



















Financial Task Force Recommendations – Implementation Next Steps

2020 December 1

Priorities and Finance Committee

CITY OF CALGARY
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Task Force takeaways are even more relevant today

 <p>1 Improving the Understanding of Municipal Finance Circumstances</p> 	 <p>2 Responding to Calgary's Cyclical Economy using Existing Tools</p> 	 <p>3 Bringing Property Taxation into the Twenty-First Century</p> 	 <p>4 Improving Tax Efficiency for Long-Term Fiscal Sustainability</p> 
 <p>5 Preparing for Changes that would occur as the economy evolves</p> 	 <p>6 Making Calgary more Competitive, Livable and Attractive</p> 	 <p>7 Supporting Regional Economic Development</p> 	 <p>8 Working Better with Partners in Achieving Progress</p> 

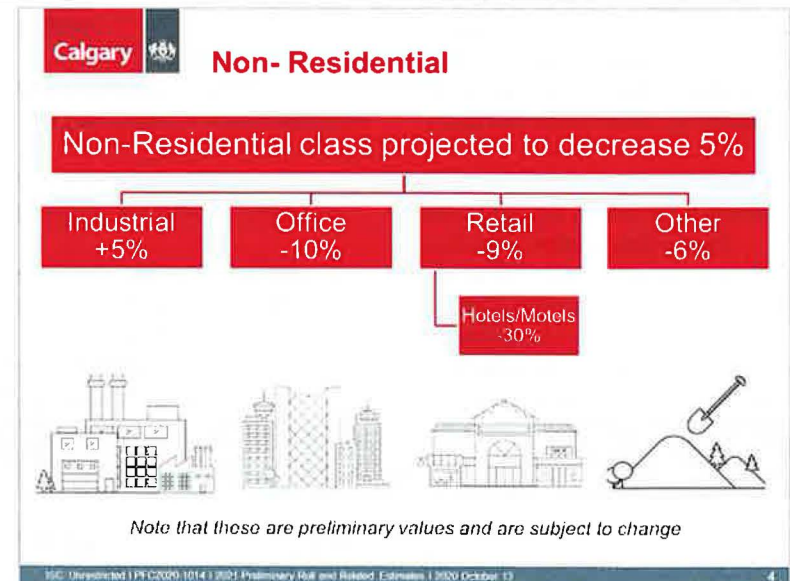
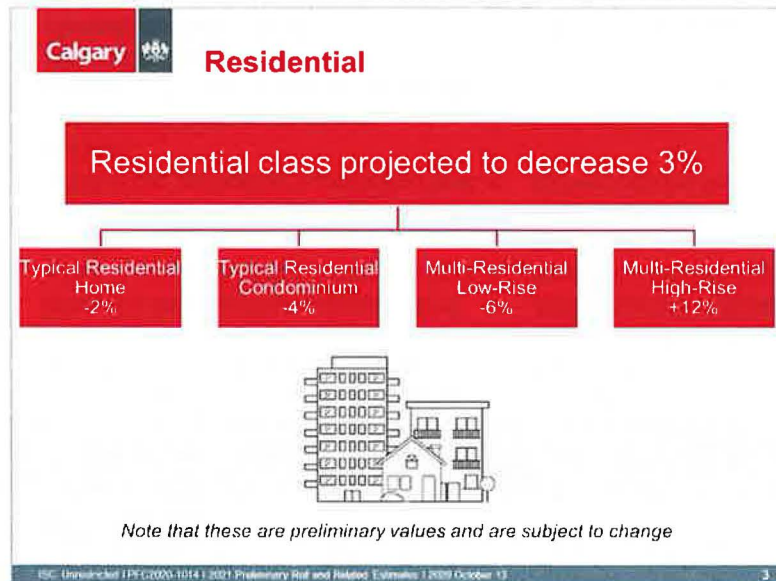


Notable progress on Administrative Action Items

AA #	Summary of Task Force Recommendation	Administration Action Item	Progress Thus Far
4a	Anticipate and respond to evolving economic conditions for residents and businesses.	As economic outlooks are developed, Administration will integrate the outlook information more explicitly in the planning and budgeting processes. Administration will need to determine the best way of performing and reporting the analysis.	Economic outlook information more fully integrated into the Mid-Cycle Adjustments presentation.
18a	Achieve a balance between a great city in which to live and having a competitive level of taxation.	Administration will review the feasibility of enhancing the data collection in the Residential Property Taxes and Utility Charges Survey and implement changes as appropriate.	Included some non-residential property tax per square foot information in the 2019 Residential Property Tax and Utility Survey.
18c	Achieve a balance between a great city in which to live and having a competitive level of taxation.	Administration will review the communication of information to Council in support of decision making and to the public and implement changes as appropriate.	Some relevant comparators included in Mid-Cycle Adjustments Presentation.
23a	Enhance the approach to ongoing communication with residents, businesses, and other orders of government.	Administration will emphasize the points raised by the Task Force in communications and review the language associated with the property tax system for clarity.	Additional communications content accompanied the 2020 October PFC report and Mid-Cycle Adjustments.
26a	Maintain processes that allow the annual practice of property assessments and valuation because it provides evidence that enables The City to anticipate changes.	Administration will continue the annual assessment cycle.	Assessment is on track to deliver annual assessments.
27a	Revise steps in the process to ensure that the assessment roll is completed before indicative tax rates to deliver timely information to decision-makers.	Administration will review the feasibility of expanding interim assessment information into the budget and adjustments reports, beginning with the 2021-2022 Mid-Cycle Adjustments in November 2020. Longer-term changes would involve changing traditional dates and cycles for assessment process work and will require extensive communication with the public on changes to timelines and processes.	Inclusion of detailed Assessment information in 2020 October PFC Report and tax implications by property type as part of the Mid-Cycle Adjustments Presentation.
33b	Investigate the reasons for the crisis level vacancy rate in the downtown office market and respond with actions and policy changes to the regulatory environment that enhance attractiveness.	Administration and City Partners, involved in the Downtown Strategy, will scope a survey or study to assess the reasons businesses have relocated from downtown to the suburbs and vice versa and determine the feasibility of proceeding with the exercise within available resources.	Establishment of Real Estate Working Group. Also, Administration has developed survey questions for field implementation in 2021 due to survey fatigue at the end of 2020.
34b	Avoid ad-hoc decision-making and resist the urge to apply one-time mitigation measures.	Administration will prepare a formal taxation policy reflecting the most current Council decisions that include potential mitigation and present to Council prior to the approval of the 2023-2026 budget cycle.	The proposed Mid-Cycle Adjustments reduced the amount of the 2021 rebate to \$6 million from \$24 million.

Example 1: Timely information to decision makers

AA #	Summary of Task Force Recommendation	Administration Action Item	Progress Thus Far
27a	Revise steps in the process to ensure that the assessment roll is completed before indicative tax rates to deliver timely information to decision-makers.	Administration will review the feasibility of expanding interim assessment information into the budget and adjustments reports, beginning with the 2021-2022 Mid-Cycle Adjustments in November 2020. Longer-term changes would involve changing traditional dates and cycles for assessment process work and will require extensive communication with the public on changes to timelines and processes.	Inclusion of detailed Assessment information in 2020 October PFC Report and tax implications by property type as part of the Mid-Cycle Adjustments Presentation.



Example 2: Enhanced ongoing communication work

AA #	Summary of Task Force Recommendation	Administration Action Item	Progress Thus Far
23a	Enhance the approach to ongoing communication with residents, businesses, and other orders of government.	Administration will emphasize the points raised by the Task Force in communications and review the language associated with the property tax system for clarity.	Additional communications content accompanied the 2020 October PFC report and Mid-Cycle Adjustments.

Myth busting – Essential City facts

Municipal property taxes are the primary way The City delivers services and programs that Calgarians need and value every day. We're focused on reducing the cost of local government through continuous improvement efforts and programs such as [Solutions for Achieving Value and Excellence \(SAVE\)](#).

We want you to know how The City [calculates your property tax](#) and [how we use it](#) to deliver services and programs you need and want.

Below are a few essential facts that we want to share with all Calgarians to address some common questions, misconceptions and myths that we have received.

Working together to provide The City services you need and want:

- **Engaging citizens**
Aligning our services and programs with your priorities.
- **Plans and budgets**
Determining how tax dollars and funding is used to deliver service.
- **Property assessment**
Preparing fair and equitable property assessments for the purpose of taxation.
- **Property tax**
Calculating your property tax bill.
- **City service and program**
Where your municipal property tax dollars go.

Quick facts

<p>City staff</p> <p>Below 2013 levels</p> <p><small>We have fewer City employees today than we did in 2013 despite Calgary's growing population.</small></p>	<p>Cost of City services</p> <p>\$5.88 per day</p> <p><small>A typical Calgary household pays \$5.88 per day for City services.</small></p>	<p>Residential property tax</p> <p>63% to City services</p> <p><small>Residential property tax is generally split, 63% goes towards funding City services, while the remaining 37% goes to The Province.</small></p>
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Financial facts

 <p>The City adjusted how it spent revenue from the municipal property tax revenue since 2014 to remain below inflation and population growth.</p> <p>Read more</p>	 <p>A decrease in your assessment doesn't always mean a decrease in your property tax bill.</p> <p>Read more</p>	<p>The typical Calgary household pays \$5.88 per day for City services.</p> <p>Calgary has some of the lowest property tax and utility rates in Canada.</p> <p>Supporting businesses by addressing the property tax issue.</p> <p>Council has offered over \$240 million in tax relief program for businesses since 2017.</p>
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Many recommendations need provincial government support

Cost/ Effort/ Ease of Implementation

Low
(can rely only on the use of existing resources)

High
(would need investment in new resources)

= Requires provincial support

Return on Investment (ROI)/ Benefits/ Value

Potential Direct Monetary Benefits

Other Benefits

6 9 13

2 3 10

14 24 25

11 12 15

32 34 35

20 26

Proposed Priority (#1)

Proposed Priority (#3)

Proposed Priority (#2)

Proposed Priority (#4)

7 8 16 17

1 4

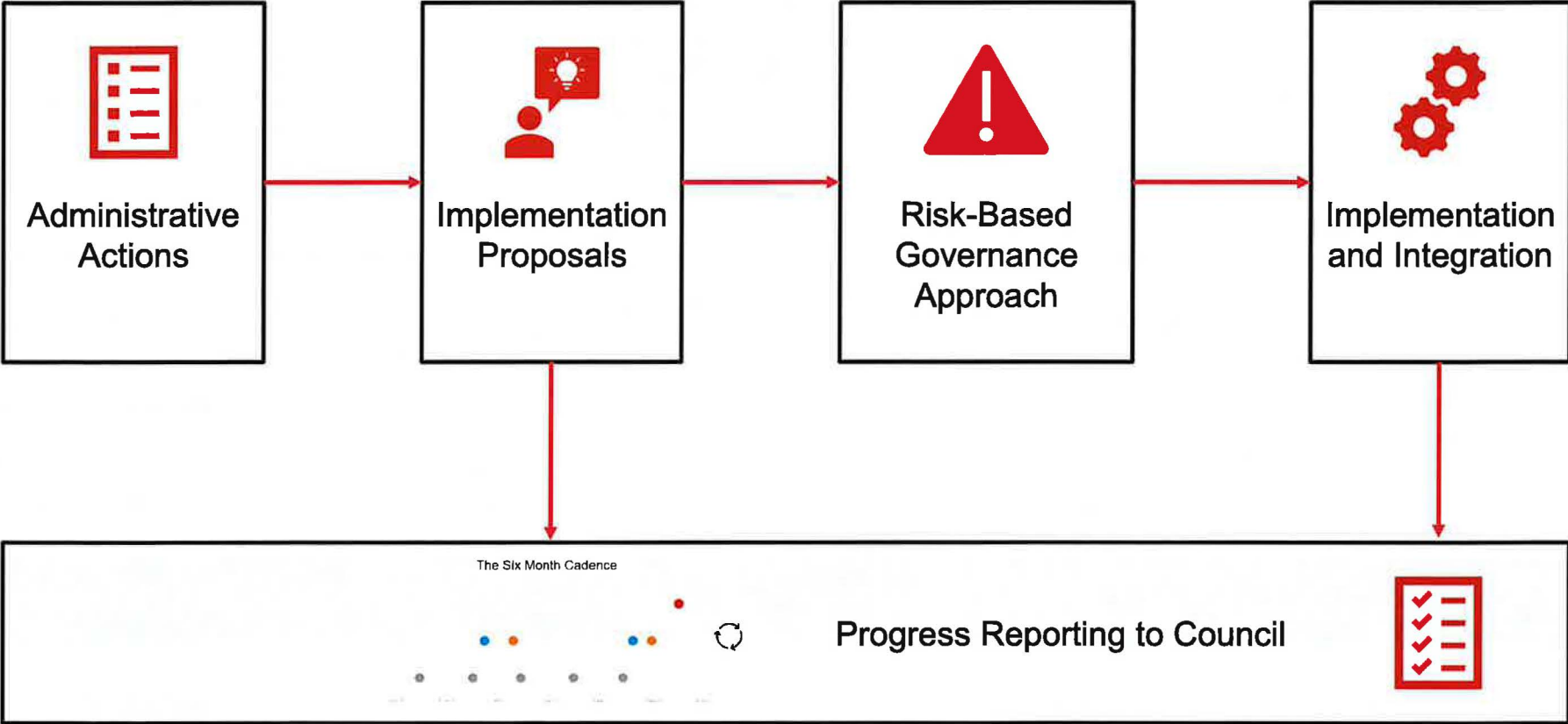
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Framework for risk-based, high-level workplan





Administrative oversight/ governance for work program

Governance Body	Membership	Focus	Model	Meeting Frequency on FTF Implementation	Role in Implementation
<i>Working Group</i>	Those responsible for implementation, including implementation team.	Development of proposals; delivery of results	Networked	Regularly (as required)	Responsible
<i>Technical Committee</i>	Business unit strategy managers.	Feasibility of proposals	Traditional Committee	Monthly	Consulted, final decision on low risk items
<i>Advisory Committee</i>	FTF Members and Support Team	Advisability of proposals; coordination	Traditional Committee	Quarterly	Consulted
<i>External Validator</i>	Consultant(s)	Validity of proposals	Contract	Regularly (as required)	Consulted
<i>Economic Resilience Task Force</i>	Based on Competency	Resilience; long-term sustainability	Traditional Committee	Regularly (as required)	Consulted, when required
<i>Real Estate Working Group</i>	Based on Experience	Business perspective on relevant proposals	Traditional Committee	Regularly (as required)	Consulted, when required
<i>Steering Committee</i>	Senior Leaders	Approval of proposal; strategic alignment; fiscal sustainability	Traditional Committee	Quarterly	Accountable, final decision on medium risk items
<i>Council and Committees</i>	Council Members	Representation of citizens	Council	Semi-Annually	Final Decision on high risk, policy or advocacy items

Implementation Team Coordinates Across All

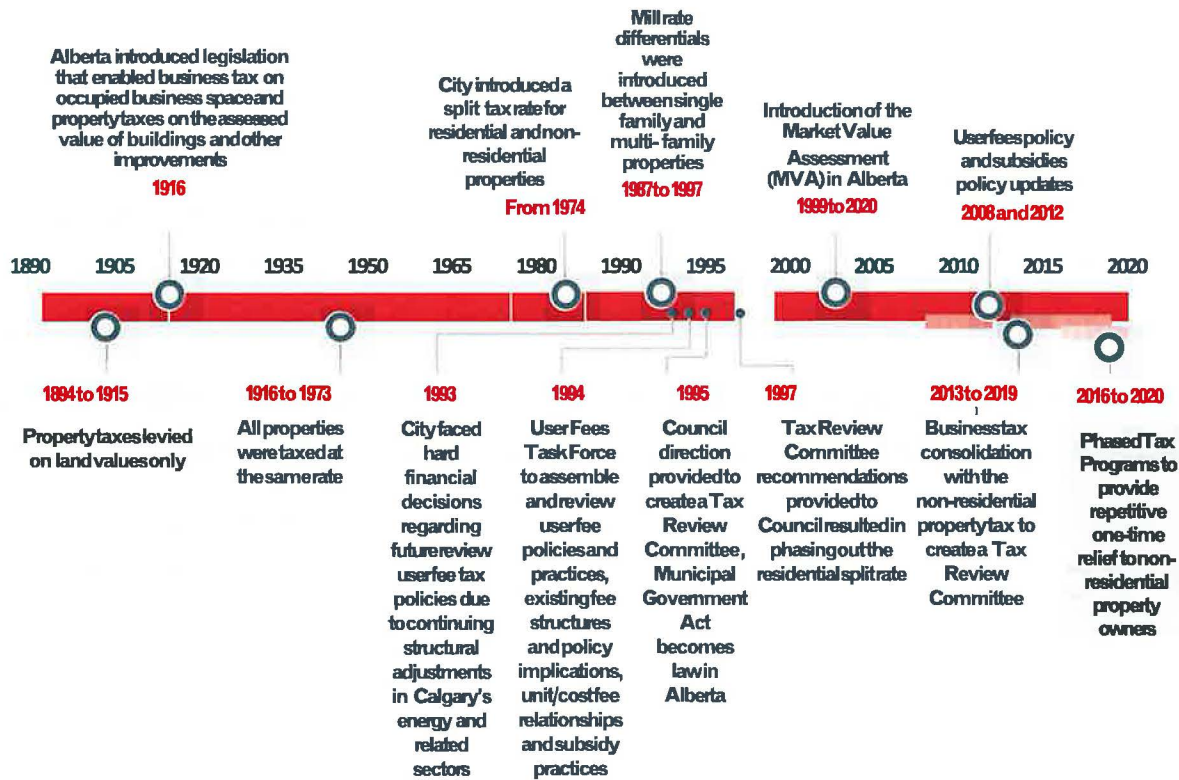


Administration's Recommendations

Administration recommends that the Priorities and Finance Committee recommends that Council:

1. Direct Administration to bring a comprehensive provincial engagement plan to the Intergovernmental Affairs Committee no later than 2021 Q2; and
2. Direct Administration to incorporate engagement plan implications in the 2021 Q2 Semi-Annual FTF Implementation Update Report to the Priorities and Finance Committee

Commitment to prompt reform despite history of taking time



Established elements for successful implementation

Governance

The City's approach to exploring opportunities identified by the Task Force for long-term fiscal sustainability.

Strategy

The roadmap to leverage the actual and potential benefits identified in the Task Force recommendations.

Risk Management

The creation of a function and process, through an advisory committee, to identify, assess and manage risks.

Measures and Targets

The measures and targets that would be used to demonstrate to Council that progress was achieved on strategy.