



AGENDA

PRIORITIES AND FINANCE COMMITTEE

February 12, 2019, 9:30 AM
IN THE COUNCIL CHAMBER
Members

Mayor N. Nenshi, Chair
Councillor S. Chu, Vice-Chair
Councillor D. Colley-Urquhart (CPS Chair)
Councillor J. Gondek (PUD Chair)
Councillor S. Keating (T&T Chair)
Councillor W. Sutherland (UCS Chair)
Councillor E. Woolley (Audit Chair)

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
 - 4.1 Unconfirmed Minutes of the Regular Meeting of the Priorities and Finance Committee 2019 January 22
5. POSTPONED REPORTS
(including related/supplemental reports)
None
6. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
 - 6.1 Update: Organizational Efficiency Strategy and Intentional Management, PFC2019-0193
 - 6.2 2019 Supplementary Property Assessment and Tax Bylaws, PFC2019-0027
 - 6.3 Status of Outstanding Motions and Directions, PFC2019-0149
7. ITEMS DIRECTLY TO COMMITTEE

7.1 REFERRED REPORTS
None

7.2 NOTICE(S) OF MOTION
None

8. URGENT BUSINESS

9. CONFIDENTIAL ITEMS

9.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
None

9.2 URGENT BUSINESS

10. ADJOURNMENT



MINUTES

PRIORITIES AND FINANCE COMMITTEE

**January 22, 2019, 9:30 AM
IN THE COUNCIL CHAMBER**

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

ALSO PRESENT: Deputy City Manager B. Stevens
City Solicitor and General Counsel G. Cole
Acting Chief Financial Officer C. Male
General Manager D. Duckworth
General Manager M. Thompson
Acting City Clerk D. Williams
Legislative Assistant J. Palaschuk

1. CALL TO ORDER

Councillor Chu called the Meeting to order at 9:31 a.m.

2. OPENING REMARKS

Councillor Chu provided opening remarks.

3. CONFIRMATION OF AGENDA

Moved by Councillor Keating

That the Agenda for today's Meeting be amended, by bringing forward Item 6.3, ZBR Program Update, PFC2019-0041, to be dealt with immediately following Item 6.4, 2019 Business Improvement Area Budget and Enabling Bylaws, PFC2019-0013.

MOTION CARRIED

Moved by Councillor Gondek

That the Agenda for the 2019 January 22 Regular Meeting of the Priorities and Finance Committee be confirmed, **as amended**.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

- 4.1 Minutes of the Regular Meeting of the Priorities and Finance Committee, 2018 December 04

Moved by Councillor Sutherland

That the Minutes of the Regular Meeting of the Priorities and Finance Committee dated 2018 December 04, be confirmed.

MOTION CARRIED

5. POSTPONED REPORTS

None

6. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 6.1 Consideration of the Nose Creek Communities in an Economic Development Context – Deferral Request , PFC2019-0018)

Moved by Councillor Gondek

That with respect to Report PFC2019-0018, the following be approved:

That the Priorities and Finance Committee recommends that Council approve Administration's request to defer the report on the consideration of the Nose Creek business case in an economic development context, and direct Administration to return to the Priorities and Finance Committee with a report in 2019 March.

MOTION CARRIED

REVISED

- 6.2 See Item 9.1.1.

- 6.3 ZBR Program Update, PFC2019-0041

A PowerPoint Presentation entitled "ZBR Program Update 2019 January", dated 2019 January 22, was distributed, with respect to Report PFC2019-0041.

Mayor Nenshi, on behalf of the Priorities and Finance Committee, recognized the upcoming retirement of Heather Reed-Fenske, Chief Information Technology Officer, and thanked her for her service to The City of Calgary.

Moved by Councillor Chu

That with respect to Report FPC2019-0041, the following be approved:

That the Priorities and Finance Committee recommend that Council:

1. Receive for information:
 - a. ZBR Program Dashboard (Attachment 1);
 - b. IT ZBR Summary Report (Attachment 2); and
 - c. Roads ZBR Final Implementation Update (Attachment 3).

MOTION CARRIED

6.4 2019 Business Improvement Area Budgets and Enabling Bylaws, PFC2019-0013

A revised Attachment 2 was distributed with respect to Report PFC2019-0013.

Mayor Nenshi introduced a group of students from Queen Elizabeth High School in Ward 7, along with their teacher and tour guides.

Moved by Councillor Carra

That with respect to Report PFC2019-0013, the following be approved:

That the Priorities and Finance Committee recommends that Council:

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

MOTION CARRIED

6.5 Status of Outstanding Motions and Directions, PFC2019-0086

Moved by Councillor Chu

That the Priorities and Finance Committee receive this report for information.

MOTION CARRIED

7. ITEMS DIRECTLY TO COMMITTEE

7.1 REFERRED REPORTS

None

7.2 NOTICE(S) OF MOTION

None

8. URGENT BUSINESS

None

9. CONFIDENTIAL ITEMS

Moved by Councillor Chu

That, pursuant to Sections 17, 23, 24 25 and 27 of the *Freedom of Information and Protection of Privacy Act*, the Priorities and Finance Committee move into Closed Meeting, at 10:41 a.m., in the Council Boardroom, to consider the following Item 9.1.1 Green Line Funding and Financing Update PFC2019-0040.

MOTION CARRIED

Committee moved into Public Meeting at 12:05 with Mayor Nenshi in the Chair.

Moved by Councillor Gondek

That Committee rise without reporting.

MOTION CARRIED

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, as amended, Section 78(2)(a) was suspended, by general consent, to allow Committee to complete the remainder of today's Agenda prior to the scheduled 12:00 noon recess.

Moved by Councillor Keating

That, pursuant to Sections 17, 23, 24 25 and 27 of the *Freedom of Information and Protection of Privacy Act*, the Priorities and Finance Committee move into Closed Meeting, at 12:06 a.m. in the Council Boardroom, to consider the following Item 9.1.1 Green Line Funding and Financing Update PFC2019-0040.

MOTION CARRIED

Committee moved into Public Meeting at 12:40 p.m., with Mayor Nenshi in the Chair.

Moved by Councillor Chu

That Committee rise and report.

MOTION CARRIED

9.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

REVISED

9.1.1 Green Line - Funding and Financing Update, PFC2019-0040

Administration in attendance during the Closed Meeting discussions with respect to Report PFC2019-0040:

Clerk's: D. Williams, J. Palaschuck. Advice: M. Thompson, M.A. Bendfeld, T. Nguyen, J. Cullen, R. Summers, F. MacIntyre. Observers: C. Male, B. Stevens, D. Corbin, D. Ewing, J. Iny, M. Perpeluk, M. Brunsdon. Legal: G. Cole.

Moved by Councillor Keating

That with respect to Report PFC2019-0040, Recommendations 1, 3 and 4 be approved as follows:

That the Priorities and Finance Committee recommend:

1. That the Report and Attachment 2 be released as public documents immediately, and that Attachment 1, the distribution and Closed Meeting discussions remain confidential pursuant to Sections 17, 18, 23, 24, 25 and 27 of the Freedom of Information and Protection of Privacy Act; and

3. That Council, to optimize the Green Line cash flow commitments over the term of the project, reconsider, in part, its decision as contained in the minutes of the Regular Meeting of 2017 November 27 with respect to Recommendation 1 of Report C2017-1123 as follows:

by deleting the words “the financing” after “fund” and before “costs” to result in the following motion:

“Direct that the 2017 tax room (\$23.7 million) be retained in 2018 and future years and used to fund costs for Green Line for 27 years until 2044.”

4. That Council direct that the Attachment 1, and the Closed Meeting discussions remain confidential, upon review by 2026 December 31, pursuant to Sections 23, 24, 25 and 27 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

Moved by Councillor Keating

That with respect to Report PFC2019-0040, Recommendation 2 be approved, as follows:

2. That Report PFC2019-0040 be added to the 2019 January 28 Strategic Meeting of Council Agenda.

Against: Councillor Gondek

MOTION CARRIED

9.2 URGENT BUSINESS

None

10. ADJOURNMENT

Moved by Councillor Chu

That this Meeting adjourn at 12:48 p.m.

MOTION CARRIED

The following Items have been forwarded to the 2019 January 28 Strategic Meeting of Council:

Consent:

Green Line - Funding and Financing Update, PFC2019-0040

The following Items have been forwarded to the 2019 February 04 Combined Meeting of Council:

Consent:

Consideration of the Nose Creek Communities in an Economic Development Context – Deferral Request , PFC2019-0018

ZBR Program Update, PFC2019-0041

Other:

2019 Business Improvement Area Budgets and Enabling Bylaws, PFC2019-0013

The next Regular Meeting of the Priorities and Finance Committee is scheduled to be held on 2019 February 12.

CHAIR

ACTING CITY CLERK

UNCONFIRMED

**City Manager's Office Report to
Priorities and Finance Committee
2019 February 12**

**ISC: UNRESTRICTED
PFC2019-0193**

Update: Organizational Efficiency Strategy and Intentional Management

EXECUTIVE SUMMARY

The Administrative Leadership Team (ALT) has been intentionally managing costs within the organization since 2015. In addition, an Organizational Efficiency Strategy was introduced to Council in 2016 November to provide a corporate approach to realign necessary resources to City priorities and reduce costs in a way that strives for the least harm to services and people. Some of the elements of this strategy and senior administration's intentional management of costs since 2015 have included (but are not limited to):

- Budget Savings Account;
- Corporate Workforce Planning;
- Management Exempt Cost Savings; and,
- Intentional Workforce Management.

This report provides an update to the Priorities and Finance Committee (PFC) on many of the accomplishments under the Organizational Efficiency Strategy and intentional management of costs to-date. It also outlines some of the focus areas for 2019, including compensation review, senior management expense disclosure, and temporary accommodations.

The legislative change and internal challenges accommodating employees deemed fit to return to work requires The City to address its accommodation process. A budget of \$10 million is requested to improve The City's accommodation process, expedite employees' return to work and reduce liability.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council:

Approves funding from the Budget Savings Account Reserve of up to \$10 million to be used for accommodations costs described in this report from 2019 to 2022.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2015 March 30, Council received a report from the Chief Financial Officer on a Budget Savings Account Proposal (PFC2015-0181). This report and its attachments responded to Council's request for ways to encourage and provide incentives for business units to seek annual savings, innovation and efficiencies within their operating and capital budgets.

On 2015 November 23, City Manager Jeff Fielding brought an in-camera presentation to Council on Senior Management Team and Exempt employee compensation, capacity and human capital planning, and organizational effectiveness (C2015-0934).

On 2016 November 14, City Manager Jeff Fielding brought an in-camera report to Council on Organizational Efficiency – Intentional Management (C2016-0896). This report outlined how the Organizational Efficiency Strategy would be developed and delivered.

On 2016 December 19, City Manager Jeff Fielding gave Council an in-camera verbal update on organizational efficiency.

On 2017 March 20, Council received a report from the City Manager on Organizational Efficiency – Intentional Management (PFC2017-0234). This report and its attachments

**City Manager's Office Report to
Priorities and Finance Committee
2019 February 12**

**ISC: UNRESTRICTED
PFC2019-0193**

Update: Organizational Efficiency Strategy and Intentional Management

highlighted many of Administration's achievements towards organizational efficiency and savings since 2015, and provided a progress update on the Leadership Strategic Plan.

On 2017 December 05, City Solicitor and General Counsel Glenda Cole gave an update on the Corporate Workforce Planning program to the Priorities and Finance Committee as the Chair of Administration's Corporate Workforce Planning Committee.

On 2018 June 5, the Priorities and Finance Committee received a verbal closed session Organizational Update (PFC2018-0701) from the City Manager for information.

On 2018 September 24, Council adopted a Motion Arising with respect to Administration's response to Councillor Keating's Administrative Inquiry (AI2018-03) directing Administration to engage an external Human Resources consultant that would report directly to Council, with a review of elements of the total compensation package of The City of Calgary employees.

BACKGROUND

On 2014 September 15, City Manager Jeff Fielding introduced Council to the Leadership Strategic Plan and a strategic Road Map (Attachment 1), which includes stages aimed at addressing structural efficiency and striving for cost efficiency. The Administrative Leadership Team (ALT) has been intentionally managing costs within the organization since 2015. In addition, an Organizational Efficiency Strategy was introduced to Council in 2016 November to provide a corporate approach to realign necessary resources to City priorities and reduce costs in a way that strives for the least harm to services and people. Some of the elements of this strategy and senior administration's intentional management of costs since 2015 have included (but are not limited to):

- Budget Savings Account;
- Corporate Workforce Planning;
- Management Exempt Cost Savings; and,
- Intentional Workforce Management.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

2015-2018 Update

Budget Savings Account

The Budget Savings Account (BSA) reserve was established in 2015 March to provide an incentive for business units to efficiently manage their service delivery and benefit from resulting savings; encourage spending decisions that support the prudent management of operating budget dollars; and create additional financial capacity to achieve goals and provide services that are valued and expected by Calgarians. Since its establishment, more than \$129 million in operating savings has been contributed to the BSA reserve with another \$203 million in capital budget savings found and redirected to Council priorities. Budget savings for both operating and capital have been allocated by Council to a number of projects that benefit Calgarians, including the Opportunity Calgary Investment Fund, Calgary Transit, the Crowchild Trail short-term improvements project, Main Streets Program, and initiatives to lower the property tax rate, to name a few.

Update: Organizational Efficiency Strategy and Intentional Management

Corporate Workforce Planning

Administration established the Corporate Workforce Planning Committee in 2016 August to: find savings in the base budget to reduce the 2018 tax increase; align current workforce numbers and composition to service priorities and budget; delay hiring to create savings and drive effective workforce planning; and reconcile ongoing work within The City's workforce. The Corporate Workforce Planning program has resulted in \$59.2 million in savings since the Committee's establishment in 2016 among several other notable accomplishments, including:

- Reduced employee headcount (core and temporary) by 508 positions between November 2016 and November 2018;
- Reduced temporary employee headcount by 22.7% between November 2017 and November 2018;
- Reduced number of vacancies from 655 in November 2016 to 293 in November 2018; and,
- Reduced number of vacancies greater than six months from 597 in September 2016 to zero in October 2018.

Management Exempt Cost Savings

The Administrative Leadership Team (ALT) began its focus on exempt staff costs in 2016 to identify opportunities to save costs to the organization, intentionally manage exempt staff programs, and reflect economic conditions in The City's compensation and related programs. Since this program began, an estimated \$19.7 million in savings has been found through a series of targeted initiatives.

Intentional Workforce Management

The Intentional Workforce Management program began in 2015 with five specific objectives:

- Bring more rigour in managing performance and assessing fit;
- Enable targeted retirements for those nearing eligibility for unreduced pensions;
- Find efficiencies throughout reorganization and realignment of work;
- Test pay equity, including gender pay equity, among exempt staff; and
- Meet any contractual obligations.

Nearly 200 employees departed The City of Calgary as a result of the objectives under the Intentional Workforce Management program between 2015 and 2019.

In 2018, an Exempt Staff Pay Equity Review was initiated to identify if relative equity exists among exempt staff, including gender pay equity. Several considerations were taken into account throughout the review, including, but not limited to, an employee's time in his or her salary grade, peer salaries within the salary grade, and average salaries within the salary grade. The review determined gender pay equity exists among exempt staff, and most differences in average remuneration were explained by average tenure in a salary range. Sixteen employee salaries were adjusted as a result of the review.

City Manager's Office Report to
Priorities and Finance Committee
2019 February 12

ISC: UNRESTRICTED
PFC2019-0193

Update: Organizational Efficiency Strategy and Intentional Management

Moving Forward in 2019

Compensation Review

On 2018 September 24, Council adopted a Motion Arising with respect to Administration's response to Councillor Keating's Administrative Inquiry (AI2018-03) directing Administration to engage an external Human Resources consultant that would report directly to Council, with a review of elements of the total compensation package of The City of Calgary employees. At the time, much of the focus of this discussion centered on employee retirement allowances. Given Council's direction to conduct a compensation review, it is recommended that the immediate Council inquiry regarding retirement allowances be reviewed in 2019 with a plan to identify and address other elements of compensation for exempt employees at a later date.

Senior Management Expenses

In 2018 September, City Manager Jeff Fielding made a commitment to members of Council to initiate a system for the disclosure of senior management expenses to improve transparency and accountability. The City Manager's Office and Finance are working with the ALT to draft a policy for public disclosure of employee business expenses with a target to disclose Senior Management Team expenses online in fall 2019.

Temporary Accommodations

The Government of Alberta introduced *Bill 30: An Act to Protect the Health and Well-being of Working Albertans* in 2018. The legislation requires employers to provide an offer of work to their employees within one day of being notified of a fit-for-work date. If the employee is unable to perform his or her own job after a work place illness or injury, the employer is expected to offer suitable, alternative work within a three-day timeframe.

The City of Calgary's current accommodation process is complex and often hampered by issues of union jurisdiction, funding, stigma, accountability, and manual processes. The legislative change and internal challenges accommodating employees deemed fit to return to work requires The City to address its accommodation process and minimize liability. Lack of budget to accommodate employees requiring temporary accommodations is one of the most significant barriers in several reviews over the last 20 years. In the long run, having employees able to return to work when they are ready will improve productivity and save costs. Occasionally funding an accommodation position can be a barrier to an employee's timely return, especially where duties are modified and they cannot return immediately to their normal position. The request for \$10 million in the recommendation of this report would make BSA funding available in those instances so the organization can expedite employees' return to work.

Stakeholder Engagement, Research and Communication

Multiple communication strategies and plans have been executed under the programs and initiatives listed within the report. Moving forward, communication strategies and plans will be developed for work completed under the initiatives related to compensation review, temporary accommodations, and senior management expense disclosure.

City Manager's Office Report to
Priorities and Finance Committee
2019 February 12

ISC: UNRESTRICTED
PFC2019-0193

Update: Organizational Efficiency Strategy and Intentional Management

Strategic Alignment

The development of an Organizational Efficiency Strategy and the concept of intentional management aligns with Council's priority of a "Well-run City." It also aligns with Administration's Commitments outlined in the 2019-22 One Calgary Service Plans and Budgets, particularly the commitment to "Further strengthen the organization's financial position," in addition to Stage 3 of the Road Map (Attachment 1) to address structural efficiency and strive for cost efficiency.

Social, Environmental, Economic (External)

The City of Calgary is working to address the needs of Calgarians in light of economic changes in the community. The City has conducted, and continues to conduct research about the needs and changing priorities of Calgarians, gauging perceptions of quality of life and the economy. Findings indicate citizen perceptions of quality of life remain strong and perceptions of the economy remain stable, though the expectations of continued improvement have softened. These findings stress the ongoing importance of finding savings and efficiencies throughout the organization.

Financial Capacity

Current and Future Operating Budget:

Increased pressures on the operating budget to comply with Bill 30 will require additional funding. Since 2015, business units have contributed savings to the BSA reserve and the recommendation in this report is requesting the usage of some of the savings to address the new accommodation requirements that is currently unbudgeted. The funding request will allow Administration time to assess the ongoing requirements to comply with Bill 30 and to review a more sustainable funding model in the future.

Current and Future Capital Budget:

There are no implications to the capital budget as a result of this report or its recommendations.

Risk Assessment

There are several risks associated with temporary accommodations and the recommendation in this report:

Operations and process risk through productivity loss: Absenteeism creates a direct productivity loss for the organization. Although the rate of absenteeism at The City for short term disability has remained relatively stable, close to 8.6 days per employee per year, there has been a 24% rise in average duration of all S&A cases over five days. Many of these cases are more complex in nature and have barriers to an early return to work. Some of this duration is a result of the barriers to accommodation/return to work that these recommendations seek to address.

Financial risk: Benefit costs, including extended health, dental, short term illness, as well as WCB costs continue to escalate. Non-compliance with the new WCB legislation comes with large financial penalties.

City Manager's Office Report to
Priorities and Finance Committee
2019 February 12

ISC: UNRESTRICTED
PFC2019-0193

Update: Organizational Efficiency Strategy and Intentional Management

Health and safety risk: Health risks are changing due partly to demographic shifts. We are seeing a rise in psychological disability claims as understanding, awareness, and recognition of these conditions becomes more widely apparent. Early and effective return to work practices into work areas where employees feel welcomed, valued and productive contribute to employee health and well-being.

REASON(S) FOR RECOMMENDATION(S):

In 2018, The Government of Alberta introduced Bill 30 to protect the health and well-being of working Albertans. The legislation requires additional operating budget to adjust to the changes required under this new Bill.

ATTACHMENT(S)

1. Attachment 1 – Road Map



Road Map

Stage One: Organizational Stability

- Step 1: Articulate the Leadership Vision
- Step 2: Concentrate on Priorities
- Step 3: Establish Goals
- Step 4: Set Specific Objectives, Measures and Targets

Stage Two: Organizational Effectiveness and Economy

- Step 5: Align with Strategic Direction
- Step 6: Clarify Accountability
- Step 7: Enhance Organizational Development
- Step 8: Enable Service Integration
- Step 9: Build Organizational Flexibility
- Step 10: Focus on Customer Needs and Citizen Engagement
- Step 11: Balance Scope and Scale of Departments

Stage 3: Organizational Efficiency

- Step 12: Address Structural Efficiency
- Step 13: Strive for Cost Efficiency

Chief Financial Officer's Report to
Priorities and Finance Committee
2019 February 12

ISC: UNRESTRICTED
PFC2019-0027

2019 Supplementary Property Assessment and Tax Bylaws

EXECUTIVE SUMMARY

Council approval is required to authorize the 2019 Supplementary Property Assessment Bylaw and 2019 Supplementary Property Tax Bylaw.

ADMINISTRATION RECOMMENDATION:

1. That Council give three readings to the 2019 Supplementary Property Assessment Bylaw and 2019 Supplementary Property Tax Bylaw.
2. That Report PFC2019-0027 be forwarded to the 2019 February 25 Regular Meeting of Council.

PREVIOUS COUNCIL DIRECTION / POLICY

Council has passed similar bylaws each year authorizing the preparation and taxation of supplementary property assessments, most recently through the 2018 Supplementary Property Assessment Bylaw 13M2018 and 2018 Supplementary Property Tax Bylaw 14M2018.

BACKGROUND

Property assessments are used as the basis for The City of Calgary's municipal and provincial property taxes and subject to the requirements and procedures set out in the *Municipal Government Act* (MGA) and related regulations.

Supplementary Property Assessments

Individual residential, non-residential and machinery and equipment property assessments are prepared by The City of Calgary's Municipal Assessor the year before the property tax is imposed and reflect the property's market value as of July 01 and the characteristics and physical condition of the property on December 31.

During the tax year, under the direction of a Council Bylaw the Municipal Assessor prepares supplementary assessments for municipally assessed property where there is an increase in property value due to completed construction, or the occupation of an improvement made to a property, or a when a manufactured/mobile home is moved into Calgary after January 1. The value of a supplementary assessment is pro-rated to reflect the number of months during which the improvement is completed or occupied or, in the case of a manufactured home, is located in Calgary.

Supplementary Assessment and Tax Bylaws

Section 313 of the MGA provides Council with the authority to pass a Supplementary Property Assessment Bylaw for municipally assessed property types and to direct the Municipal Assessor to prepare and issue supplementary property assessments. The Bylaw applies to the year in which it is passed and only if it is passed before May 01 of the same year.

If Council passes the Supplementary Property Assessment Bylaw, a Supplementary Property Tax Bylaw must also be passed in the same year under the authority of section 369 of the MGA. The 2019 Supplementary Property Assessment Bylaw in Attachment 1 and 2019 Supplementary Property Tax Bylaw in Attachment 2 are similar to the Bylaws presented to Council in 2018 and in previous tax years; updates were made to reflect the 2019 dates.

Chief Financial Officer's Report to
Priorities and Finance Committee
2019 February 12

ISC: UNRESTRICTED
PFC2019-0027

2019 Supplementary Property Assessment and Tax Bylaws

The tax rates imposed on supplementary assessments will be the same as the tax rates set out in the 2019 Property Tax Bylaw that is expected to be passed by Council later this spring.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Supplementary property taxes for municipally assessed properties were included as a revenue source in Council's approved One Calgary 2019-2022 Service Plans and Budgets. If Council chooses not to support the recommendation, this revenue will not be available.

Stakeholder Engagement, Research and Communication

The annual process for preparing the 2019 Supplementary Property Assessment and Supplementary Property Tax Bylaws report includes staff members from the Finance, Law and Assessment business units.

Strategic Alignment

The recommendation is in alignment with the direction in the One Calgary 2019-2022 Service Plans and Budgets.

Social, Environmental, Economic (External)

Social

No implications were identified

Environmental

No implications were identified

Economic (External)

The Supplementary Property Assessment Bylaw and the Supplementary Property Tax Bylaw authorize The City to assess and tax properties within the current taxation year. Passing the bylaws is consistent with The City of Calgary's municipal tax direction in 2018 and prior years.

Financial Capacity

Current and Future Operating Budget:

Supplementary tax revenues are a source of funding for current and future operating fiscal plans. For 2019, the approved budget amount is \$8.8 million in municipal supplementary property tax revenues.

Current and Future Capital Budget:

Supplementary tax revenues are a source of funding for current capital fiscal plans.

Risk Assessment

If Council does not pass the 2019 Supplementary Property Assessment and 2019 Supplementary Property Tax Bylaws, The City will not be able to prepare supplementary assessments and levy the supplementary property tax. This would reduce the revenue available for City of Calgary operations and, in turn, services to Calgarians.

Chief Financial Officer's Report to
Priorities and Finance Committee
2019 February 12

ISC: UNRESTRICTED
PFC2019-0027

2019 Supplementary Property Assessment and Tax Bylaws

REASON(S) FOR RECOMMENDATION(S):

The 2019 Supplementary Property Assessment and 2019 Supplementary Property Tax Bylaws provide The City with the authority to prepare supplementary property assessments in order to levy 2019 supplementary property taxes. The approved One Calgary 2019-2022 Service Plans and Budgets includes and relies on the supplementary property tax as a municipal revenue source.

ATTACHMENT(S)

1. Attachment 1 – Proposed Wording for the 2019 Supplementary Property Assessment Bylaw
2. Attachment 2 – Proposed Wording for the 2019 Supplementary Property Tax Bylaw

PROPOSED WORDING FOR THE 2019 SUPPLEMENTARY PROPERTY ASSESSMENT BYLAW

WHEREAS section 313 of the *Municipal Government Act*, RSA 2000, c M-26 (“the Act”) provides that the council of a municipality must pass a supplementary assessment bylaw to authorize the preparation of supplementary assessments in respect of improvements for the purpose of imposing a tax in the same year;

AND WHEREAS section 313 of the Act provides further that a supplementary assessment bylaw or any amendment to it applies to the year in which it is passed, only if it is passed before May 1 of that year;

AND WHEREAS The City of Calgary wishes to pass a supplementary assessment bylaw to provide for the preparation of supplementary assessments in respect of improvements for the taxation year 2019;

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

1. This Bylaw may be cited as the “2019 Supplementary Property Assessment Bylaw”.
2. In this Bylaw,
 - (a) “Act” means the *Municipal Government Act*, RSA 2000, c M-26;
 - (b) “Municipal Assessor” means the person appointed to the designated officer position of Municipal Assessor pursuant to section 284.2 of the Act and Bylaw 49M2007;
 - (c) “City of Calgary” means The City of Calgary, a municipal corporation of the Province of Alberta and, where the context so requires, means the geographical area within the boundaries of the City of Calgary;
 - (d) “Council” has the same meaning as in section 1 of the Act;
 - (e) “Improvement” has the same meaning as in section 284 of the Act;
 - (f) “Supplementary Assessment” means an assessment made pursuant to this Bylaw and Part 9, Division 4 of the Act.
3. Supplementary Assessments shall be prepared in 2019 for the purpose of imposing a tax in the same year under Part 10 of the Act.
4. Subject to the provisions of section 314 of the Act, the Municipal Assessor must prepare Supplementary Assessments:

- (1) for machinery and equipment used in manufacturing and processing, if those Improvements are operational in 2019;
 - (2) for all other Improvements, if they are completed in 2019, are occupied during all or any part of 2019, or are moved into the City of Calgary during 2019 and will not be taxed in the same year by another municipality; and
 - (3) in the same manner as the assessments are prepared under Part 9, Division 1 of the Act, but must pro-rate the Supplementary Assessments to reflect only the number of months during which the Improvement is completed, occupied, located in the City of Calgary or in operation, including the whole of the first month in which the Improvement was completed, was occupied, was moved into the City of Calgary or began to operate.
5. The Municipal Assessor may prepare a Supplementary Assessment for a designated manufactured home that is moved into the City of Calgary during the year in which it is to be taxed under Part 10 despite the fact that the designated manufactured home will be taxed in that year by another municipality.
6. A supplementary assessment roll shall be prepared in accordance with section 315 of the Act.
7.
 - (1) A supplementary assessment notice shall be prepared in accordance with sections 316 and 316.1 of the Act for every assessed Improvement shown on the supplementary assessment roll.
 - (2) The supplementary assessment notices shall be sent in accordance with sections 316 and 316.1 of the Act to the assessed persons.
8. This Bylaw comes into force on the day it is passed.

PROPOSED WORDING FOR THE 2019 SUPPLEMENTARY PROPERTY TAX BYLAW

WHEREAS section 369 of the *Municipal Government Act*, RSA 2000, c M-26 provides that the council of a municipality must pass a supplementary property tax bylaw to authorize it to impose a supplementary property tax in respect of property for which supplementary assessments have been prepared;

AND WHEREAS Council has enacted Bylaw xxM2019 to authorize supplementary assessments to be prepared during 2019;

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

1. This Bylaw may be cited as the “2019 Supplementary Property Tax Bylaw”.
2. In this Bylaw,
 - (a) “Act” means the *Municipal Government Act*, RSA 2000, c M-26;
 - (b) “Bylaw xxM2019” refers to a bylaw of The City of Calgary to authorize the preparation of supplementary assessments in the City of Calgary during 2019;
 - (c) “City of Calgary” means The City of Calgary, a municipal corporation of the Province of Alberta and, where the context so requires, means the geographical area within the boundaries of the City of Calgary;
 - (d) “Council” has the same meaning as in section 1 of the Act;
 - (e) “Supplementary Assessment” means an assessment made pursuant to Bylaw xxM2019 or section 314.1 of the Act.
3. A supplementary property tax shall apply to all taxable Supplementary Assessments which have been prepared in 2019 in accordance with Bylaw xxM2019 or section 314.1 of the Act.
4. Subject to the provisions of section 369 of the Act, the supplementary property tax rates for 2019 are the same as the property tax rates set by the 2019 Property Tax Bylaw and section 359.3 of the Act.
5. A supplementary property tax roll shall be prepared in accordance with section 369 of the Act.
6.
 - (1) Supplementary property tax notices shall be prepared in accordance with section 369 of the Act for all taxable property shown on the supplementary property tax roll of The City of Calgary.
 - (2) Supplementary property tax notices shall be sent in accordance with section 369 of the Act to the persons liable to pay the taxes.
7. This Bylaw comes into force on the day it is passed.

Chief Financial Officer's Report to
Priorities and Finance Committee
2019 February 12

ISC: UNRESTRICTED
PFC2019-0149

Status of Outstanding Motions and Directions

EXECUTIVE SUMMARY

Outstanding items for the Priorities and Finance Committee as of 2019 February 01.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee receive this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2012 April 03, the Priorities and Finance Committee directed Administration to provide the Committee with a schedule of Status of Outstanding Motions and Directions.

BACKGROUND

None.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

None.

Stakeholder Engagement, Research and Communication

None.

Strategic Alignment

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

Social, Environmental, Economic (External)

None.

Financial Capacity

Current and Future Operating Budget:

None.

Current and Future Capital Budget:

None.

Risk Assessment

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

REASON(S) FOR RECOMMENDATION(S):

This report assists with the Priorities and Finance Committee to proactively track and manage its work.

ATTACHMENT(S)

Status of Outstanding Items for the Priorities and Finance Committee

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 01

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
CONSIDERATION OF THE NOSE CREEK COMMUNITIES IN AN ECONOMIC DEVELOPMENT CONTEXT – DEFERRAL REQUEST	2019 January 22	PFC2019-0018	<p>That with respect to Report PFC2019-0018, the following be approved:</p> <p>That the Priorities and Finance Committee recommends that Council approve Administration's request to defer the report on the consideration of the Nose Creek business case in an economic development context, and direct Administration to return to the Priorities and Finance Committee with a report in 2019 March.</p>	2019 March
ACHIEVING GOOD GOVERNANCE THROUGH OPTIMIZING COMMITTEE MANDATES	2019 January 14	C2019-0073	<p>NOW THEREFORE BE IT RESOLVED that Council direct Corporate Initiatives, Law and the City Clerk's Office, in consultation with Members of Council and review relevant mayoral/council systems across North America, to examine options for revising the mandate for the Standing Specialized Committee of Priorities and Finance to evolve it into an executive committee of Council and report back to Council through the Priorities and Finance Committee, no later than the end of Q2 2019;</p>	2019 Q2

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 01

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
SOCIAL PROCUREMENT: STATE OF PRACTICE AND RECOMMENDATIONS	2019 December 17	C2018-1379	Direct Administration to return to the Priorities and Finance Committee no later than Q1 2019 with a: <ul style="list-style-type: none"> a. Terms of Reference for the Sustainable , Ethical, Environment Procurement Policy (SSEEPP) Advisory Task Force; b. Scoping Report for the three pilot projects; and c. Workplan. 	2019 Q1
RELATED PARTY DISCLOSURE REPORT	2018 December 04	PFC2018-1391	Direct Administration to review the existing Disclosure Policy for Members of Council (CC044) to include the disclosure requirement in 2019 and send any recommendations for amendment to Council through the Priorities and Finance Committee no later than the end of September 2019.	2019 September

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 01

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
One Calgary 2019-2022 Service Plans and Budgets	2018 November 14	C2018-1158	<p>4. Meet with the Chamber of Commerce, Commercial Real Estate Advisory Committee of Calgary, Economic Development and other interested stakeholders by the end of April 2019 to share ideas and options generated through the tax shift work undertaken in point 3 above. Following this engagement, bring a joint Administration/business community presentation to Priorities & Finance Committee on May 14, 2019.</p> <p>3. Come back in Q1 2019 with further options on shift from non-residential assessment base to the residential assessment base as previously directed by Council, including but not limited to:</p> <ul style="list-style-type: none"> a. creation of a small-business assessment class; b. continuing shift from non-residential to residential; c. one-time money to manage the transition; d. advocacy with Federal and Provincial Governments; and e. an examination of reserves and other funding sources which may be available. 	<p>2019 May 14</p> <p>2019 Q1</p>

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 01

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
One Calgary 2019-2022 Service Plans and Budgets	2018 November 14	C2018-1158	<p>2. Direct Administration, in conjunction with the Mayor's Office and Members of Council, to return in Q1 2019 to the Priorities and Finance Committee with revised Terms of Reference for the Fund (Council Innovation Fund), including but not limited to:</p> <ul style="list-style-type: none"> a. A better definition for what Fund should be used for; b. A Revised application process; and c. Consideration of using a portion of the Fund for Community-driven projects throughout The City. 	2019 Q1
CIF APPLICATION: ONE CALGARY POLICY REVIEW	2018 November 06	PFC2018-1300	That the Priorities and Finance Committee direct Administration to report back to PFC indicating how the money was spent and outcomes of the projects no later than Q3 2020.	2020 Q3
CIF APPLICATION: ON DEMAND TRANSIT	2018 November 06	PFC2018-1291	That the Priorities and Finance Committee direct Administration to report back to PFC indicating how the money was spent and outcomes of the projects no later than Q2 2020.	2020 Q2

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 01

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
			<p>c. Revenue options to improve financial resiliency; and</p> <p>6. Return to Council through Priorities and Finance Committee with the recommended membership, framework, and terms of reference no later than Q1 2019.</p>	
ONE WINDOW PHASE TWO UPDATE – DEFERRAL	2018 October 30	PFC2018-1181	That the Priorities and Finance Committee recommend that Council defer Administration’s One Window Phase Two Update report to no later than Q2 2019.	2019 Q2
INDEPENDENT REVIEW OF NON-RESIDENTIAL ASSESSMENT AND APPEAL SYSTEM	2018 October 30	PFC2018-1222	That the Priorities and Finance Committee recommend that Council direct the City Manager to assign a lead to monitor and report back on the implementation of the consultant’s recommendations as well as their impact on the non-residential assessment and complaint system, no later than 2019 Q3.	2019 Q3
HISTORIC GRAND LODGE OF THE FREEMASONS	2018 July 30	C2018-0959	<p>That with respect to Notice of Motion C2018-0959, the following Motion Arising be adopted:</p> <p>That Council direct Administration to prepare a report, and return to Council through the Priorities and Finance Committee no later than 2019 Q2, that provides an overview of the legislation governing property tax exemptions and tax cancellations in Alberta, Administration’s current process for administering property tax exemptions, the property tax base exempt from taxation and previous Council direction regarding property tax cancellations.</p>	2019 Q2

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 01

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
COMPASSIONATE PROPERTY TAX PENALTY RELIEF	2018June 05	PFC2018-0325	<p>That the Priorities and Finance Committee recommends that Council:</p> <p>Direct Administration to report back through Priorities and Finance Committee on the results of the proposed program, including cost and number of participants, no later than 2019 Q4.</p>	2019 Q4
CORPORATE AFFORDABLE HOUSING STRATEGY Q2 2018 UPDATE	2018June 05	PFC2018-0584	<p>That with respect to Report PFC2018-0584, the following be approved, as amended:</p> <p>That the Priorities and Finance Committee recommend that Council:</p> <ol style="list-style-type: none"> 1. Direct that Administration return to Council, through the Priorities and Finance Committee, with an update on this work, no later than Q2 2019; and 2. Invite the Community Housing Affordability Collective to provide an update on their work to the Priorities and Finance Committee no later than Q2 2019. 	2019 Q2

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 01

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
PROPOSED CODE OF CONDUCT FOR ELECTED OFFICIALS BYLAW26M2018	2018 May 28	PFC2018-0554	That with respect to PFC2018-0554, the following Motion arising be adopted: That Council direct the Ethics Advisor to investigate how to enhance reporter protection, including but not limited Councillors staff and Report back to the Priorities and Finance Committee no later than Q4 2018.	2018 Q4
BUSINESS TAX CONSOLIDATION – 2018 ANNUAL STATUS REPORT	2018 May 28	PFC2018-0190	That with respect to Report PFC2018-0190, the following be adopted: That Council: 1. Direct Administration to bring: (a) A 2019 status update report to the Priorities and Finance Committee in 2019 May; and (b) A final report on Business Tax Consolidation (BTC) to the Priorities and Finance Committee in 2019 July.	2019 May 2019 July
ECONOMIC DEVELOPMENT INVESTMENT FUND GOVERNANCE AND TERMS OF REFERENCE	2018 March 06	PFC2018-0187	As part of the proposed reporting process for the Wholly Owned Subsidiary, direct Administration to work with the EDIF Wholly Owned Subsidiary to bring a report to the Priorities & Finance Committee that reviews the pilot EDIF governance structure no later than 2019 Q2.	2019 Q2

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 01

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
NEW COMMUNITY GROWTH STRATEGY	2018 February 22	PFC2018-0200	4. Direct Administration to bring a monitoring report on the implementation of the New Community Growth Strategy to the Priorities and Finance Committee no later than Q4 2019; and	2019 Q4
COUNCIL INNOVATION FUND APPLICATION – WALK21 COMMUNITY MICROGRANTS	2017 March 21	PFC2017-0289	That the Priorities and Finance Committee recommends that Council approve the Council Innovation Fund Application – Walk21 Community Microgrants in the amount of \$172,500 and Administration report back to the Priorities and Finance Committee no later than Q4 2019.	2019 Q4