



Financial Task Force Recommendations Q2 2021 Highlights & Successes

Achieving success on the Financial Task Force recommendations is a significant effort by the whole corporation. Many have contributed their talents, knowledge and experience to assist in making sure the full benefit of the task force's recommendations can be fully leveraged for the benefit of all Calgarians. The highlights below showcase the collaborative work by teams across the organization to help strengthen The City's financial system by implementing Financial Task Force recommendations.

Improving the understanding of municipal financial circumstances

The City's Customer Service & Communications team has responded to Financial Task Force recommendations focused on enhancing the approach to ongoing communications by establishing a cohesive financial narrative that connects The City's annual financial cycle and initiatives. The narrative includes elements of service value, citizen opportunities for input, as well as continuous improvement initiatives to:

- Improve transparency about services plans and budgets, and how property tax dollars are invested, starting with clarity about the provincial and municipal split.
- Demonstrate service value by highlighting the variety of services and programs The City provides through the municipal portion of property taxes.
- Communicate initiatives underway to reduce municipal government costs, such as the Solutions for Achieving Value and Excellence (SAVE) program.



The calgary.ca/OurFinances webpage provides a central place where citizens can go to learn about City Finances and how The City is working to ensure Calgarians receive good value for their property tax dollars, including:

- A [tax calculator](#) that shows the year-over-year change in property taxes, a breakdown of how much of your property tax goes to the province, how much goes to The City, and how your City tax dollars are invested in services that make life better.
- A video series to increase awareness and understanding of the financial cycle, inputs, property assessment, taxes and investments in municipal services.

The City implemented a service value campaign from March-to-June to improve understanding of municipal finances through multi-cultural marketing and social media. The campaign includes key messages about City finances and addresses misconceptions and myths about our finances, programs, and services at calgary.ca/financial-facts.

Sustaining Calgary's superior livability outcomes while maintaining competitive property tax rates

The Financial Task Force recommended The City further develop and sustain Calgary's superior livability outcomes while having competitive residential and non-residential property taxes to achieve the goal of tax competitiveness.

The City is committed to meeting the needs of Calgarians in a fiscally responsible way to help maintain some of the lowest property tax and utility rates compared to other Canadian cities, while also sustaining high scores on livability and quality of life. These factors – livability and tax competitiveness – play a vital role in attracting skilled labour and capital investments in Calgary.

The City measures its performance relative to other Canadian cities on an ongoing basis to identify where we are doing well and where we can improve. We also monitor how we compare against international cities based on various world ranking studies throughout the year. This knowledge strengthens The City's accountability and enhances transparency. Ongoing improvements to municipal measurement and benchmarking are underway in collaboration with other cities to enhance tax competitiveness. Visit calgary.ca/compare-municipalities to learn how Calgary compares to other cities (available on June 4th).



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Working with partners to achieve progress on downtown revitalization

Calgary, as a whole, benefits from a strong downtown, as it contributes to its economic success and The City's revenues, tax base, and ability to provide services.

Organizations across Calgary, including The City through Council direction, have undertaken research and planning initiatives that seek to address the crisis level vacancy in the downtown core and respond with actions. Downtown Calgary faces the challenges of a restructuring oil industry, office space oversupply and the impacts of the COVID-19 pandemic.

Downtown recovery will take time and requires intentional commitment from government, community, business, and partners to be bold and work together. The Downtown Strategy team is leading this charge and leveraging the collective efforts of The City and its public and private sector partners. Together, they respond to the prolonged economic challenges and capitalize on opportunities to create jobs, drive economic recovery, and revitalize and transform the downtown. The team, comprised of The City of Calgary, civic partners, community partners and business improvement areas, has developed a vision, roadmap and commitment to building a thriving, future-focused downtown.

In April 2021, City Council approved the [Greater Downtown Plan](#) and an initial investment of \$200 million to support the actions outlined in the plan. This investment allows The City and its downtown partners to take bold action and make intentional investments in public spaces, support vibrant neighbourhoods, and ensure that Calgary continues to create a downtown where people want to live and work.

More recently, the province established the Calgary Office Revitalization and Expansion (CORE) Working Group, whose purpose is to make recommendations on the best path forward to fill office towers and renew the vibrancy of Calgary's downtown core. The working group will assess existing findings and recommendations, determine their feasibility, and submit a final report by September 30, 2021.

New revenue through Fleet Innovations

Fleet Services is leveraging untapped revenue potential through the expansion of the Fleet Services' Fabrication Workshop. This innovation will enable Fleet Services to increase its revenue beyond the current \$8-9 million per year by designing and manufacturing fabricated items for external parties and municipalities.

The City often uses vehicles and equipment to meet service delivery requirements. Understanding the unique service requirements of customers leads Fleet Services to source the most appropriate solution to enable service delivery. Off-the-shelf solutions are often either not available in the market or require significant modifications to meet customer needs, which drives up costs.

In collaboration with Roads, Fleet Services designed, engineered and fabricated a slip-in asphalt carrier. This innovative piece of equipment, through its slip-in design, increases the utilization of the existing fleet of dump trucks. With the design of slip-in sanders and drip tanks, one dump truck now provides three distinct services:

- snow and ice control in the winter
- street clean-up in the spring
- asphalt recycler/carrier in the summer.

All three pieces of equipment are plug-'n-play using the same control system installed on the base dump truck. In less than 30 minutes, one operator can change the equipment and make the unit ready for the next application.



The design and manufacturing of slip-in products provides an innovative cost saving solution not readily available in the market, which has captured interest from external parties and municipalities. The design creates efficiencies in service



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delivery, reduces fleet expense and increases fleet utilization. Marketing and selling Fleet Innovations to external organizations creates a new revenue stream for The City while maximizing the use of existing facilities and equipment.



Incentives to increase TIPP participation through January 1, 2022

The Financial Task Force recommended The City strive for a higher uptake of the tax installment payment plan (TIPP) to smooth City cashflows over time and limit the strain on resources during the tax season.

TIPP is a popular program that allows property owners to pay their property taxes monthly instead of making one payment in June. TIPP helps property owners by making budgeting easier - enabling smaller monthly payments, while avoiding a lump sum payment in June and eliminating the risk of incurring a late payment penalty for missing the deadline.

To increase the uptake and participation in TIPP, Council waived the two per cent filing fee and there is no initial payment required for taxpayers who join TIPP between January 1, 2021 and December 31, 2021. This has resulted in an uptick in participation with approximately 289,000 property tax accounts being paid through TIPP. This is the highest participation rate in Canada (approximately 60 per cent). A comprehensive marketing campaign is underway to increase awareness of the benefits of TIPP and changes to the program, as well as, to motivate even more property owners to participate in TIPP.

Leverage the “Calgary in the New Economy” strategy and align decision-making priorities

Calgary Economic Development is collaborating with The City, partners and industry to create an environment where businesses, innovation and communities can thrive. The vision is for Calgary to be the city of choice in Canada for entrepreneurs who are embracing advanced technology to solve the world’s greatest challenges: cleaner energy, safe and secure food, efficient movement of goods and people, and better health solutions. *Calgary in the New Economy* emphasizes the pillars of Talent, Innovation, Place and Business Environment, taking a holistic approach to economic diversification and growth. This includes efforts to attract investment into the downtown core. Significant progress and achievements include:



- \$2.2 million saved in business costs from The City of Calgary COVID-19 Relief Package including waived and deferred Planning & Development fees, property tax relief, Business Improvement Area tax relief, and deferral of waste, water, and recycling charges.
- Calgary was identified as a national leader in 5G readiness and preparedness, compared with peer cities in Canada, and is working with wireless service providers and other organizations to create a digital zone downtown to test and pilot new technologies.
- Calgary became the first city in North America to permit mass testing of unmanned aerial vehicles beyond line of sight.
- Calgary attracted \$353 million in venture capital investment in local companies in 2020, led by the technology sector with over 33 deals, double the amount in 2019.
- Use of The City’s online permitting services increased 43 per cent from 2019, reducing the time and effort required to apply and receive required permits to start a business.
- Calgary was one of the first locations to reopen for filming and, through close partnership with The City of Calgary in permitting projects, conducted \$90 million in film production in 2020. Calgary ranked 10th across North America as one of the 2021 Best Places to Live and Work as a moviemaker by *MovieMaker Magazine*.
- Calgary is an emerging centre for innovation in aerospace and logistics technology. YYC Calgary International Airport saw an 11 per cent increase in air cargo landings from 2019 to 2020; was one of only four airports open during COVID-19 and continued to lead the country in connecting flights (43 per cent of passengers are connecting).
- The Southern Alberta Institute of Technology announced a \$30 million investment into a School for Advanced Digital Transformation. Opportunity Calgary Investment Fund invested \$8.2 million of \$19.8 million to create a downtown Digital Transformation Tech Hub to enable building foundational competencies for digital transformation in traditional industries.



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- A new study estimated Calgary's investment in technology and services that will enable a digital transformation of business practices, products and services will be \$7.5 billion by 2022.

Visit calgaryeconomicdevelopment.com to learn more.

Engagement and advocacy with other orders of government for better fiscal tools

The external Financial Task Force members made 12 recommendations whose successful implementation depends on support from other orders of government, ranging from legislative or regulatory change to improved coordination and communication. Intergovernmental & Corporate Strategy has developed a comprehensive plan to engage other orders of government for change. Engagement on advocacy ready items has begun to:

- Improve reliance on non-property tax revenue and reduce the shortcomings of over-reliance on property tax.
- Consider differentiated taxation for businesses and organizations that make significant contributions to the fabric of the city.
- Work with the province to allow legislator's intent on the definitions for non-residential subclasses.
- Collaborate with the province to authorize tools that address service costs that arise from provincial government direction or changes.



The engagement plan will use several strategies based on past advocacy experience with the same or similar issues, the current intergovernmental context, and anticipated risks and opportunities, including:

- Aligning Financial Task Force recommendations with the Government of Alberta's existing legislative priorities and engagement opportunities, including the ongoing Red Tape Review process.
- Enlisting Financial Task Force and other partner voices in a campaign for change, including public messaging.
- Engaging the Government of Canada in a tri-lateral conversation about municipal finance reform.
- Leveraging opportunities for the Mayor and Members of Council to share the aims of fiscal reform with local Members of the Legislative Assembly and Members of Parliament.

Engagement activities will proceed through the fall and return to Intergovernmental Affairs Committee with an update and discussion of the next steps in 2021 December. For Calgarians, this plan represents an opportunity to support Calgary's economic recovery and financial resiliency with innovative solutions recommended by an expert panel. Successful reform of the fiscal framework through advocacy should have positive long-term implications for The City to finance its social and environmental obligations and priorities