

Calgary



Off-Site Levy Update

CITY OF CALGARY
RECEIVED
IN COUNCIL CHAMBER
JAN 28 2021
ITEM # 7.6. A3001-016
Distribution
CITY CLERK'S DEPARTMENT

Audit Committee

2021 January 28

ISC: Unrestricted





That Council Direct:

1. The Audit Committee to engage the Off-Site Levy (OSL) Governance Committee to understand concerns raised by stakeholders; and to direct Deloitte to evaluate the concerns raised by stakeholders and develop a scope of audit procedures that responds to the issues raised, to the satisfaction of the Audit Committee;
2. The Audit Committee to return to Council with the cost and timing for approval once Audit Committee has determined the scope in recommendation 1;
3. The Audit Committee Chair report to Council with an update on a quarterly basis; and
4. Upon completion of the OSL audit procedures in Recommendation 1, the Audit Committee reports the findings and recommendations for corrective action to Council.



Off-site Levies Overview

- Financial tool for investment in growth infrastructure
- Key principle: benefiter pays
- Levies that developers pay to municipalities to help fund off-site infrastructure
- Legislative authority in the Municipal Government Act and City Charter
- Established Area and Greenfield levies
- Rates are now based on 100% of the proportion of the cost of growth-related infrastructure



11. CAPITAL DEPOSITS

Capital deposits are received for various capital projects from land developers, pursuant to development agreements or the *Municipal Government Act*, and from other governments, through grants and provincial tax revenue sharing agreements. Certain deposits are allocated investment income, and some may become refundable with interest should they not be fully utilized for the designated capital projects. Year-end balances are summarized below:

	2019	2018 (Note 34)
Developers contributions	\$ 145,925	\$ 144,095
Offsite levies	293,381	284,487
Other private contributions	10,544	17,292
Provincial government grants	80,880	262,244
Federal government grants	144,405	63,176
	\$ 675,135	\$ 771,294

Source: The City of Calgary 2019 Annual Report



Off-site Levies Collection & Spend

Figure 1: Total Levies Collected (by department)

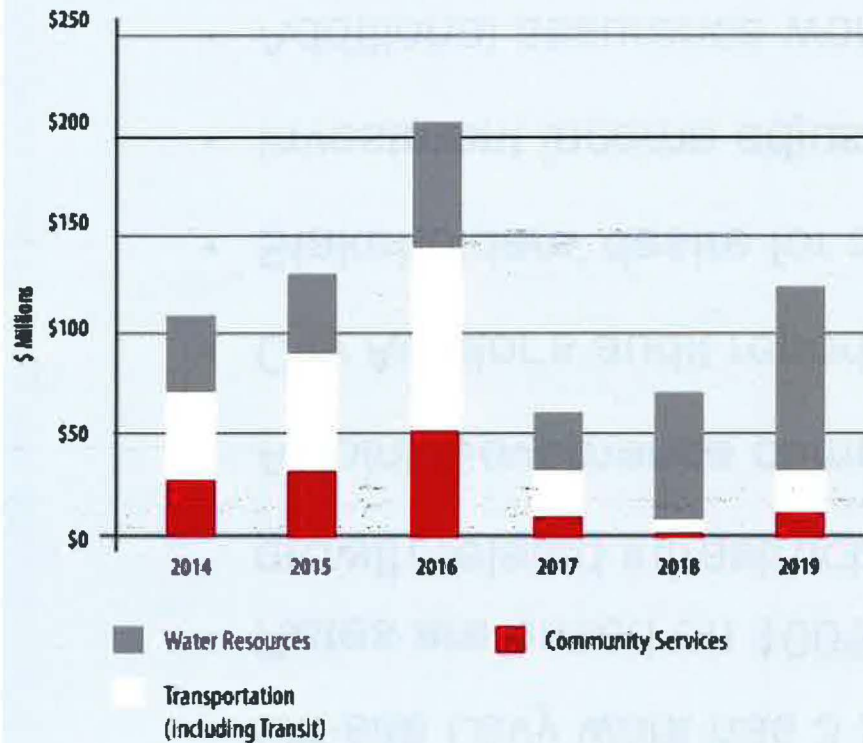
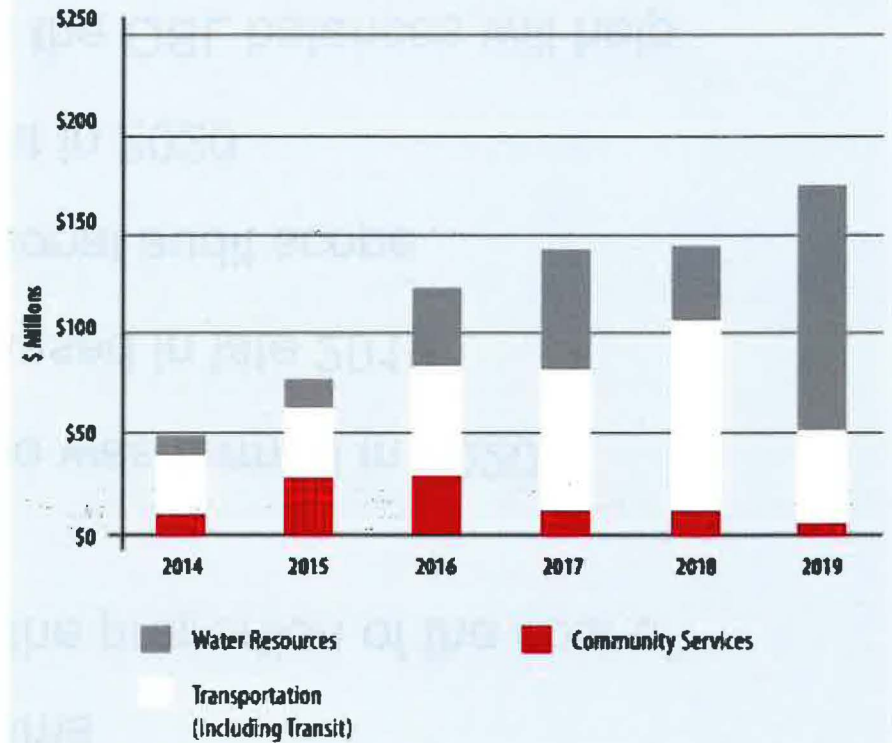


Figure 2: Total Levies Spent (by department)



Source: Figure 1 & 2 - 2019 Off-site Levy Annual Report (PUD2020-0904)

- 2019 collections \$123M+, 2019 spend was \$176M+
- 2019 Off-site Levy Annual Report closing balance \$331M



Current State

- Off-site Levy work has 3 streams
- Rates are based on 100% of the proportion of the cost of growth-related infrastructure
- A Joint Governance committee was formed in 2020
- City Auditor's audit report released in late 2019
- Stakeholders' desire for additional audit scope
- Investment income adjustment in 2020
- Additional assurance work on the OSL balances will help build trust and confidence with external stakeholders



Next Steps

- Questions?
- Audit Committee to discuss the motion arising