Tax Shift Assessment Working Group of PFC

Meeting 3: July 31, 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
- Edwin Lee, City of Calgary
- Katie Paton, Mayor's Office
- Ally Bates, Ward 3 Office

General Discussion: focus on what we need to get done for September vs longer term

- For September
    - 1- Better budgeting process that utilizes assessment information
        - Base budget review, less jargon (indicative rates, tax room), more clarity on operating budget and what services are provided to Calgarians, ensure Council understands how the mill rate is set through # of assessed properties and their assessed values
    - 2- Proportional share of operating budget and outcomes
        - Should it be 50/50 proportional share between res and non-res?
        - City of Calgary needs to speak in terms of proportion for budgeting and communicating, but resulting ratios are important for MGA and private sector purposes
        - Certainty and predictability cannot be achieved with variability we presently see
        - Should the redistribution be between res and non-res, or do we need to look at subclassing non-res by smaller vs larger (e.g. Nordstrom's vs. drycleaner)
    - 3- Outcome for property owners (residential and non-residential)
        - What will the bills look like, how do we explain what they are seeing on the bill, what is the separation between provincial and municipal portion
    - 4- What kind of a city do we want and how do we "reward"
        - Operate with fairness and equity (basic principles available from a past Assessment presentation to Council), eliminate disparity between similar properties, recognize unintended consequences of drawing into downtown
    - 5- Use Bill 7 for construction-impacted properties
        - Councillor Farkas drafting a Notice of Motion
    - 6- Competitive analysis of other jurisdictions, including the notion of elasticity (Admin to send to this working group)

- Longer term focus
  - 1- How to "fix" a proportion or ratio and offer some stability
    - Not meant to replicate Proposition 13 from the US
    - e.g. Minnesota or Saskatoon with % caps
    - e.g. when we moved from fair actual to market value (giving that 3 year buffer transition period)
  - 2- Legislative stuff like:
    - True reform to property tax (regressive) and only municipal tool
    - How do we target and help small business and fixed income residents
  - 3- Sub-class (i.e. multiresidential)
    - Significant IT challenges
    - Don't need provincial permission for res sub-class
  - 4- Rent and property values
    - Touch base with industry and Administration to ensure equity (perhaps Sonya Sharp from Admin)
- How will decision-making change during budget process?
  - Decision 1 - How much money do we need?
  - Decision 2 - How do we allocate responsibility for operating budget between classes?
    - Caution with this feedback loop: Decision 1 informs decision 2, but 1 can be influenced by 2
  - Decision 3 - What are the impacts/consequences of cuts or increases (can Council live with its decision?)

For next meeting:

- Robyn to share her spreadsheet and allow time to digest it, play with the numbers
- Edwin to share competitive intelligence

Next Meetings:

- August 27th: 8:00-9:30am
- September 13th: 8:00-9:30am