000	7,045,061 <sup>4</sup>
<b>SUBTOTAL</b>	<b>33,020,925,496</b>	<b>560,419,562</b>
<b>DISCRETIONARY RELIEF</b>		
Calgary Housing Company (MGA s. 347 and EC2023-0609)	368,080,500	1,594,523
Silvera for Seniors (MGA s. 347 and EC2023-0612)	2,710,000	11,739
Non-Profit Tax Mitigation Policy (MGA s. 347, EC2023-1064)	N/A	142,865
2007 Annexation Tax Relief (MGA s. 347 and C2023-0483)	N/A	0 <sup>5</sup>
Compassionate Penalty Relief (Bylaw 1H2018)	N/A	7,790
Property Tax Assistance Program (Fair Entry)	N/A	607,662
<b>SUBTOTAL</b>	<b>370,790,500</b>	<b>2,364,579</b>
<b>TOTAL 2023 VALUE</b>	<b>33,391,715,996</b>	<b>562,784,141</b>

\* Indicates Council discretion to make taxable.

\*\* Council has discretion to make properties exempt under MGA s. 362(1)(n)(iii) and (v) taxable by bylaw. Additional analysis would be required to identify what subset of properties fall in these categories.

<sup>1</sup> Federal Crown agencies make [payments in lieu of taxes](#) for federal properties to pay its share of costs for municipal services despite the constitutional exemption from property taxes .

<sup>2</sup> The province has a discretionary grant program to provide a [grant in place of taxes](#) (GIPOT) for eligible Government of Alberta properties. GIPOT payments for most eligible properties are currently paid at 50% of the municipal property tax.

<sup>3</sup> Although Council has discretion to make properties historically exempt by Private Members Bill or Local Authorities Board decision taxable, many may now be exempt under other provisions of the MGA and COPTER.

<sup>4</sup> If Council did not exempt machinery and equipment there would be a separate tax rate for this category of property pursuant to MGA s. 297 and 354. This estimate of municipal property tax value uses the 2023 non-residential tax rate.

<sup>5</sup> Property tax cancellations may only be approved by Council in the year they apply. In 2022, Council directed that this be brought forward for consideration in 2023 and 2024.

**Table 2: Updated 2022 Roll Year Property Tax Exemptions and Expenditures**

CATEGORY	2022 ASSESSED VALUE	ESTIMATED MUNICIPAL TAX VALUE
<b>EXEMPTIONS</b>		
Crown Property – Federal (MGA s. 362(1)(a) and Constitution Act s. 125) <sup>6</sup>	29,865,000	530,237
Crown Property – Provincial (MGA s. 362(1)(a) and Constitution Act s. 125) <sup>7</sup>	2,335,492,300	29,169,296
Hospitals and Health Region (MGA s. 362(1)(e) and (g.1))	4,032,493,000	71,325,005
Nursing and Seniors Homes and Lodges (MGA s. 362(1)(h), (m) and (n)(iv))	743,950,000	7,236,496
Post-Secondary Education Purposes (MGA s. 362(1)(d))	3,075,390,250	55,001,202
Public and Charter School Purposes (MGA s. 362(1)(c)(i-i.2))	3,108,025,500	55,536,363
Private School Purposes (MGA s. 362(1)(c)(ii))	447,213,500	7,958,974
Environmental, Municipal, School, and Utility Reserve (MGA s. 361(c))	2,154,151,320	38,450,428
Municipal Property (MGA s. 362(1)(b))	8,565,673,710	145,093,655
Library Purposes (MGA s. 362(1)(j))	116,088,000	2,076,153
Cemeteries (MGA s. 362(1)(l))	62,901,820	1,124,955
Religious Activities (MGA s. 362(1)(k))	1,343,265,660	23,905,276
*Properties Exempt by Private Bill or Local Authorities Board (MGA s. 351(b)) <sup>8</sup>	362,589,160	5,710,962
*Hostels (MGA s. 363(1)(b))	2,640,000	47,215
*Royal Canadian Legions and Veterans Associations (MGA s. 363(1)(c))	55,318,500	989,333
**Non-Profit/Charitable Uses (MGA s. 362(1)(n)(i-iii),(v) and COPTER s. 15)	2,698,089,890	42,057,893
*Other Residence Associations (Bylaw 5M2013 pursuant to MGA s. 364(1))	12,790,000	228,740
*Machinery and Equipment (Bylaw 15M2023 pursuant to MGA s. 364(1.1))	374,700,000	6,701,247 <sup>9</sup>
<b>SUBTOTAL</b>	<b>29,520,637,610</b>	<b>493,143,429</b>
<b>DISCRETIONARY RELIEF</b>		
Calgary Housing Company (MGA s. 347 and EC2022-0627)	293,339,585	1,377,229
Silvera for Seniors (MGA s. 347 and EC2022-0667)	2,520,000	11,831
Non-Profit Tax Mitigation Policy (MGA s. 347, EC2022-0425 and EC2022-1106)	N/A	16,382
2007 Annexation Tax Relief (MGA s. 347 and EC2022-0504)	N/A	274,495
Compassionate Penalty Relief (Bylaw 1H2018)	N/A	6,109
Property Tax Assistance Program (Fair Entry)	N/A	551,824
<b>SUBTOTAL</b>	<b>295,859,585</b>	<b>2,237,870</b>
<b>TOTAL 2022 VALUE</b>	<b>29,816,497,195</b>	<b>495,381,299</b>

Author: Assessment &amp; Tax

\* Indicates Council discretion to make taxable.

\*\* Council has discretion to make properties exempt under MGA s. 362(1)(n)(iii) and (v) taxable by bylaw. Additional analysis would be required to identify what subset of properties fall in these categories.

<sup>6</sup> Federal Crown agencies make [payments in lieu of taxes](#) for federal properties to pay its share of costs for municipal services despite the constitutional exemption from property taxes .

<sup>7</sup> The province has a discretionary grant program to provide a [grant in place of taxes](#) (GIPOT) for eligible Government of Alberta properties. GIPOT payments for most eligible properties are currently paid at 50% of the municipal property tax.

<sup>8</sup> Although Council has discretion to make properties historically exempt by Private Members Bill or Local Authorities Board decision taxable, many may now be exempt under other provisions of the MGA and COPTER.

<sup>9</sup> If Council did not exempt machinery and equipment there would be a separate tax rate for this category of property pursuant to MGA s. 297 and 354. This estimate of municipal property tax value uses the 2022 non-residential tax rate.