

Tax Shift Assessment Working Group of PFC

Meeting 1: July 2, 2019

Attendees:

- Mayor Nenshi
- Councillor Druh Farrell
- Councillor Jeromy Farkas
- Councillor Jyoti Gondek
- Robyn Ferguson, MNP
- Dave Mewha, Altus Group
- Paul Fairie, University of Calgary
- Nelson Karpa, City of Calgary
- Katie Paton, Mayor's Office
- Chris Carlile, Ward 11 Office
- Ally Bates, Ward 3 Office

General Discussion:

- Maybe we should go back and see how to continue forward with zero-based budget reviews
- Financial tax force and working group will be working close to each other
- Economic downturn is localized, how are we going to balance this
- There are two classes the city can draw the tax base from: residential and non-residential
 - The non-residential chunks that used to make up a large portion has since decreased
 - Revenue required ÷ taxable base
 - Machinery equipment is part of the tax but council doesn't impose
- Downtown properties' contribution fell from 32% → 19% of operating budget
- 490,000 residential accounts vs 14,000 non-residential accounts
- \$214 billion residential assessed value vs \$57 billion non-residential assessed value
- 47% to 53% split between residential and non-residential
- Council can subclass as they see fit
- Nothing should be off the table, we need to look for more resilient systems
 - We should look at different legislation provincially
 - Maybe we should have many different models instead of just market value assessment, therefore there would be more stability
 - How did we end up getting here, 7 months into the tax year?
- The working group should advise on property tax
 - the big structural fix shouldn't be done in this group, although it is a systemic issue
- We need to learn from the disconnect → could admin have advised sooner?
 - not admin's fault, when sworn in we were told of the problem
- What is the service line? Who is accruing benefit from this? who benefits the most should pay the most
- Public services benefit everyone regardless of if you use police/fire/parks/transportation etc.
- How do we get to the 50/50 split?

- 50/50 was an idea to achieve more parity, not necessarily the best, but it starts the conversation
- The big concern we hear from people is the lack of stability; therefore the solution should be stability, to give people certainty
- Business tax consolidation was meant to be revenue neutral, is that what people have experienced?
 - No, some are benefiting and others are not
- Assessment base is up 8% across the board
- CRL is hurting us, there have been questionable investments
 - We could ask Calgary municipal land for dividend in future
- Interested in new powers in MGA → bill 7 was written broadly
- Concern is distribution, how can we focus the benefit on small businesses?
 - Could use change in MGA to give hurting businesses a new tax rate
- What research has been done and what have others have done
 - No other jurisdiction is a unicity → Calgary will need to look at present state and what to do if we move to a regional model

Outcomes:

- Paul Fairie will provide results of comparative research at next meeting
- Robyn Ferguson/Dave Mewha will provide results of market changes overtime and forecasting, as well as proposing tax models for change
- Nelson Karpa will provide proportional share data from other cities (e.g. 50/50 or different)

Next Meetings:

- July 19th at 8:00 am
- July 31st at 9:00 am