

Background and Previous Council Direction

Background

[C2022-1051 | 2023-2026 Service Plans and Budgets | Attachment 5 | Tax Distribution Research, Benchmarking and Scenarios](#)

[EC2022-0649 | Financial Task Force – Property Tax Policy Framework | Attachment 5 | Stakeholder Engagement Summary](#)

[EC2022-1090 | 2023 Preliminary Assessment Roll, Tax Share Scenarios and Related Estimates](#)

[EC2022-0815 | The City of Calgary Reserves and Long-Term Liabilities Balances 2021](#)

[FA-050 | Administration Policy: Financial Reserves](#)

Previous Council Direction

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2022 November 25	C2022-1051	2023-2026 Service Plans and Budgets Motion Carried: That Council: Direct Administration to come back in Q1 2023 with further options regarding the residential/non-residential tax shares for 2023, including but not limited to: a) Shifting tax share from non-residential to residential taxpayers; b) advocacy with Federal and Provincial Governments, including increasing funding options and the municipal portion of payments that can be used to support the operating budget; and, c) an examination of reserves and other funding sources which may be available to reduce property taxes on a one time basis in 2023.

11/1/2022	C2022-1176	<p>2023 Federal and Provincial Budget Submissions</p> <p>“The City asks the Government of Alberta to commit to a conversation around broad municipal financial reform including options such as flexibility in the way Calgary can use existing sources of revenue, changes to the annual budgeting process, and new tools for revenue generation.”- Letter from Mayor Gondek to the President of the Treasury Board and Minister of Finance.</p>
10/4/2022	EC2022-1090	<p>2023 Preliminary Assessment Roll, Tax Share Scenarios and Related Estimates</p> <p>Motion Carried: That the Executive Committee recommend that Council receive this report to inform November Service Plans & Budget deliberations.</p>
10/4/2022	EC2022-0649	<p>Financial Task Force – Property Tax Policy Framework That Council:</p> <ol style="list-style-type: none"> 1. Adopt this report and attachments as resources to support future decision-making on budget and property tax matters. 2. Continue to use the budget-based approach to setting budgets and property tax rates. 3. Continue to use the tax share approach in making tax distribution decisions. 4. If Council wishes to change the distribution of tax responsibility between residential and non-residential for the 2023–2026 Service Plans and Budget, the distribution must be revisited each year as part of the adjustments and mid-cycle adjustment process if conditions warrant. 5. Direct Administration to include information regarding changing the distribution of tax responsibility between residential and non-residential taxpayers to the 2022 October 18 Executive Committee, in addition to information on preliminary assessment values. 6. In continuing to use the tax share approach to make tax distribution decisions, abandon the 2012 direction to continue applying a zero per cent increase to consolidated business tax revenue, effectively drawing business tax consolidation to a close. 7. Direct Administration to prepare an annual briefing for Council on the context of property tax exemptions and tax relief expenditures in Calgary. 8. Direct Administration to develop additional tools and resources that reflect best practice, current Council direction, and provide further recommendations on how Council may exercise tax policy options in the future, in fulfillment of

Financial Task Force Recommendations 20 and 34 and to report back to Council by Q2 2024.

Bylaws, Regulations, Council Policies

CFO002 | Fiscal Stability Reserve Policy

- A. The reserve is to be used for the following purposes:
 - a contingency fund for operational emergencies, urgent or contingency capital expenditures, and to compensate for unplanned revenue reductions with significant financial impacts;
 - investment income from the reserve would be used to fund one-time operating budget expenditures
- B. Budgeted one-time operating expenditures funded from the FSR for the three-year business planning and budgeting cycle are to be funded to a limit of the investment income projected for the reserve during the same three-year period.
- C. The minimum FSR balance is set at 5% of The City's tax-supported gross operating expenditure (net of recoveries), excluding the utilities.
- D. The target balance for the reserve is to be 15% of the tax-supported gross operating expenditure (net of recoveries), excluding the utilities.