

Off-site levy payment relief program – summary of steps

On 2020 June 15, Council directed Administration to develop an off-site levy payment relief program as outlined in Option 2, of Attachment 3 (C2020-0647). The table below provides a summary of steps taken by Administration and outcome and/or proposed recommendations.

Option 2: Late payment fee credit – costs covered through invoice.

Summary: Introduce a short-term invoice credit that reduces the current 18% annual late payment charge for off-site levy invoices in 2020, to an amount anticipated to cover costs incurred by The City. Customers will be required to apply to the voluntary program.

| Next steps identified in C2020-0647 Attachment 3, for Option 2 | | Summary of steps taken | Outcome and/or proposed approach(es) |
|--|---|---|---|
| Administration resourcing impacts | Identify short-term Corporate funding source for Utility principal and interest payments paid by levies | <ul style="list-style-type: none"> Quantify principal and interest payments paid by off-site levies Identify short-term funding source through internal engagement | <ul style="list-style-type: none"> Corporate working capital will be used to fund the Utilities principal and interest payments over the term of The Program. |
| | Determine impacts to cash flow and related capital infrastructure investment due to receiving levy payments later than expected | <ul style="list-style-type: none"> Engagement with stakeholders to determine potential uptake of the program Analysis of cash flow implications due to receiving levy payments later than expected Scenario analysis of various levy payment relief program terms (e.g. length and retroactivity) Analysis of financial impacts to capital projects due to receiving levy payments later than anticipated Identify possible capital budget strategies (other funding sources/capital deferral options) that could be applied to cover shortfall for projects | <ul style="list-style-type: none"> Details outlined in C2020-0775 Attachment 3, off-site levy balances. Cash flow implications include the need to find corporate capacity for principal and interest payments for Utilities and impacts to funding availability for Transportation and Community Services. No anticipated short-term impacts to levy-funded capital projects underway (Water Resources, Transportation, Community Services). Levy-funded capital projects planned beyond the current year may be impacted, particularly should there be significant developer default. |

| Next steps identified in C2020-0647 Attachment 3, for Option 2 | | Summary of steps taken | Outcome and/or proposed approach(es) |
|--|--|---|--|
| | Explore options to secure against developer default | <ul style="list-style-type: none"> • Internal and external stakeholder engagement to determine options and feasibility • Consideration for impacts to developer tiering • Investigate other options as identified by The City Law Department | <ul style="list-style-type: none"> • Administration recommends pursuing registration on title, where legally possible, should payment not be made in full at the end of the payment relief term (i.e. net 30 days, plus six months) • No impact to tiering for applying for payment relief. • Status quo impact to tiering for developer defaults, etc. |
| | Determine application, invoicing and credit processes | <ul style="list-style-type: none"> • Internal stakeholder engagement, process development and documentation | <ul style="list-style-type: none"> • For invoices currently outstanding, an application must be received within 30 days of the effective date of the program • For invoices yet to be issued, an application must be received within 30 days of the invoice • Payment relief credit to be reflected on statement of account, with follow-up reminders • Late payment fee relief credit will apply for six months beyond the due date of the invoice (i.e. net 30 days, plus six months), after which no credit will be applied to late payment charges |
| Work plan impacts | Delay Off-Site Levy Bylaw Review & Audit Implementation by up to two to three months | <ul style="list-style-type: none"> • Specific delays to Off-Site Levy Bylaw Review & Audit Implementation are still being determined | <ul style="list-style-type: none"> • Up to two to three months delay for Off-Site Levy Bylaw Review & Audit Implementation remains accurate |

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|--|---|--|--|
| Engagement | Stakeholder engagement | <ul style="list-style-type: none"> • Engagement session with industry on 2020 June 24 regarding program terms • Follow-up engagement session with industry offered, but not required as indicated by industry • Emailed online survey to developers with outstanding levy payments 2020 June 25-29 • Email and verbal feedback collected ad-hoc throughout the investigation phase • Communications updates include: Dispatch article, Calgary.ca updates, and updates to 311 scripts | <ul style="list-style-type: none"> • Payment relief program terms reflect feedback gathered through stakeholder engagement • Agreement in principle for the majority of program terms • Some disagreement on retroactivity (outstanding invoices only, no refunds), length of relief (6 months) and duration of the program (2020 March 15 to December 31) • Disagreement on requiring additional security |
| Council | Anticipate returning to Council in July with a proposed Council Resolution for adoption | <ul style="list-style-type: none"> • Review of Off-Site Levy Bylaw requirements, and program approach to confirm Council Resolution as an appropriate approach | <ul style="list-style-type: none"> • Return to Council 2020 July 20 with Council Resolution |