

The implementation of Financial Task Force recommendations is a significant effort underway across The Corporation. Many have contributed their 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 to showcase the efforts of teams across the organization to help strengthen The City's financial system.

Enhance Ongoing Communications

The City's Customer Service & Communications team has led a collaborative effort to respond to Financial Task Force recommendations establishing a cohesive financial narrative that connects The City's annual financial cycle and key activities such as planning and budgeting, assessment, and taxes to improve understanding of municipal finance circumstances.



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 and [Financial Facts](#) 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.
- [Financial narrative video series](#) helps explain how The City's financial cycle works, including Assessment & Taxation, how property assessments help determine the property tax bill, the benefits of the Tax Instalment Payment Plan (TIPP) and how monthly instalments are calculated.
- [2021 Fall Citizen Research Results](#) as one input for Council decisions on [budget adjustments](#) and [2022 service investments](#).
- The City's [Customer Review Period](#) continued to build awareness about how The City prepares assessments annually to ensure fair and equitable distribution of property tax.
- Calgarians were engaged in obtaining input on service value and delivery for the [2023-2026 Service Plans and Budgets](#).
- A Service Value campaign helped inform Calgarians about City programs and services investments in 2022 and the value Calgarians receive that is funded by property tax dollars. Property owners were also encouraged to use The City's [property tax calculator](#) to get an estimate of their tax bill and a complete breakdown of how their tax dollars are invested.
- The City also engaged key stakeholder groups for feedback on approaches to tax distribution and values.
- A property tax awareness campaign, including webpage and video to promote the [Tax Instalment Payment Plan \(TIPP\)](#), create awareness of how TIPP helps property owners, how instalments are calculated and why the instalment amount can change.

User Fees and Subsidies Policy Review

The User Fee and Subsidies Policy will be reviewed based on Council Policy CC046 by 2024. The review will take place through two phases: an update to the policy and implementation of the policy through 2023-2026 Service Plan and Budget processes. The project plan is under development and opportunities in the scope of work include:

- Identification of the societal costs for services to non-residents without discouraging non- Calgaryans from increasing economic activity through their spending.
- User fee reliability may contribute to reduced reliance on property taxes.
- Clear understanding of the legal restrictions for user fees and levies.
- Cost of service guidance in the implementation process and link to the outcomes of the Revenue Review to determine any policy implications.



Over the past six months, Administration has:

- Undertaken public engagement to obtain feedback on user fees in conjunction with the 2023-2026 Service Plans and Budgets.
- Embarked on a policy principle analysis, currently underway.
- Introduced the Social Wellbeing Advisory Committee of Council to the user policy and gained agreement to obtain advice from the Committee at key points throughout the project.

Property Tax Policy Framework

Administration is preparing a Property Tax Policy Framework to increase understanding and improve clarity around property tax policy. The *Framework* will:

- Identify generally accepted principles of taxation which form the basis of an effective framework for evaluating tax systems and property tax policy options and reforms:
 - Fairness: Ability to Pay - based on the concepts of horizontal and vertical equity.
 - Fairness: Benefits - people should pay taxes according to the benefits they receive from services.
 - Neutrality - means that The City should offer a competitive tax/service offering.
 - Stability & Predictability - tax should provide a stable and predictable revenue source for The City. Taxpayers should be able to understand the impacts that arise from reassessment.
 - Accountability, Simplicity & Transparency - tax rules should be as clear and simple to understand as the complexity of the subject of taxation allows.
 - Efficiency & Ease of Administration - the tax system should be easy to administer, resulting in minimized compliance costs for the taxpayer and minimized administrative costs for The City.
- Address the distribution of property taxes between residential and non-residential property classes, and
- Detail other options for Council intervention to differentiate tax responsibility between different types of properties.



This detailed current state of property tax policy, recommendations for Council decision, and options for future consideration will be presented to Executive Committee in September.

Improving Tax Efficiency for Long-Term Fiscal Sustainability

Administration has undertaken work on several initiatives designed to address Financial Task Force recommendations that will improve tax efficiency for long-term fiscal sustainability, including:

Long-Range Financial Plan

The City's recently released [2021-2032 Long Range Financial Plan](#) (LRFP) provides a plan to deal with the 10-year financial challenges facing The City to progress toward the long-term goal of financial sustainability and resilience. Although The City's current financial position is sound, there are systemic issues and emerging challenges that could potentially impact its capacity to provide services for Calgarians in the short and long term. The City's financial goals, strategies and tactics establish a mechanism of risk management to support the outcome of a well-run city by delivering valued services and infrastructure for citizens.

The LRFP is a critical centrepiece in connecting The City's long-term vision with financial policies, medium-term financial investment plans, short-term priorities and accountability. It provides information to assist in understanding The City's financial challenges and strategies as financial decisions are made, including those around the next budget cycle. Development of the plan has included extensive engagement with services and validation with both internal and external reviewers.

Motivate increase in TIPP uptake

The City strives to achieve 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.

Based on the findings of research conducted last year, the Taxation Service is continuing to take actions that could further improve customer satisfaction and increase uptake of enrolment in the program, including:

- Collaboration to obtain Council approval of changes to the TIPP Bylaw to support program accessibility and affordability. Effective 2022 January, new TIPP participants are no longer required to pay an administration fee or make a lump sum payment equivalent to missed instalments prior to joining the program.
- Work with Customer Service & Communications to develop and promote a digital TIPP ad campaign designed to increase TIPP participation amongst homeowners.
- Development of an online TIPP application portal that will facilitate a quicker, more streamlined process for applicants who choose this method of applying to the program. This process will also result in greater administrative efficiency by automating some previously manual processes.

High Quality information for tax rate decisions

The City will continue to undertake annual assessments per Financial Task Force recommendations as the annual process enables Administration to effectively monitor and respond to underlying changes in the economy and real estate market.



Earlier Finalized Assessment Roll

Moving the roll freeze date to earlier in the year will ensure that Council has the most accurate assessment data possible when they enter budget deliberations.

The 2022 November 17 roll freeze date and anticipated impacts for the pre-roll consultation period have been communicated to key external stakeholders and industry groups, including major tax agencies.

Initiatives are underway to support the earlier availability of preliminary assessment roll information to minimize and mitigate potential impacts for stakeholders.



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:

- **Restaurant / Brewery Experience Improvement Program –** Calgary Building Services is continuing to implement solutions to address opportunities identified for improvement by restaurant and brewery sector representatives.

Following the Business Experience Representative Pilot that began last year, on May 11, 2022, the Business Experience Representative program was officially launched to make it faster and easier for restaurants and breweries to open and grow their business.

The Business Experience Representative (BER) is a consistent “one-stop-shop” / concierge service for business customers. Five full-time Planners were hired to assist those who wanted to open new restaurants and breweries. This has improved timelines to opening by 9 per cent, and the program is expected to expand into other sectors.



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, who embrace technology to solve the world’s greatest challenges: cleaner energy, safe and secure food, efficient movement of goods and people, and better health solutions. The vision is for Calgary to be the city of choice in Canada for the world’s best entrepreneurs.

Calgary Economic Development continues to steward the implementation of the strategy in collaboration with other stakeholders and Civic Partners. Significant progress and achievements over the past six months include:

- Opportunity Calgary Investment Fund announced \$16.3 million for four projects, including up to \$6 million for a fund for early-stage companies (Accelerate Fund III LP) and investments in Plug and Play, Creative Destruction Labs Rockies, and Movement51.
- Engagement to pressure test Calgary in the New Economy: An economic strategy for Calgary.
- The Platform Innovation Centre opened to the public in June 2022. The federal government, through PrairiesCan, is investing \$2 million and The City is investing \$1.5 million in the final fit-out of the Platform Innovation Centre. The Province of Alberta also announced \$1.8 million in operating funding over three years for the Centre.
- \$433 million of venture capital investment in Calgary in Q1 2022 validates the strength and scale of Calgary’s startup and innovation ecosystem.
- Film and television production saw a record \$522 million in 2021.
- The value of building permits reached a 10-year high.
- Notable attraction wins included: Amazon Web Services establishing a data centre region in Calgary by 2024, and Calgary will be the Canadian headquarters for Plug and Play.
- New training opportunities to grow Calgary’s tech sector continued through Future Skills Centre (EDGE Up 2.0), Work Integrated Learning Pilot Project, the Trade Accelerator Program, AltaML’s Applied AI Lab, Lighthouse Labs, and NPower Canada.
- Work with 7 Calgary post-secondary institutions is underway to advance regional work-integrated learning experiences for students after securing funding from the Government of Alberta and Government of Canada. Calgary's talent community continues to progress toward developing a workforce that meets current and future needs.
- Calgary Economic Development, Platform Calgary, SAIT, The City, and community partners continue to advance the design and development of a made-in-Calgary Innovation District.
- Tourism Calgary is implementing a targeted marketing campaign to drive business to Calgary's hotels and motels.
- Work on equity, diversity, inclusion, accessibility and Indigenous Reconciliation is being advanced in collaboration with many organizations across the city, including the City’s Indigenous Relations Office, to ensure long-term economic prosperity for all Calgarians.

Visit calgaryeconomicdevelopment.com to learn more.

