



Financial Task Force Recommendations Q4 2021 Highlights & Successes

Implementation of the Financial Task Force recommendations is a significant effort underway across The Corporation. Many have contributed their talents, knowledge and experience to ensure the Financial Task Force recommendations can be fully leveraged for the benefit of all Calgarians. The highlights below have been grouped under each of the Financial Task Force themes and showcase the efforts of teams across the organization to help strengthen The City's financial system.

Improving understanding of Municipal Finance Circumstances

The City's Customer Service & Communications team has led a collaborative effort to respond to Financial Task Force recommendations by enhancing the approach to communications and establishing a cohesive financial narrative that connects The City's annual financial cycle and key activities such as planning and budgeting, assessment, and taxes.

The financial narrative includes elements of service value, citizen opportunities for input, as well as continuous financial and process improvement initiatives to help demonstrate value and create awareness and understanding of The City's annual financial cycle. The financial narrative continues to evolve and includes:

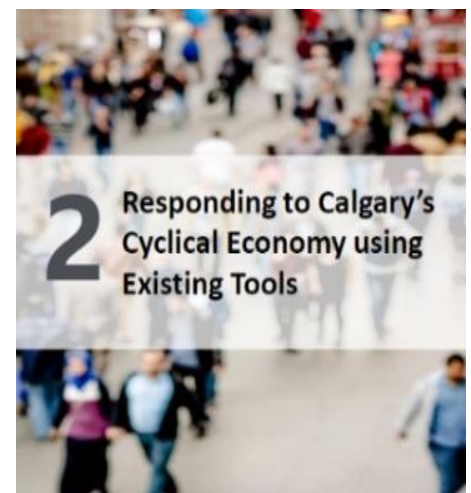
- Updates to the calgary.ca/OurFinances web page provide a central place where citizens can learn about City Finances and how The City continues to work to ensure Calgarians receive good value for their property tax dollars.
- A [municipal benchmarking](#) subsite to provide context as to how Calgary compares to other municipalities.
- The latest research on [citizens' views](#) about living in Calgary, perceptions of the quality of life, attitudes towards City Administration and Council, and perspectives of City programs and services.
- A [complete video series](#) to increase awareness and understanding of citizen priorities, service plans and budgets, how we align our programs and services with citizen priorities, determining your share of property tax, and how property tax dollars are put to work to deliver value to Calgarians.
- 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 [financial facts](#) page that addresses myths and misconceptions about The City's finances, programs and services.



New revenue through Fleet fabrication workshop innovations

Fleet Services has responded to the Task Force recommendation to develop and implement additional revenue from a strategic review of business activities while 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 \$9 million per year by designing and manufacturing fabricated items for external parties and municipalities.

Corporate prioritization and lack of resources often forces Fleet Management to turn away requests from external municipalities and organizations. Fleet Services has completed the hiring of foreman and team lead positions to create a new shift in the Fabrication Workshop and begin onboarding new fabrication requests in Q1 2022. This additional shift in the Fabrication Workshop will enable Fleet Services to start marketing products to external municipalities and organizations, resulting in forecasted revenue of \$11 million in 2022.





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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 provide 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 delivery, reduces fleet expense and increases 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.

TIPP modernization

The Financial Task Force recommended The City strive for a higher uptake of the Tax Installment Payment Plan (TIPP) to smooth City cash flows 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. The TIPP program has a 60 per cent enrollment rate, one of the highest of its kind in Canada.

The Taxation Service is continually looking for ways to evaluate and identify actions that could improve customer satisfaction and increase the uptake of enrolment in the program.



The City recently contracted a third-party survey with approximately 500 randomly chosen property owners, including both TIPP participants and non-participants to: 1). identify barriers to use and identify opportunities to increase TIPP participation; 2). understand ways to improve program accessibility and responsiveness to those requesting to join TIPP; 3). measure rates of awareness and recall of TIPP to find better ways to provide information about TIPP to Calgarians, and; 4). validate and better understand the motivations behind the high TIPP participation rate.

Based on the findings from this research, the Taxation Service has:

- Collaborated with Law to revise the TIPP Bylaw to reduce barriers to program entry.
- Started development of an online intake process in partnership with IT that will be enabled through a TIPP Application Portal to improve the taxpayer experience and streamline internal processes.
- Enhanced communications regarding the benefits of TIPP.
- Worked with Customer Service & Communications to develop and promote a digital TIPP campaign designed to increase TIPP participation amongst homeowners with an emphasis on Calgarians aged 25-44, who are seen as the most likely potential TIPP participants.



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Managing the transition to the new economy

To address the emergence of the rapidly growing digital economy, the Task Force recommended The City prepare for the future by looking inwards and creating a good environment where businesses, small and large, can thrive.

The Business and Local Economy team continues their collaborative efforts to support businesses through everchanging economic realities and create conditions where businesses can succeed:

- **Creation of an online Business Hub** – provides a one-stop-shop where businesses to go for updates, resources and information to support businesses during COVID at calgary.ca/business.

The new business hub design incorporates new features and technology to existing business pages that have been organized to improve the overall customer experience business owners have with The City. It was ideal for launching the Calgary Reopening Grant in July 2021 and the Restrictions Exemption Program (REP) Support Grant in October 2021.

Between June and October 2021, the business hub had 258,196 page views with a higher than average time spent per page than most City of Calgary web pages. The highest traffic was in July and October, with 71 per cent coming from organic web searches and 45 per cent were new visitors to calgary.ca. The pages with the highest views were Business Licensing and Starting a Business.

- **Patio Program** – following Council approval of a COVID relief package to support temporary outdoor patios, a new process was developed and implemented to support local establishments obtain approvals for temporary patios. Temporary permits for outdoor patios were issued at no cost and Administration also waived development permit fees. This use of outdoor space was one way to support local establishments while enabling physical distancing for patrons and staff during COVID.

Of the 441 patio permits issued by The City in 2021, almost 50 per cent were temporary patio permits in rights of way. Following the success of this program, City Council approved the establishment of a permanent patio program in September 2021. The Planning and Development department has begun to guide its implementation.

- **Restaurant / Brewery Experience Improvement Program** – after hosting three confidential meetings with the Business Advisory Committee and representatives from the restaurant and brewery sector to identify issues, the Business and Local Economy team has been working to implement solutions, beginning with the Business Experience Representative Pilot that started in March 2021.

The Business Experience Representative (BER) acts as a consistent “one-stop-shop” / concierge service for business customers. The pilot ends on December 1, 2021. To date, the program has improved business licensing timelines for restaurants and breweries by 21 per cent. While the focus of this improvement program has been on the restaurant/brewery sector, the solutions will support the entire business community in Calgary.

- **Support Local YYC** – the Business and Local Economy team has once again launched its seasonal #SupportLocalYYC campaign to support local entrepreneurs and businesses who are the life of our economy. The supply chain issues and continuing effects of the pandemic make it timely for Calgarians to seek out locally available products and services. Consumers can find shelves stocked with unique discoveries inside Calgary businesses. For every \$100 spent at a local business, \$58 is circulated back into our local economy.





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Balancing livability and tax competitiveness

To address the need to improve tax competitiveness without sacrificing livability, the Task Force recommended The City further develop and sustain Calgary's superior livability outcomes while having competitive residential and non-residential property taxes. In response, Corporate Economics continues to measure and benchmark tax competitiveness amongst Canadian cities using the largest cities and regional municipalities in the Calgary region for comparison.

The [2020 Residential Property Taxes and Utility Charges Survey](#) is complete and has been published online. This latest survey includes two new questions, (in addition to regular questions about residential property taxes and utility rates), regarding non-residential property classes and taxes for two types of commercial properties to address Task Force recommendations: 1) downtown high-rise office space, and 2) big box retail of 50,000 square feet or more. A total of 8 cities responded to the new questions regarding non-residential properties and the findings are available in the survey.



Building capacity to offer relief when prevailing economic conditions demand

During the Special Meeting of Council on 2020 Adjustments to One Calgary Service Plans and Budgets, Council directed Administration to identify strategies and tactics to reduce the responsibility of taxpayers for the remainder of the One Calgary cycle. The City's [Solutions for Achieving Value and Excellence \(SAVE\)](#) was created in response to this direction. Informed by feedback from front-line employees, Council and Calgarians, the SAVE team explored various options and approaches to balance overall service delivery, affordability, and risk. The program delivered \$26.4M in net base budget savings in 2021 and \$53.2M in base savings in 2022, exceeding the program's original targets.

Working with partners to promote Calgary – Downtown Strategy

Downtown is central to Calgary's economic recovery. It is the economic and cultural heart of Calgary - our central hub for business, innovation and creativity. What happens downtown, especially in terms of real estate, has a direct impact on the rest of the city. Calgary needs a strong core to grow our economy, create jobs and fund the City services we rely on every day.

To increase the vibrancy and economic vitality of the downtown, Council approved the [Greater Downtown Plan](#) and initial investments for implementation in April 2021. Since that time, the Downtown Strategy team has leveraged the collective efforts of The City and public and private sector partners to:

- **Launch the Downtown Development Incentive Program Phase 1** (office to residential conversion). There has been significant market interest with 13 applications received. The evaluation process is now underway.
- **Open the Stephen Avenue Safety Hub** - in September 2021, The City and Calgary Police Service opened a single, centralized location on Stephen Avenue where uniformed officers can collaborate on common issues, complete necessary paperwork and store equipment. The innovative working space for this initiative was generously donated by Slate Management and the Calgary Downtown Association. It will operate as a two-year pilot project. This initiative provides the opportunity to increase the visibility of uniformed Police, Bylaw and Transit officers in the downtown core, enhancing the sense of safety and security for citizens and businesses. The Downtown Ambassadors and Stephen Avenue Safety Hub received funding from Council to operate these downtown community safety initiatives through to 2023.
- **Advance additional projects** such as the [Future of Stephen Avenue](#), [Tomorrow's Chinatown](#), and [Eau Claire Area Improvements](#).





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Working with partners to promote Calgary – Economic Strategy

Calgary in the New Economy is a community built and supported strategy guided by local business and community leaders representing various industries, post-secondary institutions and municipal agencies. Insights were also gathered from community stakeholders and citizens.

The vision is for Calgary to be the city of choice in Canada for the world's best entrepreneurs who are embracing 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 Economic Development](#) stewards the implementation of the economic strategy in collaboration with other stakeholders and Civic Partners. Significant progress and achievements include:

- Opportunity Calgary Investment Fund announced \$2 million in investments to support [Endeavor Global Canada](#) and [SVG Ventures/THRIVE](#).
- Two Opportunity Calgary Investment Fund RFPs issued: Innovation Ecosystems and Fund Manager:
 - The first RFP, Innovation Ecosystem, pursued organizations that could provide training and mentoring to grow local companies.
 - The second RFP, Fund Manager, sought a qualified firm to manage a new or existing fund, leveraging other investors to identify and invest in early-stage technology-focused entities in Calgary.
- The Opportunity Calgary Investment Fund will support local entrepreneurs and startups through the establishment of Plug and Play Alberta by global business accelerator Plug and Play LLC with its headquarters in Calgary. Plug and Play was selected for OCIF support following a request for proposal (RFP) for business incubators and accelerators to address an identified scaleup gap in our innovation ecosystem by helping local tech companies grow while attracting global investment to Calgary.
- Accelerate Fund III LP is the first third-party fund manager selected to create a pool of capital for Calgary-focused early-stage investments. The Opportunity Calgary Investment Fund (OCIF) will contribute \$6 million to Accelerate Fund III, which will match dollars from OCIF to support early-stage companies and help accelerate the growth of the local tech and innovation sector.
- Calgary has seen 29 venture capital investments totalling \$252 million and is set to outpace 2020 investment activity.
- Startup [Genome Global Startup Ecosystem Report](#) ranked Calgary as one of the top 100 emerging tech startup ecosystems in the world, and second in Canada as an innovation ecosystem with the best “bang for buck” for the average amount of money raised by local tech startups. The City was also cited as one of the top 20 North American cities for hiring affordable talent.
- The International Economic Development Council (IEDC) awarded Calgary Economic Development with a gold rank for its Calgary sector videos, and a bronze rank for its New Economy LIVE event series.
- Soft launch opening of the Platform Innovation Centre, a multi-functional space dedicated to supporting start-up projects and entrepreneurs come together and create ideas that will shape the future.
- Calgary recorded double-digit growth in tech talent and total tech jobs over the past five years, rising six spots to 28th place among the Top 50 North American markets in [CBRE's 2021 Scoring Tech Talent](#) report.
- Notable attraction wins in 2021 include: [RBC Innovation Hub](#), [Endeavor Canada](#), [Infosys](#), [Mphasis](#), [SVG Ventures | Thrive](#), [Amazon Web Services](#) .





Financial Task Force Recommendations

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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. These recommendations have lent important expert and quasi-independent endorsement of many of the existing positions taken by The City for municipal financial reform.

Since the release and adoption of the related Engagement Plan developed by Intergovernmental & Corporate Strategy, The City has continued to push for change on advocacy ready items 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 the 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 is leveraging several strategies based on past advocacy experience with the same or similar issues, the current intergovernmental context, and anticipated risks and opportunities, including enlisting partner voices in a campaign for change. To this end, The City of Calgary recently submitted a resolution asking the Alberta Urban Municipalities Association (AUMA) to call on the Government of Alberta to work with all municipalities on municipal finance reforms, including:

- The expansion of revenue tools to reduce reliance on property taxes as opportunities allow,
- The expansion of property tax flexibility as opportunities allow,
- The expansion of revenue tools to non-property related activities as opportunities allow,
- The development of non-residential property sub-classes that are efficient and easily administered to allow municipalities a tool for targeted financial relief.

In addition, the AUMA, in collaboration with Alberta's municipalities, and if possible, the Government of Alberta, will also undertake research studies and collect information on:

- The impact of e-commerce and new models of goods and services delivery on municipal economies and finances, and
- Identifying a comprehensive list of services and associated costs redirected to municipalities.

On November 18, 2021 the AUMA membership endorsed this resolution with 89 per cent in favour, which will now become AUMA policy. The City will continue to work with AUMA to carry the message forward.

The inclusion of the Financial Task Force recommendations into AUMA's municipal finance reform advocacy is expected to assist in the collective effort to gain the fiscal tools necessary to allow Alberta municipalities to thrive and continue to provide effective delivery of services and infrastructure into the future while meeting the challenges of a rapidly evolving economy and society.

Engagement activities continue to proceed and will return to the 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.