

BRIEFING

Page 1 of 2

Item # 11.1

Chief Financial Officer's Briefing to

Executive Committee

2022 April 19

ISC: UNRESTRICTED

EC2022-0411

Financial Task Force Implementation Next Steps

PURPOSE OF BRIEFING

This briefing details the timelines associated with the work of the Financial Task Force implementation program. The program is focused on the financial sustainability of The City.

SUPPORTING INFORMATION

In November 2018, City Council identified the need for a Financial Task Force after changes in the economy starting in 2015, resulted in a prolonged decline in demand for downtown office space and a growing supply of inventory that negatively impacted property valuations, especially for large downtown office properties. This caused a significant redistribution of the tax base from large office buildings to other non-residential property owners.

The Financial Task Force, which consisted of a panel of twelve external members with expertise in policy formulation, business strategy, property valuations and finance, met regularly from September 2019 to June 2020. The Task Force put forward 35 recommendations that were approved by Council in June 2020 as part of *C2020-0742 Report and Recommendations of the Financial Task Force*; [Administration's responses](#) were included as an attachment to that report. The recommendations can be summarized under the following themes.

1. Improving the Understanding of Municipal Finance Circumstances
2. Responding to Calgary's Cyclical Economy using Existing Tools
3. Bringing Property Taxation into the Twenty-First Century
4. Improving Tax Efficiency for Long-Term Fiscal Sustainability
5. Preparing for Changes that would occur as the economy evolves
6. Making Calgary more Competitive, Livable and Attractive
7. Supporting Regional Economic Development
8. Working Better with Partners to Achieve Progress

Implementation of the recommendations has been proceeding through a combination of existing work, projects specifically focused on responding to the recommendations and the integration of new ideas into existing processes.

Attachment 1 lays out when the major pieces of Financial Task Force work have been completed and when the remaining pieces are expected to be delivered. It should be noted that many of the improvements to the financial system are not discrete projects, but rather refinements to existing processes, such as: (1) a closer connection between economic outlooks, the *Long Range Financial Plan* and the planning & budgeting process, (2) more concentrated efforts in communication, and (3) a more explicit use of evidence in decision-making, like providing more in-depth assessment and tax information.

BRIEFING

Page 2 of 2

Item # 11.1

In the near term, Administration will seek Council direction relating to: (1) assessment and tax policy options including the distribution of taxes between residential and non-residential property taxpayers which is something The City can do under the current legislative framework, and assessment smoothing and non-residential property subclasses, both of which The City cannot do under the the current legislative framework and would require further advocacy; and (2) advocacy strategy as it relates to the financial relationship between The City and the Government of Alberta. Each of these items will come before a committee of Council in June along with a comprehensive update of all the administrative action items arising from the Financial Task Force recommendations.

Many of the Financial Task Force recommendations touch upon the service planning and budgeting process. The One Calgary team has reviewed the pertinent recommendations and will continue to embed actions designed to respond to those recommendations within the service planning and budgeting process.

There will be a few of the recommendations that will be implemented on a longer timeframe. Specifically, those recommendations that speak to a review of the *User Fees and Subsidies Policy*, the costs associated with City services and progress on regional issues.

ATTACHMENTS

1. Attachment 1 – Financial Task Force Implementation Deliverables-EC2022-0411