



# Memo

2020 November 22

To: Mayor Nenshi and Members of Council

From: Carla Male, Chief Financial Officer and One Calgary Sponsor

**Re: One Calgary – Follow-up on questions about the 2020 Adjustments to Service Plans and Budgets**

Your Worship and Members of Council,

On behalf of all my colleagues, thank you for your continued interest and questions leading up to the 2020 Adjustments. General Managers and service owners across the organization have responded to the remaining questions captured between 2019 November 15 and today.

There has been one additional Memo distributed directly to members of Council: Transparency – Media Relations and Social Media Process sent on 21 November 2019.

An email from the City Clerk's Office was sent today as well, outlining a tentative agenda for next week's deliberations.

Please do not hesitate to contact me if you have questions or concerns.

Carla Male  
Chief Financial Officer  
T (403) 268-1689 | Mail code #8003

cc: Administrative Leadership Team; Chris Stewart; Chris Jacyk; City Clerk



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Question	Answer
<p>1. What is the operating cost for the Southwest Bus Rapid Transit (BRT)?</p>	<p>The annual operating budget for the four MAX lines is \$18.5M, with \$4.5M allocated to MAX Yellow. The operating budget includes service hours as well as infrastructure maintenance costs (e.g. Snow and Ice Control, power, regular maintenance).</p> <p>Of the total annual operating cost, \$10.5M (57 per cent) is being funded through generating efficiencies and reinvesting service hours within Calgary Transit's existing budget. The remaining \$8M was approved as part of our One Calgary submissions for 2019-2022.</p> <p>As part of the budget adjustments and Transit Service Review processes, we refined the operating budget based on further efficiencies and commitments made to the public through the engagement process. Approximately \$1.5M has been reduced from Calgary Transit's operating budget for MAX and other growth service as a result and returned through the 2019 budget reductions.</p>
<p>2. Over the next two years, what are all the cycling projects that we will undertake? What is the cost of each project?</p>	<p>Below is a list of Community Mobility Improvement projects with cycling components that are programmed for this business cycle from our capital budget. Note that most include a combination of two or more of traffic calming, walking, biking and safety improvements. Our projects respond to community interest in neighbourhood safety and combine with other projects for cost savings. As described in <a href="#">One Calgary 2019-2022 Service Plans and Budgets</a> (p. 292), maintaining a network for walking and cycling is essential for every neighbourhood. We will continue to build, maintain and modify sidewalks, pathways and routes for slow wheeled travel to make walking, cycling, scooting, skateboarding and other slow-travel transportation more attractive options and ensure that Calgarians can reach their local destinations regardless of age or income.</p> <p>2019-2020:</p> <ul style="list-style-type: none"> <li>• 2 St SW Cycle Track (Mission) – One-way cycle track, traffic calming, signal installations and accessibility improvements, combined with scheduled resurfacing (\$0.9M)</li> <li>• 42 Ave SE Pathway (Barley Belt) – Council directed project to connect community to existing network (\$4.7M)</li> <li>• 24 Ave NW Complete Street (Banff Trail/Capitol Hill) – Off-street bicycle facility, sidewalk replacements, signal installations, accessibility improvements and traffic calming, combined with scheduled resurfacing (\$2.8M)</li> <li>• 38 Ave, 15a St, 42 Ave SE (Bonnybrook) – Bike Route missing link (\$0.1M)</li> <li>• 12 Ave SW Cycle Track (Sunalta) – Extend from 15 St to Bow River pathway (\$0.6M)</li> <li>• 12 Ave SE Cycle Track (Victoria Park) – Extend from 4 St to Elbow River pathway (\$0.5M)</li> </ul>



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	<ul style="list-style-type: none"> <li>9 Ave SE Walk/Bike (East Village) – Off-street bike facility and new sidewalk from 6 St to Elbow River, combined with 9 Av bridge completion (\$0.2M)</li> <li>8 Ave SE Bike Boulevard (Inglewood) – Traffic calming (\$0.7M)</li> <li>Spot Improvements (e.g. missing links, wheelchair ramps, crosswalks) (\$0.5M)</li> </ul> <p>2020-2021:</p> <ul style="list-style-type: none"> <li>19 Ave SE Complete Street (Southview/Forest Lawn) – On street bike facility, add sidewalks, traffic calming, intersection improvements, combined with scheduled resurfacing (\$4.6M)</li> <li>28 St SE Improvements (Albert Park) – Cycle track, crosswalks and wheelchair ramps (\$0.8M)</li> <li>3 Ave SW Detour Route (Eau Claire) – detour route for Eau Claire Promenade project (\$0.9M)</li> <li>11 St SW Cycle Track Extension (Beltline) – Extend bike facility and add curb extensions from 12 Ave to 16 Ave combined with parking revenue community-led investment (\$0.6M)</li> <li>5 St SW Cycle Track Extension (Eau Claire) – extend 2 blocks to connect with Eau Claire pathway (\$0.2M)</li> </ul>
3. What savings can we achieve by slowing down our work on the speed limit survey?	<p>The Residential Speed Limit Review has only one expenditure; the public engagement added at Council's request. This is estimated at a \$200K, one-time expense and there are opportunities to decrease this estimate.</p> <p>The staff time spent on the review would be redirected to other safety projects if the review was deferred. This would include incrementally more planning and engineering to advance projects such as spot improvements, safe routes to school, and traffic calming, though there would be no change to the capital programs that deliver those projects.</p> <p>Depending on the ultimate scenario selected, deferring the project would result in savings of the one-time costs of \$2.5M-\$5M (Class 4 estimate) associated with the signage changes to align with the selected scenario. The societal benefits associated with these scenarios range from \$14M-\$74M annually.</p>
4. What are the Fire Hall reduction's implications for land use?	<p>The Livingston emergency response station is a proposed budget deferral from 2020 to 2021. Although not ideal to defer a station, the emergency response area that the new station would service in the far north received less than 100 calls for service last year and Administration used a least harm strategy to defer the station for an additional year. There will be no impacts to Land Use Applications related to the Area Structure Plans that have already had the Growth Management Overlay (GMO) removed, including the Lewisburg Land Use Application. In consultation with colleagues from Planning and Development, the deferral could impact future growth business cases, which precede land use applications, as there is an impact to the emergency response coverage in the far north portion of the City.</p> <p>A land use approval does not mean that The City is obligated to invest in infrastructure or services by a specific time. As an approving authority, The</p>



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	City, will make decisions based on the merits of development applications before them; and this would include the existence or absence of required infrastructure.
5. Will initial investments for the 14 new communities be paid for by future growth?	The capital investments (transportation, utilities and community services infrastructure) required to serve new communities includes a developer paid portion and a City paid portion. Based on the principle that the benefiter pays, the percentage split of the infrastructure cost is determined through engineering studies and research and is used to calculate the levy rates for the off-site levy bylaw. The bylaw is the mechanism by which the development industry contributes to the infrastructure investment. The developer funded portion (the growth-related benefit) is paid for through off-site levies that are assessed when the developer signs a development agreement for new communities, therefore, future development will contribute levies to fund these necessary projects. The City's portion (the citywide benefit) of the infrastructure cost is paid for through a combination of utility rates and property taxes. The next review of the off-site levy bylaw will take place in 2020 with an anticipated new bylaw recommendation to Council by Q4 2020.
6. Is it possible for citizens to receive two bills – one from the province and one from The City?	<p>Since The City is responsible for the billing and collection of both the municipal and provincial portion of taxes, both bills would still be prepared and distributed by The City of Calgary. While it is likely technically possible to prepare a separate tax bill for the municipal and the provincial taxes additional time would be needed to determine the scope of this work and the resources required. This scoping exercise alone would divert scarce resources from core work in the Taxation service. On preliminary consideration, Taxation has identified a number of concerns with this proposal that have resource impacts and customer service impacts. These are listed below:</p> <p>Customer service impacts:</p> <ul style="list-style-type: none"> <li>○ This proposal creates confusion for customers by presenting them with two bills. Extensive communication efforts would be required to ensure that customers clearly understand their obligations regarding both bills.</li> <li>○ Sixty percent of The City's taxpayers are enrolled in the Tax Instalment Payment Plan (TIPP). Two bills could potentially create confusion and difficulty with the administration and taxpayer comprehension of this program and increase the risk of abandonment.</li> <li>○ Customers who do not clearly understand their obligation to pay both bills could find themselves at risk of non-payment, incur late penalties and potentially face tax recovery if their obligation remains outstanding.</li> <li>○ There could be an increased risk of taxpayers choosing to pay only one bill depending on their perception of benefits/services received or used.</li> </ul> <p>Administrative/technical considerations:</p> <ul style="list-style-type: none"> <li>○ The City would retain the obligation to collect Provincial tax on behalf of the Province.</li> <li>○ Double the print time and double the paper/postage would significantly increase our costs with our mail service provider.</li> <li>○ There is an increase to the risk of mismatching two parts – somebody getting somebody else's bill. This could have impacts to multiple taxpayers and significant reputational risk to The City.</li> </ul>



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	<ul style="list-style-type: none"> <li>There could be an increase to delinquent accounts resulting from taxpayer confusion over their obligations.</li> <li>There would be an increase in call volume to 311 and additional Service Requests to Tax Advisory Services from customers seeking clarity on their obligations. This could have resourcing impacts.</li> <li>Increased processing cost for The City related to potentially processing two payments.</li> <li>System costs and time required to do this are unknown. This introduces additional risk to the already complex process of annual billing. This is <u>not</u> possible for the 2020 annual billing.</li> </ul>
7. Why is Administration covering the \$13M cut to Police in the Government of Alberta budget?	The reduction of the fines revenue and increased costs announced in the Provincial budget came very late in the process and would have had a significant impact on Police. Administration determined that Police should not bear the impact of the reduction with little time to identify the impacts.
8. What additional reductions/efficiencies is Administration working towards?	Administration is continuously looking into longer-term cost savings and efficiencies. Our framework for this, the Strategy for Improving Service Value, is currently being refined and Council can expect an update in Q1 2020. This framework includes sub-service reviews, internal efficiencies, and the implementation of innovative new policies and technologies.
9. Are there opportunities to undertake service reviews with broader considerations, such as whether The City should even be involved in a particular service, and if so, what is an appropriate role?	The nature of the reviews depends greatly on the mandate provided for doing them as well as which services are selected. Various options can be considered as long as the scope of the review is clear. During 2019, The City identified 245 sub-services within its operations. The first 6 sub-service reviews conducted in 2019 presented a scenario that articulated the implications should The City decide to completely exit a particular sub-service.
10. Is it possible to borrow against forthcoming levies?	A borrowing bylaw can identify any funding source for repayment, however the backstop for all borrowing bylaws is property taxes. If debt is taken out against forthcoming levies, the associated risk is that the actual funding does not align with the repayment terms. In addition, borrowing against forthcoming levies will have associated cost of borrowings, increasing the cost of the project. Debt issuance can often be structured to accommodate different cash flows and reduce this risk. Levies can only be used for the purpose for which they were collected, therefore if tied to debt repayment, the debt financing must be for the infrastructure for which the identified levies were collected
11. How much was funded through Corporate Costs after the original 2019 budget was approved?	<p>The total funding approved is \$16.2 million comprising:</p> <ul style="list-style-type: none"> <li>Event Centre (transfer to MCP) - \$12.4 million (C2019-0964)</li> <li>Kensington Manor - \$3.0 million (PFC2019-0739)</li> <li>Interim servicing of community recreational assets - \$0.8 million (C2019-0901)</li> </ul>
12. How many staff have been reduced in 2019? How many of those were Exempt and Union workers?	Through the 2019 July budget reductions, 232 FTE positions were removed. 113 staff members were impacted, of which 29 were exempt and 84 were unionized.
13. Is there a conversation taking place with the unions about City wages?	Yes, there are ongoing conversations with the unions. They are also aware of the Notices of Motion.
14. Are there situations where subordinates are making more than their supervisors?	Yes, there are. These are becoming more common due to the freeze to Exempt salaries.



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15. Is The City looking at how it can change its approach to HR management?	HR continues to adopt innovative and leading practices across all areas of HR to attract and develop talent, enhance the employee experience, improve productivity and strengthen service to citizens.
16. What is the maximum number of vacation weeks for City employees? Is it possible for someone to have more due to grandfathering or some sort of exception?	Each contract stipulates vacation allotment. For unions, the highest entitlement is 7 weeks and for exempt, it is 6 weeks. There are no exceptions. At one time, Exempt vacation max was 7 weeks, but that was changed in the late 90's (no grandfathered Exempt employees remain). Vacation banking by any employee is permitted up to 300 hours total, which was revised from 375 hours for Exempt employees in the late 1990's (few grandfathered exempt employees remain). Employees who do not use up their entitlement prior to their next anniversary carry unauthorized vacation. We work with business units to encourage employees to schedule time off or officially bank the time. Annually, Exempt employees are paid out remaining unauthorized vacation in July.
17. What is the absolute dollar value and percentage of municipal taxes that The City collects but then sends to The Government of Alberta (GOA) for their share?	Please see <a href="#">Appendix 1</a> for the breakdown of 2019 Property Tax information.
18. Is the Citizen Satisfaction Survey still in market?	The Fall 2019 Citizen Satisfaction Survey is not in market. Findings are currently available at <a href="http://Calgary.ca/citsat">Calgary.ca/citsat</a>
19. What is the total cost to conduct the Citizen Satisfaction Survey?	The hard cost for the Citizen Satisfaction survey is \$154,000. In addition, we conduct focus groups as part of our information gathering, at a cost of \$38,000. Please see <a href="#">Appendix 2</a> for a breakdown of all research stages.
20. Is there an opportunity for more proactive communications?	<p>Yes, we will continue to progress in our proactive communications approach. We have initiated a new assertive approach to better communicate and engage with citizens, which focuses more on our social media channels primarily in discussions to correct misinformation. A few instances of this new approach are as follows specific to the budget release and discussions:</p> <p>Social media</p> <ul style="list-style-type: none"> <li>Participating with citizen conversations on the budget has resulted in a correction of factual errors in 139 conversations to date. Council will receive a summary of these interactions as per David Duckworth's email on 21 November 2019. <a href="#">Appendix 3</a> is an example from a recent interaction with Kelly Doody – full interaction can be viewed at this link <a href="https://twitter.com/kelly_doody/status/1197274811438813186">https://twitter.com/kelly_doody/status/1197274811438813186</a></li> <li>Twitter threads explaining the 1.5% and 0% scenarios has resulted in 53,000 impressions, 30 likes and 19 comments on the scenarios. On average since November 14 there have been 17 Social Media posts per day ranging from budget information and links to public submission options.</li> </ul> <p>Other proactive social media posts include explanation of <a href="#">how tax dollars are distributed</a> and ensuring Calgarians are aware of the opportunities to provide <a href="#">feedback</a> on the 2020 budget adjustments and scenarios.</p> <p>Web</p> <ul style="list-style-type: none"> <li>Improved web presence to highlight The City's plans and budgets as well as provide clarity on how taxes are spent, City investments, and The City's long-term strategy: <a href="http://www.calgary.ca/budget">www.calgary.ca/budget</a></li> </ul>





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	<ul style="list-style-type: none"> <li>• Citizen engagement feedback summary from the ward specific budget conversations in September for easy accessibility.</li> <li>• A second web page highlighting financial myths and facts <a href="http://www.calgary.ca/financialfacts">www.calgary.ca/financialfacts</a>.</li> </ul> <p>Calgary's Comeback - this campaign is tying together the three pillars of Calgary's economic recovery: Supporting local business, Calgary's downtown and fiscal responsibility:</p> <ul style="list-style-type: none"> <li>• A web page highlighting Calgary's economic strategy and its three pillars has been developed <a href="http://www.calgary.ca/comeback">www.calgary.ca/comeback</a>.</li> <li>• Four newsroom stories supporting buy local, downtown service agency, supporting small business and downtown underpasses.</li> <li>• Supporting/sharing information on related campaigns such as Small Business Week, #LoveYYC, Buy Local.</li> <li>• Upcoming newsroom stories further support local business including Decidedly Jazz, Home Space, Routine (won Small Business of the Year award), Art Market &amp; Market Collective</li> <li>• myCity article encouraging employees to buy local.</li> <li>• Councillors toolkits to help share content.</li> <li>• Presentation to CMT to enlist senior leaders in the organization to shift thinking to support Calgary's Comeback initiatives and linkages to their business unit priorities.</li> </ul> <p>Further to the above, the <a href="#">City Newsroom</a> received a refresher to improve the navigation and functionality of the site. This website houses The City's press releases and news stories for both the public and media. Since the launch, 75 separate feature stories have been posted and of these 39 were picked up by various media outlets providing positive coverage about The City that may not have otherwise made the news cycle. Citizens are also able to subscribe to City news releases through the Newsroom by offering an email "subscribe" feature – this is on top of our RSS Feed offering. To help support media relationships, we hosted a Multicultural Media Forum that was attended by all traditional media and 17 diverse media outlets including multicultural, Indigenous and digital media. It was well received and has opened the communication channels to engage and provide content to additional media outlets across Calgary. We plan to host another one in Q2 2020.</p>
<p>21. What services is The City obligated to provide under the <i>Municipal Government Act</i>?</p>	<p>There are very few things or services that The City is legally required to provide. The City is required by the <i>Municipal Government Act</i> and other provincial statutes to do the following:</p> <ul style="list-style-type: none"> <li>• Establish a police service (<i>Police Act</i> s. 4(5)).</li> <li>• Establish an assessment review board (<i>MGA</i> s. 454).</li> <li>• Establish a subdivision and development appeal board (<i>MGA</i> s. 627).</li> <li>• Provide for an appeal mechanism for remedial orders (<i>MGA</i> s. 547).</li> <li>• Appoint an auditor (<i>MGA</i> s. 280).</li> <li>• Establish a subdivision authority (<i>MGA</i> s. 623) and a development authority (<i>MGA</i> s. 624). There are various other specific obligations under Part 17 – Planning, such as an obligation to establish a municipal development plan (<i>MGA</i>, s. 632).</li> <li>• Establish an emergency management agency (<i>Emergency Management Act</i> s. 11.2).</li> </ul>



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	<ul style="list-style-type: none"> <li>• Establish a climate change mitigation plan and a climate change adaptation plan (sections 615.4 and 615.5 of the <i>MGA</i> as modified by the <i>City of Calgary Charter, 2018 Regulation</i>).</li> <li>• Prepare a capital plan and financial plan (<i>MGA</i> s. 283.1). There are various other legal obligations with respect to budget and financial issues.</li> <li>• Administer municipal elections (<i>Local Authorities Elections Act</i>, various sections).</li> <li>• Maintain roads and public places such as parks “in a reasonable state of repair” (<i>MGA</i> s. 532). However, there is considerable scope regarding the extent of this duty.</li> <li>• Meet certain obligations regarding the assessment and taxation of property (<i>MGA</i>, Parts 9 and 10).</li> <li>• Meet certain obligations with respect to the collection, use and disclosure of information (<i>Freedom of Information and Protection of Privacy Act</i>).</li> </ul> <p>The above list is not exhaustive, but it is fairly complete.</p> <p>There are few things that are important to note:</p> <ul style="list-style-type: none"> <li>• Even for areas in which The City is legally required to do or provide a particular thing, it generally has broad discretion as to how that thing may be done or provided.</li> <li>• The City has extremely broad discretion to voluntarily do or provide things for its citizens. However, once The City has chosen to do or provide a particular thing, there are often legal standards and requirements that it must meet or comply with. Furthermore, if The City has voluntarily chosen to provide a service it is not necessarily required to continue to provide that service in perpetuity. However, there may be legal implications and/or consequences connected to ceasing to provide a particular service.</li> <li>• There are some things that the City does or provides out of practical or business necessity, despite not being legally obliged to do so. For example, The City is not legally required to maintain a human resources department or a law department, but does so because these things are necessary for the effective operation of the municipal corporation.</li> </ul>
22. How much does the City spend to service debt every year?	<p>Total debt service payments are expected to be \$414M in 2019, with \$312M representing principal repayments and the balance of \$102M representing interest payments. Debt service payments have been steadily dropping for the past 3 years, largely as the result of repaying MSI-related debt.</p> <p>Appendix 4 shows the total debt service estimate for 2019 and the debt service payments since 2016.</p>
23. Are there cost savings that can be found if The City were to hire bylaw officers instead of Police Officers for work that does not require a sworn Police Officer?	<p>There will not be any salary savings in hiring peace officers instead of police officers for overlapping work. Within the existing agreements of the respective union/association, peace officers are hired at a higher rate of pay. Peace officers enhance the work of police officers, performing varied roles that assist in maintaining the peace. Peace officers are authorized under the Peace Officer Act, which enables the Solicitor General to designate agencies for</p>





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	specific job functions. Peace officers add flexibility to law enforcement. There may also be associated capital and onetime costs for training to appropriately equip peace officers depending on the scope and scale of the change in job functions.
24. Is there an opportunity for us to get out of certain lines of service such as Family and Community Support Services (FCSS)?	FCSS is a provincial partnership with Alberta municipalities governed by the FCSS Act. The Act requires any municipality that receives FCSS funding to contribute a minimum of 20%. As per Council's FCSS Policy approved in 2016, The City contribution to Calgary's FCSS program was set at 25%. If The City were to eliminate the \$9.9 million investment in the program completely, The City would forego provincial funding of \$29.7 million for Calgary. The FCSS Calgary program invests in over 150 programs in 77 organizations. See the attachment provided in the memo from Wednesday, November 20 for a list of organizations that would be impacted.
25. What concerns do you have with the decision to pursue an RFP for golf operations?	Primary concern is with scoping of the RFP to ensure golf's service and social value proposition (e.g. pricing for low-income access) is maintained.
26. In Ward 3 there are right of ways that are dedicated for future BRT/LRT. When the area is excavated for utility works, how can we ensure that we are coordinated between departments?	There is a Capital Coordination Committee that meets every month to facilitate coordination of these types of projects.
27. How soon can we see more natural conditions instead of the mowed turfgrass along boulevards, such as Canyon Meadows boulevards, in order to save the money and eliminate non-native species?	Naturalization such as this will not happen in this budget cycle. We would need capital investment to change the turfgrass to naturalized vegetation.
28. How can Council better use the research and data that Administration provides?	We provide Council and Administration with the results and the data to support data-driven decisions. We also make it available for citizens to support transparency and accountability.
29. Which partners gave raises to their staff last year?	While The City provides operating funding to support partners, including Civic Partners, these organizations are governed by independent boards of directors who set the strategic direction including compensation strategies for their organizations. Appendix 5 (confidential) provides excerpts of information about compensation plans for 2019 that were already provided by Civic Partners as part of the preparation for One Calgary deliberations in 2018 November (see separate <b>confidential</b> attachment). The full responses from all Civic Partners were provided to all members of Council as part of a memo from the One Calgary team in 2018 November.



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## APPENDIX 1

<b>2019 Property Tax</b>		
	<b>\$ Value</b>	<b>%</b>
<b>Municipal</b>	<b>\$1,946,868,000</b>	<b>71.0%</b>
<b>Provincial</b>		
<b>Provincial Education Requisition (2019 Estimate)</b>	<b>\$780,499,275</b>	<b>28.5%</b>
<b>Provincial Education Requisition Balance Owing*</b>	<b>\$15,656,483</b>	<b>0.6%</b>
<b>Total Provincial</b>	<b>\$796,155,758</b>	<b>29.0%</b>
<b>Total</b>	<b>\$2,743,023,758</b>	
* Balance Owing is the difference between the estimated and actual Provincial requisition. This amount can be recovered through the 2020 Provincial property tax.		



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## APPENDIX 2

All research activities can be broken into six work stages:

Consultation	Once requirements are gathered, the Research team provides guidance on how to meet objectives while remaining compliant to privacy and procurement legislation through the addition of new questions. This year the internal team added three questions to facilitate budget conversations. The City may also consult with the vendor to determine if there are benchmarking opportunities.	Vendor: 20% Internal: 80%
Procurement	The CitSat and Spring Pulse contract goes to market every other year.	Vendor: 0% Internal: 100%
Data collection	Data collection is the primary function of vendors. They manage/partner with outgoing call centres with trained staff to ensure valid and accurate data collection, adhering to research best practices as stipulated in their contracts. They will also recruit and conduct focus groups as needed. The internal team oversees the data collection to ensure targets are met.	Vendor: 90% Internal: 10%
Data validation/analytics	This is currently a shared function. The vendor provides raw data (scrubbed to meet privacy requirements) along with coding and analytics. The internal team will validate the data and perform additional analytics to enhance insights; the internal team will be more aware of external factors that may influence results than the vendor, who may/may not have an operating office in Calgary. For example, the internal team recently completed a regression analysis that demonstrated a correlation between trust measures and overall satisfaction with city performance.	Vendor: 60% Internal: 40%
Reporting	The vendor provides a preliminary report that is reviewed by the internal team for accuracy and completeness. The internal team then builds on that report, incorporating other findings from other vendors when appropriate, and creating presentations based on the reports as needed.	Vendor: 40% Internal: 60%




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## APPENDIX 3



**Kelly Doody**  
@kelly\_doody

Great q, Alex! \*Rhetorical of course, as no one at @cityofcalgary or #yyccc will answer.\* Further, why have surrounding main streets seen 2-300% rise in building value, despite identical vacancy rates? And despite commercial assessments that are based on income, not market comps.



**Alex Danzinger** @danzzinger · Nov 20

Replying to @kelly\_doody and @BigRedyyc

Adding to this thread:

- 2009 had 96% leased of 32-M total inventory = 30.7M sq ft downtown commercial space leased. [pressreader.com/canada/calgary...](http://pressreader.com/canada/calgary...)

- 2019 has 73% leased of 42-M total inventory = 30.7M sq ft [cbre.vo.llnwd.net/grgservices/se...](http://cbre.vo.llnwd.net/grgservices/se...)

Why do they need to redistribute taxes out of dwtn?

3:05 PM · Nov 20, 2019 · [Twitter Web App](#)

1 Retweet 2 Likes



**City of Calgary** @cityofcalgary · 1h

Replying to @kelly\_doody

Hi Kelly, those are good questions and we will definitely answer them for you. As you know, property taxes are calculated based on your assessment, which is determined based on market value and the budgetary needs of Council. 1/

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**City of Calgary** @cityofcalgary · 1h

While square footage of occupied office space is a part of what determines the market value of a property, it is not the only factor in determining assessed value. There are other factors like actual market transactions that help determine the market value of all properties. 2/

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**City of Calgary** @cityofcalgary · 1h

A cornerstone of the appraisal profession in determining market value is the detailed analysis of many market-based factors, including the space occupied, the rents, operating costs, and the actual values paid by buyers for



## APPENDIX 4

### THE CITY OF CALGARY Summary of Principal and Interest Expense, 2016-2019

	YTD September 2019			2019 Estimate*			2018			2017			2016		
	Principal Payment (P)	Interest Expense (I)	P&I Expense	Principal Payment (P)	Interest Expense (I)	P&I Expense	Principal Payment (P)	Interest Expense (I)	P&I Expense	Principal Payment (P)	Interest Expense (I)	P&I Expense	Principal Payment (P)	Interest Expense (I)	P&I Expense
Self Supported Debt	129,247,267	59,990,165	189,628,368	179,098,405	80,013,459	259,111,864	191,405,816	82,073,435	273,479,251	163,458,672	82,591,388	246,050,060	155,963,947	85,202,031	241,165,979
Tax Supported Debt	31,286,843	10,623,735	41,910,578	38,613,747	14,109,515	52,723,262	41,385,413	14,520,012	55,905,425	44,710,647	16,356,210	61,066,857	64,934,092	18,240,946	83,175,039
Self Sufficient Tax Supported Debt	89,810,318	5,770,220	95,580,539	94,521,428	7,586,674	102,108,102	86,196,164	9,548,493	95,744,657	231,903,802	11,951,916	243,855,719	230,513,720	16,150,435	246,664,154
<b>Total</b>	<b>250,344,429</b>	<b>76,384,120</b>	<b>327,119,485</b>	<b>312,233,579</b>	<b>101,709,648</b>	<b>413,943,227</b>	<b>318,987,393</b>	<b>106,141,940</b>	<b>425,129,333</b>	<b>440,073,122</b>	<b>110,899,515</b>	<b>550,972,636</b>	<b>451,411,759</b>	<b>119,593,412</b>	<b>571,005,171</b>

\* Assumptions for estimation;

1. New borrowing of total \$48,115,000 is expected on December 2019, and its interest expenses are estimated based on the current interest rate (as of November 15, 2019) as the interest rates are not available until the issuance date.

2. Developer's loan information is as at September 30, 2019

3. Calgary Housing Company Mortgage 2019 information is same as 2018 for the whole year estimation and proportionate for the YTD, as its 2019 information is not available until January 2020.