



Financial Task Force Draft Terms of Reference

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DRAFT

Draft Version v2.0
Completed February 19, 2019

Draft Terms of Reference for the Financial Task Force

1. Purpose

- a. These Terms of Reference establish the roles and responsibilities for The Financial Task Force (the “Task Force”) as directed by recommendation #5 and #6 of PFC2018-1134 that was amended and approved by City of Calgary Council at the 2018 November 19 Regular Meeting of Council. **Exhibit 1** of the Terms of Reference outlines Council direction for this work.
- b. The setting up of the Task Force reflects the need to address fiscal challenges arising from a shift in the property tax load across groups of non-residential property owners due to persistently lower downtown office assessment values following the 2015-16 Calgary recession. Members of the Task Force are expressly directed to develop a strategy that will focus on:
 - i. “Short-term mitigation;
 - ii. Long-term solutions;
 - iii. Revenue options to improve financial resiliency.”
- c. The Task Force will engage with key stakeholders and other parties to share ideas and develop options.
- d. Members of the Task Force will need to identify options and make recommendations to Council that respond to the summary diagnosis outlined in the City Manager’s PFC2018-1134 presentation.

2. Scope

- a. The strategy developed by the Task Force should provide a platform for implementing necessary changes. The focus will be on addressing financial vulnerabilities and improving equity and fairness in funding for The City’s services to Calgarians;
- b. Following City Council’s direction, **Exhibit 2** of the Terms of Reference provides the framework for analysis and strategy development that will define the specific work of the Task Force.
- c. As highlighted in Exhibit 2, the final report of the Task Force will examine and make recommendations on options that would respond to the summary diagnosis outlined in the

City Manager's PFC2018-1134 presentation. Options to consider include, but are not limited to:

- i. Application of spending and other restraints that are non-disruptive to generate savings;
 - ii. Utilization of financial reserves;
 - iii. Distribution of the tax load across taxpayer groups;
 - iv. Expansion of the revenue base and revenue options;
 - v. Configuration of Intergovernmental transfers and revenue generating authority; and
 - vi. Identification of incentives for a burgeoning private sector.
- d. A skills matrix outlining the requirements for Task Force members is available as **Exhibit 4** of the Terms of Reference.
- e. There will be a three-step process for task force member selection. The first is an advertisement of the Terms of Reference accompanied by a call for external applicants. The second is a review of applications, using the skills matrix, by members of a selection committee. The third is a selection decision by Council at the (Strategic Session – TBD) based on the recommendations of the selection committee.

3. Objectives

- a. The Task Force will rely on the result of the engagement with the Chamber of Commerce, Commercial Real Estate Advisory Committee, Calgary Economic Development, other interested stakeholders, organizations, and other orders of government due before the 2019 May 14 Priorities and Finance Committee (PFC) discussion. The Task Force will use the outcome of stakeholder engagement for additional understanding of challenges and opportunities facing The Corporation;
- b. The Task Force will establish a standard set of principles and rules to guide member contributions to the report deliverables. The report deliverables will include one-time and mid to long-term measures that will evolve to counteract the economic reality of the day;
- c. The Task Force will identify and evaluate options and alternatives that enhance or improve financial and economic resilience, a balance of revenue sources, and The City's long-term fiscal position;
- d. The Task Force will explore and potentially propose amendments to provincial and federal legislation, including the Municipal Government Act and The Calgary Charter, that can be explored to realize meaningful change;

- e. The Task Force will consider and suggest potential processes, performance measures and metrics, as necessary to respond promptly to volatility in the local economy.
- f. The Task Force will periodically report to Council the progress of its work, and provide support to a Strategic Session(s) of Council to enable The Mayor and Councilors to identify, evaluate, and formulate The City's response to the current fiscal challenges at The City;

4. Deliverables

- a. Expectations: In general, the role of the Task Force is to recommend a strategy or series of options that responds to the summary diagnosis outlined in the City Manager's PFC2018-1134 presentation. Specific deliverables are:
 - i. A report that would include individual chapter reviews of options to reflect the outcome of the assessment conducted by members of the Task Force;
 - ii. The report recommendations should respond to the summary diagnosis outlined in the City Manager's PFC2018-1134 presentation;
 - iii. A draft strategic communications plan including the potential need for press releases and associated briefing documents or issue papers;
 - iv. The performance measures and metrics and processes for communicating progress;
 - v. The identification of changes to provincial and federal legislation and regulations;
 - vi. A supporting advocacy strategy for other orders of government to consider the proposed changes identified in "v" above;
 - vii. A proposed Strategic Session of Council with Task Force members along with designated Administration and potential external subject matter experts to support Calgary City Council's decision-making;
 - viii. Periodic reporting to Council, including a final report to Council no later than TBD.
- b. Out of Scope: The following activities are excluded from the scope of the Task Force:
 - i. Specific proposals for changes and amendments to The City's service delivery and capital budgets;
 - ii. Implementation, staging, and operation of local events to advance a new Financial Framework.



5. Operational Guidelines and Responsibility Matrix

Members of the Task Force are responsible for and agree that building and maintaining a positive and cooperative working relationship with key stakeholders, community groups, other orders of government and individual Calgarians is vital to the success of The City's transformation efforts.

The mandate and deliverables of the Financial Task Force and the different groups in the accountability structure supporting the work of the Task Force is outlined in the responsibility matrix below:

Responsibility	Mandate	Deliverable
Financial Task Force	Directed by Council and led by the Chief Financial Officer – to develop a coherent set of actions that will make up the strategy for a response to uncertainty and volatility in the local economy.	4a (i to ii)
Project Management Office	Support the work of subject matter experts on the Task Force by monitoring risks, quality and project timelines and assist with communications.	4a (iii) 4a (viii)
Steering Committee	To develop targets and performance measures that will inform the adjustments to evolving local conditions by following the strategy. To pursue engagement with other orders of government as needed to realize the strategy.	4a (iv to vi)
Project Sponsor	To provide the oversight function for the work of the Task Force and to identify, evaluate and recommend The City's response to the current fiscal challenges from the Financial Task Force findings and recommendations.	4a (vii)

6. Governance and Accountability

- a. Governance and Collective Accountability: To deliver on Council's direction and achieve effective governance and decision-making support for the work of the Task Force, **Exhibit 3** provides a visual summary of the proposed governance and accountability structure.
- b. Individual Accountability: Roles and responsibilities for groups in the governance and accountability structure are summarized below.
 - i. Calgary's City Council will remain accountable for the work of the Task Force throughout its lifespan.
 - ii. The rules contained in the current edition of *Robert's Rules of Order Newly Revised* will govern the meetings of the Financial Task Force.
 - iii. The Chair of the Financial Task Force will be the Chief Financial Officer (CFO) of The City of Calgary.
 - iv. The Financial Task Force will appoint a co-chair who will act as chair in the absence of the CFO. A member may decline the position of Co-Chair without cause or consequence.
 - v. The Chair will lead the work of the Steering committee. The Chair will select members of the steering committee from the Administration of The City of Calgary.
 - vi. The Project Management Office (PMO) will coordinate dialogue and engagement with members or between members throughout the lifespan of the Task Force.
 - vii. The Chair of the Task Force will appoint a Project Manager that will drive the execution of deliverables.

Exhibit 1: City of Calgary Council Direction on Financial Task Force

Item 9.3.2 at the Regular Meeting of Council held on 2018 November 19

2019 Projected Tax Shift Non-Residential Properties, PFC2018-1134

MOTION CARRIED:

1. Direct the A&T Workgroup to present a final report to PFC no later than Q1 2019. In this, Administration should consider the following:
 - a. Budget reductions to offset tax-shift to reflect the New Norm;
 - b. Solutions to reduce swings in redistribution;
 - c. City-Initiated diversification of revenue sources to reduce reliance on the property tax;
 - d. Alternatives to the Phased Tax Program to support businesses directly;
 - e. Reducing the ratio between residential and non-residential over a period of 5 years;
 - f. Incentivizing/reducing barriers to residential development in the Centre City; and
 - g. Council Strategic Session Outlining Challenges and Opportunities in the Downtown.
2. Direct Administration to consult with Calgary Economic Development to undertake a policy, process, and membership gap analysis, regarding Downtown recovery, to ensure alignment and maximize capacity-building and return to Council with recommendations and budget implications no later than Q1 2019.
3. Direct Administration to convene a Financial Task Force comprised of internal and external experts to develop a strategy on the following:
 - a. Short term mitigation
 - b. Long term solutions
 - c. Revenue options to improve financial resiliency.
4. Return to Council through Priorities and Finance Committee with the recommended membership, framework, and terms of reference no later than Q1 2019.

Regular Meeting of Council held on 2018 November 26 – 30

One Calgary Budget for 2019 to 2022

CURRENT DIRECTION:

3. Direct Administration to come back in Q1 2019 with further options on the shift from non-residential assessment base to the residential assessment base as previously directed by Council, including but not limited to:
 - a. creation of a small-business assessment class;
 - b. continuing shift from non-residential to residential;
 - c. one-time money to manage the transition; and
 - d. advocacy with Federal and Provincial Governments.

4. Meet with the Chamber of Commerce, Commercial Real Estate Advisory Committee of Calgary, Economic Development and other interested stakeholders by the end of April 2019 to share ideas and options generated through the tax shift work undertaken in point 3 above. Following this engagement, bring a joint Administration/business community presentation to Priorities & Finance Committee on May 14, 2019.



Exhibit 2: Framework for Task Force Deliverable

A high-level description of the framework for the primary task force deliverable, which is a report outlining “a strategy on (a) short term mitigation; (b) long term solutions; and (c) revenue options to improve financial resiliency” is summarized below:

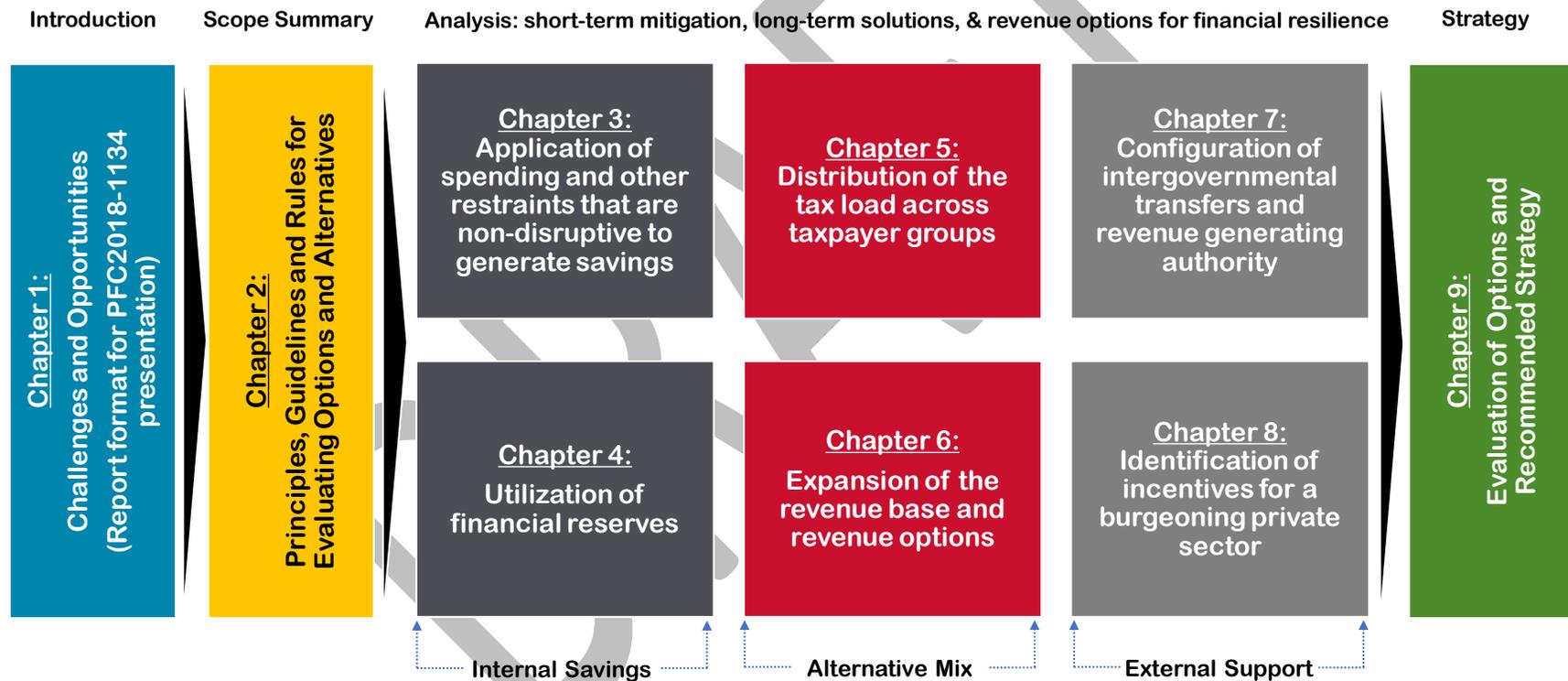


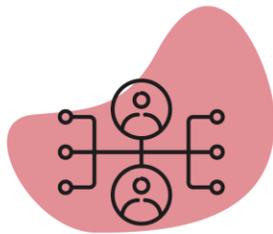


Exhibit 3: Summary of the Governance and Accountability Structure

STRATEGIC DIRECTION

City Council would:

- Ensure prioritization of the project within the organization.
- Approve Task Force Terms of Reference before commencement of work.
- Remain accountable throughout the lifespan of the work of the Task Force.
- Serve as champion of the work of the Financial Task Force.



OPERATIONAL DIRECTION/SUPPORT

Steering Committee and Project Management Office would:

- Determine how the goals and objectives are measured and foster confidence in work to be done.
- Manage interdependencies and ensure alignment with ongoing work elsewhere in The Corporation.
- Ensure best practices by monitoring and controlling alignment with Terms of Reference.
- Manage risks and issues effectively and serve as the escalation point for any project deviations.



TACTICAL DIRECTION/SUPPORT

Project Manager would:

- Lead the execution of work by the Task Force in accordance with the Terms of Reference
- Manage the progress and performance of the deliverables outlined in the Terms of Reference
- Execute communication plan to deliver concise, efficient and timely information
- Manage stakeholder relationships using established expectations and likely impact of deliverables.

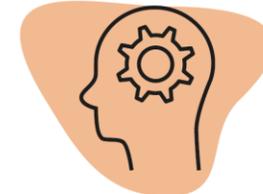




Exhibit 4: Skills Matrix for Potential Task Force Members

ELIGIBILITIES:

TERMS OF REFERENCE DEFINITION OF ELIGIBILITIES

QUALIFICATIONS:

DESIRED SKILLS AND EXPERIENCE

LAST NAME	FIRST NAME	Economic Expert: Diagnostic Overview of Challenges and Opportunities	Policy Expert: Coherent Principles and Rules for Evaluating Alternatives	Accounting Expert: Applying spending & other restraints that are non-disruptive	Finance Expert: Utilizing financial reserves	Tax/ Fiscal Policy Expert: Distributing the tax load across taxpayer groups	Economic Expert: Expanding the revenue base and revenue options	Intergovernmental Expert: Configuring revenue generating authority	Private Sector Incentives Expert: Incentives for burgeoning private sector	Strategy/ Policy Expert: Evaluating options and recommending a strategy	Academic experience or Doctor of Philosophy degree	Policy and public administration knowledge	3 to 5 years previous board experience (any kind)	Experience and training for media / public relations engagements	Good verbal and written communication skills	Budget planning and financial management experience	Finance designation (e.g. CA)	COMMENTS	RECOMMEND Yes / No
Male	Carla		Xx	Xx	Xx					Xx		Xx	Xx	Xx	Xx	Xx	Xx		
City Staff	Name A																		
City Staff	Name C																		
City Staff	Name D																		
Applicant	Number 1																		
Applicant	Number 2																		
Applicant	Number 3																		
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