

**Chief Financial Officer's Report to
Priorities and Finance Committee
2018 June 28**

**ISC: UNRESTRICTED
PFC2018-0753
Page 1 of 6**

Electronic Notices for Property Assessment and the Assessment Review Board

EXECUTIVE SUMMARY

Administration has reviewed the feasibility of implementing paperless notices under the *Municipal Government Act* ("MGA") and the *City of Calgary Charter, 2018 Regulation* (the "Calgary Charter") and recommends that Calgary property owners be provided the option to receive their respective property assessment notices and Calgary Assessment Review Board ("ARB") documents electronically. Providing property owners with a paperless option for their property assessment notices and ARB documents would better serve our citizens, save money, and preserve the environment. This report seeks Council approval to establish a bylaw to enable these electronic processes.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee:

1. Direct Administration to
 - a. Forward Report PFC2018-0753 to the 2018 July 23 Public Hearing Council Meeting;
 - b. Publish a notice of the 2018 July 23 Public Hearing of the proposed bylaw under Report PFC2018-0753 (Attachment 3) in two issues of a newspaper, with each issue being in consecutive weeks and no later than 2018 July 13;
 - c. Publish banner advertisements on Calgary.ca, from 2018 July 3 to 2018 July 22, advertising the 2018 July 23 Public Hearing of the proposed bylaw under Report PFC2018-0753, and;
2. Recommend that Council:
 - a. Hold a Public Hearing and give three readings to the proposed bylaw (Attachment 3).

PREVIOUS COUNCIL DIRECTION / POLICY

None

BACKGROUND

The City of Calgary Assessment business unit and the City Clerk's office, in their delegated capacity as ARB Clerks, must send certain notices and documents prescribed under the MGA. The key notices are (a) property assessment notices and (b) ARB notices of hearing for complaints against property assessments by property owners. The mailing cost associated with 2018 property assessment notices alone was approximately \$500,000, inclusive of paper, printing, packaging and postage expenses.

In the last decade, both private and public-sector organizations have been increasing providing paperless options to their customers. In 2008, Council inquired about the possibility of implementing electronic assessment notices. After review, Administration responded to Council that, given legislative uncertainty with emailing assessment notices, it was not feasible to provide electronic assessment notices.

In 2012, Administration developed the myID user login process for citizens accessing personalized information through the calgary.ca website. The Assessment business unit was the first adopter of myID by integrating a user login to its online customer service portal

Electronic Notices for Property Assessment and the Assessment Review Board

("Assessment Search"), allowing owners, through their secure user account, to check their property's factual details and compare its market value with any other property in the city. This feature has been well received by property owners. Since its launch in 2012, approximately 110,000 myID users have linked their property on Assessment Search.

While the technology infrastructure was in place to securely allow an owner to view property details through Assessment Search, there was no clear legislative direction provided as to sending notices, so all assessment notices remained in paper form.

In 2013, the City Clerk's Office developed a user log-in process for filing assessment complaints on the ARB's independent calgaryarb.ca website, and started emailing notices of hearing to any complainant who provided their email address with their ARB complaint filing and subscribed to receiving email communication from the ARB.

Since MGA and City Charter stakeholder engagement began in 2014, Administration has advocated for amendments to address the legislative barriers to sending assessment notices electronically. In 2018, amendments were made through the MGA and Calgary Charter. Section 4(29) of the Calgary Charter adds to the MGA whereby a municipal council may now, by bylaw, establish a process for electronically sending notices and documents, under Parts 9, 10 or 11 of the MGA; the parts of the MGA that govern property assessment notices, municipal taxation notices, and ARB documents.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Section 608.1 of the MGA (as modified by the Calgary Charter) specifies that a council may through a bylaw establish a process for sending the documents by electronic means provided: (a) the council is satisfied the bylaw includes appropriate measures to ensure the security and confidentiality of the information being sent; and, (b) the council gives notice of the proposed bylaw in a manner the council considers is likely to bring the proposed bylaw to the attention of substantially all persons that would be affected by it (see Attachment 1 – Relevant MGA and Charter Provisions for Communications by Electronic Means). The proposed bylaw speaks to enabling electronic assessment notices (sent under MGA Part 9) and ARB hearing related documents (sent under MGA Part 11).

1. Electronic Assessment Notices

Delivery of electronic assessment notices through a secure login web portal

The Assessment business unit's individual password protected log-in web portal, called Assessment Search, currently provides assessment information about an individual's own property and summary details about other properties that can be accessed by its respective owner(s) or their agents.

Assessment Search was built upon The City's Identity Management (IDM) protocols developed by the Information Technology business unit and Corporate Security business unit. For these IDM protocols, The City's myID customer interface maintains individual user log-in security for various City services. Each individual myID account includes a required e-mail address.

Through the Assessment business unit, there is an additional identity security measure for property owners whereby, for each property, a unique "access code" is printed on every paper assessment notice sent by mail. Within Assessment Search, a user can enter the access code to link the respective property to their myID user account. When this added security of linking a

Electronic Notices for Property Assessment and the Assessment Review Board

property using a unique access code is completed, a user will have the option of subscribing to a paperless option for future assessment notices.

If a user subscribes to paperless, then an email will be sent to the myID account's registered email address whenever a future assessment notice is issued. The email will not send the actual notice, it will only notify that, as of the date of the email, the notice is delivered and available to be viewed in Assessment Search using the respective myID account (akin to the paperless notice option provided by the Canada Revenue Agency or through other commercial institutions such as banks). The email address used to send the notification is that which each user provides when completing their myID account registration.

At any time, a property owner can unsubscribe to paperless notices and revert to receiving paper notices by mail. The option of paper or paperless is always at the election of the individual property owner, and not The City.

As customers increasingly prefer digital communications, property owners will be seeking paperless assessment notices that: (a) are immediately "viewable" by the individual customer from anywhere in the world from the day it is made available; (b) can be printed at any time from the secure web portal; and, (c) can be downloaded and digitally stored by the customer on any technology device of their choosing. To meet this demand, it is recommended that the proposed bylaw enable a process for the electronic delivery of assessment notices through the encrypted and secure Assessment Search web portal given that it best integrates with existing paper mailing process, while assuring customer confidentiality and document security. (see Attachment 2: Proposed process and information security for assessment notices).

Administration also is currently working on an enhancement project for myID. The vision of this project is to provide a singular user myID and dashboard to access a host of City services. Currently, while many City services are available on-line, one individual may have to "log into" multiple systems in order to transact business with the City. The paperless notice option proposed through this report is aligned with this vision, and ultimately will be just one of the many services that will be offered under the enhanced myID "umbrella". The City adding an option for citizens to receive their assessment notice electronically to conserve tax dollars will increase citizen convenience and preserve the environment.

With Council approval of the report and Bylaw, detailed development work on the paperless option will proceed. All 2019 annual assessment notices will be mailed in paper form in early January 2019. Once software development is complete, it is projected that paperless assessment notices will only be available from Q3 2019 forward. However, property owners will be able to subscribe for the paperless option as of January 2019 (to receive paperless assessment notices after Q3 2019).

2. Electronic ARB Notices of Hearing and Disclosure of Evidence

The City Clerk's Office maintains a customer web portal, known as ePortal", whereby any property owner can file a complaint electronically to have their assessment adjudicated by the ARB. The ePortal system also allows users, at any time and from anywhere, to view the status of their assessment complaints, submit evidence disclosures, request postponements, submit withdrawals, and access any ARB decision.

Under the MGA, the ARB must notify parties to a complaint of the date, time and location of the respective hearing by sending them a "notice of hearing." Currently, where the complainant has provided an email address and chosen to receive communication from the ARB by email, the

Electronic Notices for Property Assessment and the Assessment Review Board

ARB Clerk will send the notice of hearing to the complainant by email. Where no email address has been provided, the ARB Clerk sends the notice of hearing by postal service to the mailing address on file. In 2017, 98 per cent of complainants chose email as their preferred method of communication with the ARB.

The proposed Bylaw would allow the ARB Clerks to continue to email notices of hearing to complainants who indicate a preference for email communication, and allow the ARB to presume that notices of hearing are received by complainants on the date that they are sent by email. This change is recommended because it will prevent unnecessary delays in communicating with complainants and in the scheduling of hearings, and support cost efficient delivery of customer service.

The proposed Bylaw would also allow for same-day presumption of receipt for the disclosure of evidence by electronic means by the parties to an ARB hearing (i.e. the property owner as complainant and The City as respondent). This bylaw provision is recommended because it will give the ARB, complainants (and their authorized agents) and the Assessment business unit a common understanding that when evidence for an ARB hearing is exchanged by email or other electronic means, it can generally be presumed to have been received on the same day it was sent.

Stakeholder Engagement, Research and Communication

Assessment

As part of its 2018 Assessment Customer Satisfaction Survey, Administration commissioned Léger and Associates to poll citizens to determine their support for The City adding an option for citizens to receive their assessment notice electronically to conserve tax dollars, increase citizen convenience and preserve the environment. Of the 700 customers in the survey asked "to what extent you are interested in getting your assessment notice online", 64 per cent were interested.

If the proposed bylaw is approved, Administration will bring the option of paperless assessment notices to the attention of Calgarians and encourage customer sign-up to the e-option through:

- a) dedicated inserts to be sent with 2019 annual, supplementary and amended assessments,
- b) advertisements in local newspapers, TV and radio, and
- c) banner ads notifications on Calgary.ca.

A particular focus of this communication campaign will be between January and March 2019, when the public interest in assessment notices is heightened with the mailing of 2019 annual notices.

Strategic Alignment

A. Providing an option for Calgarians to receive their property assessment notices and ARB notices of hearing electronically will align with City of Calgary Digital Strategy which states:

- 1.1 - We ensure services will be available digitally first if possible.
- 1.2 - We facilitate self-service whenever possible.
- 1.3 - We ensure service is available where users are.
- 1.4 - We offer a reliable and consistent user experience

Electronic Notices for Property Assessment and the Assessment Review Board

2.1 - We're one organization working together.

- B. In alignment with The City of Calgary Web Content Accessibility Guidelines (WCAG) 2.0, Administration will work to integrate accessibility features wherever possible into the design of electronic assessment notices and electronic ARB notices of hearing.
- C. In alignment with Council Priorities in Action Plan 2015-2018 and the vision of a *Well-Run City*, paperless communications and notices demonstrate that The City of Calgary is open, responsive, and transparent, with a modern and efficient municipal government that is focused on continuous improvement to make life better every day for Calgarians.

Social, Environmental, Economic (External)

Social

As customers increasingly prefer digital documents and communications, The City's initiatives supporting electronic notices will increase customer convenience through greater accessibility to City and ARB documents, and will ease storage requirements for these important documents.

Environmental

As customers are offered paperless alternatives by more organizations, such as The City, public awareness increases towards the environmental impacts of all aspects of paper manufacturing, transport, printing and delivery related to hardcopy documents.

Financial Capacity

Current and Future Operating Budget:

Electronic assessment notices will reduce The City's costs in the printing of assessment notices (with the related inserts and brochures), purchasing envelopes, packaging each envelope, and mailing through Canada Post.

In 2018, The City will mail approximately 550,000 property assessment notices, including annual notices, amended notices, supplementary notices, and amended supplementary notices. The mailing cost associated with these 2018 notices is approximately \$500,000, inclusive of paper, printing, packaging and postage expenses

Current and Future Capital Budget:

The systems development estimate for Assessment Search to allow myID users to subscribe/unsubscribe to electronic notices and for the paperless notices to be accessible through each linked myID account is \$135,000, inclusive of a 20 per cent contingency. Funding for this software development has been allocated through The City's Assessment and Taxation Committee as part of its capital budgeting for technology system changes arising through MGA changes.

Risk Assessment

Administration

A robust communication plan will be undertaken by Administration to optimize awareness of the paperless process by the public and stakeholders. This will ensure citizens are making informed decisions regarding their e-option.

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**ISC: UNRESTRICTED
PFC2018-0753
Page 6 of 6**

Electronic Notices for Property Assessment and the Assessment Review Board

Assessment

The capital budget allocation of \$135,000 for Assessment Search software development is a Class 3 estimate, prepared based on preliminary design information. At the Class 3 stage, project assumptions and constraints have been defined and detailed design is underway, but there may still be a budget variance of -20 per cent to +30 per cent as Administration proceeds with software development.

ARB

Implementing a bylaw under the City Charter would exempt the ARB from the presumption of seven days delivery as set out in section 608(2) of the MGA. In the absence of the proposed bylaw, the ARB would have to impose a seven-day delay on its annual hearing schedule, which would impact important business processes, require resources to track, and could impact the economic and legal interests of many public and municipal stakeholders. Finally, the proposed Bylaw should help reduce hearing delays and confusion when parties use email or other electronic means to disclose evidence in ARB cases.

REASON(S) FOR RECOMMENDATION(S):

A City bylaw enabling an option for citizens to receive their assessment and ARB notices electronically will serve to conserve tax dollars, increase citizen convenience (through greater accessibility to City and ARB documents and ease of storage of these important documents), and preserve the environment.

ATTACHMENT(S)

1. Attachment 1: MGA and Calgary Charter Provisions for Electronic Communications
2. Attachment 2: Proposed Process and Information Security for Assessment Notices
3. Attachment 3: Text for Discussion (Proposed Bylaw)