

Independent Review of Non-Residential Assessment & Complaint Systems Recommendations Status Report

No.	Recommendation	Current Status
1	ABU use short-term external professional training /assistance to enhance expertise in valuation of complex, high value, properties	The Assessment Business Unit (ABU) has reached out to other assessment jurisdictions and industry experts such as the International Property Tax Institute to obtain information on best practices to address this recommendation. ABU will continue to search for opportunities to incorporate additional external professional training and assistance in relation to the valuation of high valued, complex properties in thinly traded markets.
2	ABU provide staff with skills training in dispute resolution, negotiation and media/external communications	A course titled “De-escalating situations at work” dealing with understanding the problems and solutions with conflict was held on 2019 July 25. The International Property Tax Institute provided a customer service course titled “Effective communication with owners, agents and legal representatives” on 2019 August 22. New training with a stronger customer experience focus will be provided to align with our Pre-Roll Consultation period in September and October 2019.
3	Both ABU and ARB enhance annual performance reporting, introducing metrics that are more client-centric and capacity linked (i.e. reflecting service standards and linking elevated service delivery to organizational capacity). ARB’s QB tracking and reporting needs improvement. ARB should reinstate public annual performance reporting.	<p>2019 Assessment Business Plan has introduced new internal performance measures and is working on the development of additional measures which are more client centric and capacity linked. Some examples of these measures are:</p> <ul style="list-style-type: none"> • Per cent of complaints that went to merit hearing • Per cent of total property assessment accounts which have signed up to receive e-Notices • Per cent of hearings that led to reductions • Per cent of complaints that went to merit hearing • Number of hours of training per valuation staff member • Metrics showing the changes from Preliminary Roll to Final Roll <p>The components of this recommendation relating to the ARB will be tracked and reported by the Assessment Review Board and City Clerk’s.</p>

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4	The parties cooperatively streamline workloads and schedules (ABU, ARB, taxpayers & agents) associated with roll preparation and dispute resolution	<p>In 2019 the ABU, ARB, taxpayers & agents collaborated to create the 2019 tribunal schedule. At the end of the process the ABU conducted a debrief on the ABU process and determined lessons learned and areas of focus and improvement for 2020 under the following categories:</p> <ul style="list-style-type: none"> • Objectives and Guiding Principles • Process and Timelines • Roles and Responsibilities • Communication and Collaboration <p>The ABU has engaged Heuristic Consulting to facilitate workshops with the parties (ABU, Tax Agents and Major property owners) to address concerns expressed by the parties and enhance the scheduling process in the future. The ARB has embarked on their own debrief process.</p>
5	The City work with the Province to investigate the business case for 2 or 3-year assessment rolls - investigating potential gains in system capacity, impacts on service delivery and possible impacts on financial risk/savings	The ABU Met with the Government of Alberta on 2019 May 17 and had a discussion around the recommendations in the Independent Review of Non-Residential Assessment and Appeal system. It was determined that the Government of Alberta is not currently considering a 2 or 3-year assessment cycle. Assessment will await further direction from Council should The City wish to pursue this further.
6	<p>ABU work with principal tax agents to set basic ground rules for working relationships through Memorandums of Understanding to:</p> <ol style="list-style-type: none"> Clarify / describe roles of key players and common goals in the non-residential property assessment system Set out expectations of professional behaviours and conduct Describe Information sharing and communications expectations Establish structured processes for narrowing issues, reaching agreed statements of facts and/or agreed recommendations to ARB for the scheduling of hearings Similarly, set out structured processes for Pre-Roll and post Pre-Roll negotiations 	Working together with two key property tax agencies within Calgary, AEC Property Tax Inc. and Altus Group, Assessment along with Law crafted a Memorandum of Understanding (MOU) which set out standard ground rules around the interactions and expectations between each signing party. The MOU sets expectations around professional behaviours and conduct, information sharing, communication expectations and reaching agreements. At this time, both AEC Property Tax Inc. and Altus Group have signed off on the MOU and the ABU is continuing to reach out to other tax agencies for sign off.

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7	ARB support cooperative practices between the parties to provide maximum flexibility for scheduling and pre-hearing dispute resolution, while respecting principles of administrative law.	This recommendation will be tracked and reported by The Assessment Review Board and City Clerk's.
8	The City work with the Province to develop a standing vehicle to clarify communication strategy - advancing consistent understanding and application of new legislative/regulatory provisions, such as: i. Section 300 of the Municipal Government Act (MGA), where the assessor is to produce summary information on comparable properties ii. Section 1.1 & 9 of Matters Relating to Assessment Complaints (MRAC) – new disclosure periods for evidence allowed in a hearing iii. Weight and authority of Ministry's Information Disclosure Guidelines iv. Use of Compliance Review applications, and their effectiveness	The ABU met with the Government of Alberta on 2019 May 17 and again on 2019 July 17 and had a discussion around the recommendations in the Independent Review of Non-Residential Assessment and Appeal system. The provincial government agreed to work towards establishing an advisory committee of experts – once the new government has settled in and provided their direction. Assessment will follow-up up with the Government of Alberta in the fall of 2019
9	ABU and ARB enhance communications strategy to better target timely messages to critical audiences	As is reported in the response to recommendation #17, the ABU has established a customer strategy team that is reviewing every aspect of the customer experience customers have with their interactions with the ABU. That includes routine communications to customers, media ads, online web content, annual Market Reports and the assessment notices. Changes are currently underway to make this content more user friendly, customer centric and timely to ensure that the right information is communicated at the right time.

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10	<p>Property assessment is data intensive. The assessor relies on many sources, including taxpayers, to provide necessary data. Data quality and quantity varies with market circumstances, property type and relationships. Different levels of data are required to determine assessments; to explain assessments and to support assessments on appeal. Assessment methodologies for different property types have varying data requirements for all the above. ABU's data governance should provide for optimal (not minimal) information necessary for accurate and equitable assessments; for taxpayers' acceptance / understanding of their assessments, while protecting its privacy. There is a range of data that may be provided: from minimum legislative requirements to maximum allowable while protecting privacy & confidentiality. The optimal level of information provided may vary over time and location. Optimal is that level necessary to create and maintain public confidence in the assessment system.</p>	<p>The ABU has reviewed the information that was previously disclosed to customers and has found areas where additional information could be provided without compromising confidentiality. As new information is obtained the ABU continually works on identifying the optimal level of information disclosure while protecting confidentiality for other parties. This is done through engagement of stakeholders, comprehensive review of legislative requirements, confidentiality requirements, and desire for transparency.</p>
11	<p>ABU explore data collection and data quality enhancement opportunities through the revised Pre-Roll process, and earlier resolution of those complaints critical to establishing valuation principles required to determine the next year's assessments</p>	<p>The ABU has made significant improvements in the quality of preliminary assessments such that all stratifications would have passed or exceeded provincial standards. Steps were also taken to expedite the process of providing pre-roll assessment information by taking advantage of our online portal. When tax agents were surveyed after pre-roll, 96% indicated preliminary values were obtained with ease and 93% responded that they were received in a reasonable amount of time. Data Collection and Data Quality sections continue to find efficiencies and incorporate data quality assurance activities. The ABU has leveraged our collaborative relationships with agents to ensure that their clients are made aware as early as possible when additional information is required to avoid any potential issues.</p>

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12	ABU and ARB explore use of plain language (less technical and legal) to explain assessments, simplify dispute resolution and improve public understanding	The ABU is working with Customer Service & Communications (CSC) to update the Assessment online content available to customers and make it more user friendly. External communications such as Assessment Request for Information and the assessment notice have been re-drafted by the new Customer Strategy area using plain language to ensure there is understanding of how the customer can interact with Assessment and other information available to them. This work will continue to change each year as it is desired that more information be made available to property owners moving forward.
13	ABU work with stakeholders to develop, implement and monitor processes to resolve issues/complaints with respect to high value, common-issue properties	<p>During 2019 Pre-Roll, the ABU worked with stakeholders to resolve issues in advance of the finalization of the roll. In the 2019 Pre-Roll there were 834 agreements on over \$17.6 billion of assessed value. Since mailing the 2019 assessments, the ABU has continued to work in a collaborative manner with property owners and their representatives to try and resolve issues and avoid formal ARB hearings, where possible. During the Customer Review Period, there were an additional 135 non-residential assessments totaling 700 million in assessed value that were agreed to without the need to file a complaint to the ARB. The ABU is continuing to work with agents and owners to resolve issues and complaints when possible prior to a hearing.</p> <p>As of 2019 June 30, 84 per cent of our total taxable non-residential roll has been resolved. In comparison, only 59 per cent of the taxable non-residential roll had been resolved at this point last year.</p> <p>To date, the ABU has come to agreements on 1,698 non-residential assessments totaling 26.1 billion in assessed value. Withdrawal of ARB complaints by property owners totals 1.7 billion, and 21.0 billion of our taxable non-residential roll had no complaints filed.</p>
14	Initiate “without prejudice” settlements – ACP related process as part of MOU	In October of 2018, the ABU reached out to the agent community and ran the first “Pre-Roll Consultation Period.” Assessment staff met with agents on a total of 857 accounts and of those secured an agreement on 422 of them with a total assessment value of 11,396,775,000. This process of having collaborative conversations continued throughout the year and the ABU will launch the 2020 Pre-Roll period on 2019 Oct 3.

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15	With increased reliance on agreements through ACP, enhance process to monitor and report changes from preliminary roll through final roll	The ABU has developed internal tracking systems and new metrics to ensure that assessment value changes are captured throughout the Pre-Roll period and the final roll.
16	Enhance content and expand awareness of ACP (kickoff) market analysis meeting for targeted audiences	The Pre-Roll Symposium ("kickoff") event was held last 2018 October 3. Over 330 major stakeholders were invited to this event and the content has greatly expanded from previous years. Surveys to stakeholders that attended the event supported this assertion. The ABU will be launching the 2019 Pre-Roll period on 2019 October 3. Work from the 2019 Pre-Roll is highlighted in recommendation #13 and #14.
17	Establish a single manager/leader in ABU to coordinate / manage ACP process	The ABU created a new team known as Customer Strategy which is staffed with an experienced Leader and staff who have strong customer service backgrounds. The new team is systematically reviewing all customer touchpoints/interactions and communications, enhancing the customer experience and executing on several initiatives aimed to improve Assessment's customer experience. Customer Strategy is also supporting and collaborating with other areas within Assessment to ensure there is a customer focus when possible.
18	We recommend that the City work with the Province to: a. Clarify governance roles of the City and Province respecting policy, standards elevation and quality management b. Develop and report annually on metrics (beyond the current ratio studies) for property strata and assessment methodology for thinly traded, high-value complex properties. c. Enhance and resource more frequent comprehensive audits of high-value complex properties d. Engage key stakeholders (e.g., Stakeholders' Advisory Group) to ensure continuing & practical adoption of leading practice and elevation of standards related to assessment methodology, information management and service delivery e. Provide for proactive public reporting on performance and service delivery, drawing upon the experience of other agencies like BC Assessment.	The ABU met with the Government of Alberta on 2019 May 17 and again on 2019 July 17 and had a discussion around the recommendations in the Independent Review of Non-Residential Assessment and Appeal system. The provincial government and the ABU will work together to find ways to improve the quality of the roll which would include working with the provincial auditor's office to enhance audits and establish more performance measures.

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19	ARB investigate for adoption Rules of Practice & Procedure to incorporate active appeal management, dispute resolution and settlement conferencing	This recommendation will be tracked and reported by the Assessment Review Board (ARB) and City Clerk's.
20	ABU and ARB include cost reporting on complaint and appeal processes in performance management	The ABU in conjunction with Law are conducting an analysis of the cost of both filing and proceeding on Queen's Bench actions and what is the cost from a labour and material perspective. This will be used to inform future decisions. The component of this recommendation that relates to the ARB will be tracked and reported by the ARB and City Clerk's.
21	The City improve the ARB system by: a. Investigating the business case for board officer positions (like the Edmonton model) b. Enhancing the ARB member performance review process (Edmonton model) c. Developing a process for ABU and tax agents to recommend scheduling to ARB (Edmonton model) d. Adopting the use of case management by Board members to narrow issues and encourage prehearing resolutions e. Publicizing its practices regarding training and qualifications of members; requirements for 'cooling off' periods for candidate members between employment as assessors and appointment as ARB panel members f. Clarify ARB on adjudication role; streamline / simplify and transfer administrative functions to City Clerk's office	This recommendation will be tracked and reported by the Assessment Review Board (ARB) and City Clerk's.

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22	In 2019, the City review Queens Bench appeals status, statistics and strategy to determine whether changes to the appeal system are satisfying intended outcomes (Linked to 23)	In 2018, the ABU worked with owners and their agents to resolve many of the outstanding Queens Bench actions from prior years. There have been many actions discontinued on both sides over the course of recent years and there have also been far fewer QB appeals in general. In 2018 The City filed 6 applications as opposed to 44 applications in 2017 and in 2019, The City filed 0 applications.
23	The City (legal department supported by other branches, e.g., ABU and ARB) improve and utilize processes for tracking, analyzing and evaluating the use of the Queen's Bench for resolution of assessment issues (Linked to 22)	The Law Department worked at resolving prior year appeals in 2018. The lawyers pressed for more timely action on files that had no action for a large period. Queen's Bench actions are a performance metric of the Law Department with volume, resources and results being measured. Law business unit conducted an analysis of the cost of both filing and proceeding on Queen's Bench actions. This will be used to make decisions in the future.
24	The City advocate for legislative change to introduce dispute resolution alternatives (e.g., structured appeal management and mediation, single member adjudication (by hearing or written submissions) drawing from and adapting experience of jurisdictions like British Columbia, Manitoba (City of Winnipeg) and Ontario.	The ABU met with the Government of Alberta on 2019 May 17 and again on 2019 July 17 and had a discussion around the recommendations in the Independent Review of Non-Residential Assessment and Appeal system. The provincial government undertook to review the effectiveness of the Pre-Roll period and will consider legislative changes later, if required. Assessment will follow-up up with the Government of Alberta in the fall of 2019.
25	Establish standard annual performance report for ARB and publish on website (metrics and KPIs)	This recommendation will be tracked and reported by the Assessment Review Board and City Clerk's.
26	Develop / implement communication strategy to inform stakeholders / public	The ABU has examined its forms of communication to customers from media ads, online content, annual Market Reports and the assessment notices. Many changes have been implemented and are currently underway to make this content more user friendly, customer centric and timely to ensure that the right information is communicated at the right time.
27	Provide for authority in ABU and improved process to resolve issues any time between roll completion and ARB hearing.	The ABU has made a concerted effort to resolve issues and complaints prior to the hearing. The success of this work can be found in recommendation #13 in the discussion of the 2019 Pre-Roll Consultation period. In 2018 the ABU resolved 669 property complaints. These agreements were made in collaboration with the largest tax agent groups (Altus, MNP, and AEC). The ABU worked with our primary stakeholders to achieve a better result than we historically achieved (using the traditional adversarial strategy) and spent considerably less resources to achieve it.