

Online Advertising – Public Works Notices, Property Tax Sale and Annual Report

RECOMMENDATIONS:

That the Priorities and Finance Committee recommend that Council:

1. Forward this report (PFC2021-0503) to the 2021 June 21 Combined Council Meeting to the Public Hearing portion of the Agenda;
2. Give three reading to the proposed Charter bylaw (Attachment 1) to authorize online posting of public works notices and property tax sale advertisements; and
3. Direct Administration to discontinue newspaper advertising for the annual report.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, 2021 MAY 18:

That Council hold a Public Hearing; and

1. Give three readings to the **Proposed Charter Bylaw 1H2021** (Attachment 1) to authorize online posting of public works notices and property tax sale advertisements; and
2. Direct Administration to discontinue newspaper advertising for the annual report.

HIGHLIGHTS

- Administration is seeking Council approval to transition from municipal newspaper advertising to advertising on calgary.ca for public works, property tax sale and annual report that will reduce costs and improve effectiveness of public notification practices.
- What does this mean to Calgarians? Calgarians will see such advertisements on calgary.ca.
- Why does this matter? With the internet's exponential growth in the last decades and with The City of Calgary website, calgary.ca, being established as the primary source for City information, the municipal website has become the most effective medium for delivering public notices at a reduced cost.
- Out of the three proposed changes in this report, changes to advertising of public works and property tax sale require a bylaw approval under the Calgary Charter.
- There is no previous Council direction regarding this report.
- Strategic Alignment to Council's Citizen Priorities: A well-run city

DISCUSSION

Public Works Affecting Land

Construction of public works/structures is an ongoing part of normal operations of every municipality. The *Municipal Government Act* ("MGA") requires municipalities to advertise completion of every public project and allows abutting property owners to seek compensation, in case of permanent reduction in value of their land ("injurious affection"), as a result of the existence of such new works/structures.

Section 534 of the MGA requires that notices of completion of construction or erection of a public work or structure must be delivered by mail, within one year, to every owner of abutting land together with a public notice in a municipal newspaper. Both methods provide information

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on completed public works, date of completion and outline owners' rights to claim compensation in case of injurious affection to the owner's land.

Administration currently identifies completed public projects semi-annually and provides the following public notices: notification to abutting property owners via direct mail, public notice in the Calgary Herald, along with a public notice on calgary.ca (not required by the MGA).

As impacted property owners typically represent less than one per cent of the Calgary population at each round of notifications, direct mail is the most effective communication strategy in this case. Advertising of public works in a municipal newspaper provides additional transparency about the existence of this process and establishes when claims must be submitted in accordance with the MGA. However, newspaper advertising is a less effective medium in comparison to The City of Calgary's webpage, for the following reasons: "flash-like" advertising in municipal newspaper lacks permanency, it appears in one print of the Calgary Herald semi-annually which creates limited exposure. Storing the same information on The City of Calgary webpage allows it to be internet-searchable and remain live for a longer period of time as costs are not at play to limit required exposure. General information about property owners' rights to compensation remains static on The City of Calgary webpage as supplementary information to a specific public notice about completed public projects which changes with each round of notifications.

Administration recommends that the MGA-required advertising in a municipal newspaper be discontinued for public works and replaced with a digital public notice on The City of Calgary webpage. The date of publication on The City's webpage would replace the date of publication in the newspaper for the purposes of establishing when claims must be submitted.

Property Tax Sale

Each year, properties with more than three years outstanding tax arrears are offered for sale by The City of Calgary, in accordance with the MGA. Sales are held as a public auction, with funds received used to recover outstanding taxes owed by the owners to the municipality. This process is commonly referred to as a "property tax sale".

Section 421(1) of the MGA contains advertising requirements for public auctions for the sale of parcels of land and section 436.12(1) outlines advertising requirements for public auctions for the sale of designated manufactured homes. Both require advertising in a municipal newspaper and, for the sale of parcels of land, additional advertising in the Alberta Gazette is required.

Administration currently publishes public notices for both types of sale in the Calgary Herald and the Alberta Gazette, along with a public notice on calgary.ca (not required by the MGA).

The City of Calgary makes every effort to arrange collection of outstanding taxes and remove the properties from the tax sale list during a long engagement process with the property owners and mortgage companies. Typically, only a dozen properties remain on the sale list when it reaches the stage of a public auction (compared to hundreds of properties owing taxes at the beginning of such engagement).

Advertising of the property tax sale is intended to draw buyers to the public auction. It also marks a formal point in the tax recovery process, which is regulated under the MGA.

Currently required newspaper advertising is a high cost initiative with a low return. Additional challenges associated with newspaper advertising are related to declining subscription and

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readership with the newspaper publications and subscription cost being a barrier to see the advertisement. Newspaper deadlines for making changes to the advertised property tax sale list are also less flexible when compared to advertising on calgary.ca. That results in situations where properties who have paid their tax and should have been removed still get advertised in the newspaper.

Administration recommends discontinuing municipal newspaper advertising for both sale of parcels of land and designated manufactured homes and replace it with advertising on calgary.ca. Together with existing advertising in the Alberta Gazette it provides sufficient formal notice of this process.

Annual Report

The annual report is part of The City's commitment to providing effective governance, increased accountability, transparency, and a well-run city. It provides a comprehensive view of the year's consolidated financial statements highlighting The City's commitment to prudent cost management, savings and positive operating cash flows.

Section 276(3) of the MGA requires The City to disclose its financial statements publicly. It states that a municipality "must make its financial statements, or a summary of them, and the auditor's report of the financial statements available to the public in the manner the council considers appropriate by May 1 of the year following the year for which the financial statements have been prepared".

The current release process for the annual report includes the following awareness tactics on April 30 of each year:

- Posting of the annual report to calgary.ca/annualreport
- Social media post directing viewers to the web posting
- News release sent out to media outlets
- News release posted to newsroom.calgary.ca
- Briefing note sent to Council, Councillor Assistants, City communicators and the Executive Leadership Team – which outlines the details of the report, key messages, FAQs and report link, and can be shared with constituents.
- Supply print copies of the annual report to all Calgary Public Library locations
- Full page Calgary Herald advertisement

The current newspaper advertisement is a high cost initiative with a low return. The 2019 Calgary Herald Annual Report advertisement cost was approximately \$8,000, excluding design costs.

The newspaper advertisement is only in the printed Calgary Herald. Therefore, it is only viewable to physical copy subscribers and purchasers of the specific paper, on the specific date of the advertisement placement. The free online version of the Calgary Herald does not include the advertisement. This creates a cost barrier for those looking for the information.

Administration proposes to cease the newspaper advertisement as the other aforementioned tactics create adequate public awareness and information accessibility.

Primary reasons behind the recommendations in all three situations are based on the analysis of the effectiveness of existing public notification/advertising methods in addition to costs savings.

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It should be noted that currently the page calgary.ca/publicnotices is used only for advertising of development permits. It would be beneficial if, eventually, all public notices reside on the calgary.ca/publicnotices webpage. This would increase inbound traffic to that webpage and result in greater exposure for all public notices.

The Customer Service & Communications (CSC) business unit reviewed this report and found that its recommendations are aligned with the amended Public Notice and Legal Advertising Policy

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

Public Communication or Engagement was not required

IMPLICATIONS

Social

For all three initiatives the removal of the required print advertisement will have little to no negative social impact. Online access is available for free at Calgary libraries across the city. In addition to the library, as part of the Bridging Digital Inequity program The City is working with community partners to improve digital equity in our neighbourhoods. With the removal of the expensive Calgary Herald advertisement, alternative means will be used to further the social reach, resulting in positive social implications beyond the print realm.

Environmental

There will be positive environmental implications due to the reduced need for print ads, potential reducing the size of the publication required. Less ink, less paper and less energy required.

Economic

Not Applicable.

Service and Financial Implications

Cost savings

Recommended transition from advertising in a municipal newspaper to advertising on calgary.ca for public works, property tax sale and annual report will save over \$20,000 annually (\$6,000 for public works, \$5,000 for property tax sale, \$8,000 for the annual report and over \$1,000 in design costs).

RISK

If the recommendations are not approved, The City will continue to incur newspaper advertising costs and cost savings will not be realized.

Deputy City Manager's Office & Chief Financial Officer's Report to
Priorities and Finance Committee
2021 May 18

ISC: UNRESTRICTED
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ATTACHMENT

1. Proposed Bylaw 1H2021

2. Public Submissions

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Chris Arthurs	DCMO	Approve
Carla Male	CFO	Approve