

COST ESTIMATE SUMMARY

PFC2019-0559
ATTACHMENT 8

Note – at this time, these high-level cost estimates are preliminary and based on limited analysis. Actuals may be significantly different. Costs are considered incremental and currently unfunded within the One Calgary business plans and budget.

Work Element	Cost Estimate	
	If data collected through Property Assessment	If data collected through Business Licensing
Capital		
Data collection	\$150,000 to \$450,000	\$20,000
Technology		
Current property assessment systems	\$500,000	\$500,000
Future property assessment Systems	To be determined	To be determined
Taxation systems	\$750,000	\$750,000
Appeals and tribunals systems	\$5,000	\$5,000
Total capital budget	\$1,405,000 to \$1,705,000	\$1,275,000
Operating		
Data collection	\$650,000	\$7,900,000
Communication	\$500,000	\$500,000
Total operating budget	\$1,150,000	\$8,400,000
Total cost estimate	\$2,555,000 to \$2,855,000	\$9,675,000

Capital

Data Collection

Collected through Property Assessment

The capital costs for a data collection program administered through Property Assessment range depending on the chosen option. The costs for the simple modification of the current Assessment Request for Information (ARFI) are \$150,000 whereas the costs for a more comprehensive ARFI sent to all businesses in Calgary would be a capital investment of \$420,000. Each time there are new questions asked, the ARFI, which is automated, must be revised from a technological standpoint. There will also need to be changes to all of Property Assessment's communication streams including the calgary.ca/assessment web site. The costs for the application process would be approximately \$450,000 in order to establish the application forms, change communication streams, train staff and establish processes.

Collected through Business Licensing

Business Licensing uses both an online and an internal system to record business information. If Business Licensing is involved in the collection and maintenance of SBSC data, the current computer systems would require modifications in order to effectively administer the SBSC program for 2021. Business Licensing does have a robust system for registering and licensing businesses. The creation of a new field in the existing system would require minor upgrades but there would also need to be communication, training and processes established. The estimated cost is \$20,000.

Technology**Current and Future Assessment Systems**

Property Assessment currently relies on highly customized software called Calgary Integrated Assessment Office (CIAO). CIAO is a Computer Assisted Mass Appraisal System that is integrated with a Geographic Information System. The current CIAO system has been in use since 2002 and is near the end of its lifecycle. To address its current software challenges and proactively respond to the changing business environment, Property Assessment has established the CIAO+ Project to replace its current technology. CIAO+ is currently expected to be active and replace CIAO no earlier than 2021 Q4.

Both CIAO and CIAO+ would require significant modifications in order to effectively administer the SBSC program for 2021.

The costs to implement modifications to CIAO (and other Property Assessment IT systems) are estimated at approximately \$500,000. The modifications would take approximately 1 year, requiring work to begin no later than 2019 December. In addition, the modifications would likely require a minimum of 4 full-time, temporary positions to effectively manage the workload. This includes, but is not limited to, system configuration, internal testing, and integration testing.

Concerns have been raised as to the fiscal sensibility of performing modifications to CIAO when the system will likely be replaced by CIAO+ in 2021 Q4.

Due to the uncertainty with respect to how the data will be collected, Property Assessment has not approached the CIAO+ vendor for an estimate of time and cost.

Taxation Systems

The current computer systems used by Taxation would require significant modifications in order to effectively administer the SBSC program for 2021. The costs to implement modifications are estimated at \$750,000 and the modifications would take approximately 18 months, beginning work no later than 2019 September.

Appeals and Tribunals Systems

The current computer system used by the Assessment Review Board for assessment complaints would require minor modifications in order to effectively administer the SBSC program for 2021. The costs to implement modifications are estimated at approximately \$5,000 and the modifications would take approximately 1 week. This includes system configuration, internal testing, and integration testing with Property Assessment.

Operating***Data Collection*****Collected through Property Assessment**

Operating costs for the administration of this ongoing program are estimated at \$650,000 annually, requiring 5 additional full-time employees.

Collected through Business Licensing

Licensing or registering all businesses would require a near doubling of Business Licensing's current \$7.9 million annual operating budget as currently only approximately 50 per cent of businesses require licensing in Calgary. To license or register the remainder of them and ensure compliance would require twice as many team members and additional compliance tools.

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Communication

The operating costs of communication are estimated at \$500,000 annually. Communication would include marketing and increased inquiries to Citizen Information & Services, Property Assessment, and Taxation.