

DRAFT Financial Task Force Terms of Reference

Background

Calgary's cyclical economy affects property values and the property taxes paid by various property classes. The abrupt decline in property values of downtown office buildings of approximately \$14 billion has led to a decline in non-residential property taxes paid by these property owners. The result is a shift of those taxes to other non-residential properties and Council has approved a transfer of a portion of the tax responsibility to residential properties starting in 2019. The current economic situation may take an extensive amount of time to recover – and therefore short, mid and long-term solutions are needed to address the allocation of property tax responsibility and other financial strategies are also needed to improve Calgary's financial resilience. In order to appropriately consider potential strategies, Council has identified the need for a task force comprised of leading external experts to work alongside key City senior Administration on this issue.

Purpose

The purpose of the Financial Task Force, as directed by Council, is to form a group comprised of internal and external experts to:

1. develop a strategy or strategies related to short term mitigation measures,
2. develop a strategy or strategies related to potential long term solutions, and
3. new revenue options that can work toward improving financial resiliency for The City.

Scope

The scope of the Financial Task Force is fairly broad as creative solutions are sought to address the revenue issues facing The City.

Specific items that are not to be addressed by the Financial Task Force and are therefore deemed out of scope are:

- Specific proposals to amend the One Calgary Service Plan Budgets and Plans
- Addressing property assessment processes or procedures
- Addressing the distribution of tax responsibility among taxpayer groups, which will be addressed by the Working Group of the Priorities and Finance Committee.

The Financial Task Force will co-ordinate with the Working Group of the Priorities and Finance Committee as needed.

Task Force Membership

The Task Force will be chaired by the Chief Financial Officer ("CFO") of The City of Calgary and the balance of external members will be selected based on an application process in accordance with a skills matrix (included as Appendix A). The Task Force will have a no more than 12 members excluding the Chair. In addition to the external Task Force members and the Chair, certain senior members of Administration will be brought in to work with the Task Force to provide certain subject matter expertise as required.

Guiding Principles

The guiding principles of the Task Force will be defined once the group is established. The guiding principles however will be reflective and focused on the purpose of the Task Force which is outlined in the purpose statement above and may be reflective of the draft Task Force Deliverables outline (included as Appendix B).

Level of Authority

The Task Force will act in an advisory capacity to the CFO and have the ability to assess information and develop innovative strategies and recommend those to CFO. Final recommendation of strategies will be made by the CFO to Priorities and Finance Committee.

Support

The Task Force will be supported by a project management team that will be identified by the CFO. The setup of the team to support the Financial Task Force will occur over the summer months and if additional supporting resources are required a funding request will be made to Council through Priorities and Finance Committee in September 2019.

Schedule

The Task Force will determine its own meeting schedule in order to meet the direction and deadlines provided by Council.

Dissolution

The Financial Task Force membership and mandate will be reassessed in June 2021 to determine if the need for the Task Force has been met or if there is a need to continue.

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ISC: Unrestricted

INTRODUCTION:
Challenges and Opportunities

SCOPE SUMMARY
Principles, Guidelines and Rules for Evaluating
Options and Alternatives
ANALYSIS
Short term mitigation, long term solutions and
revenue options for financial resilience

**Utilization of financial
reserves**

**Application of
spending and other
restraints that are non-
disruptive to generate
savings**

**Expansion of the
revenue base and
revenue options**

**Co-ordination with PFC
working group on
distribution of tax
responsibilities among
taxpayer groups**

**Identification of
incentives for a
burgeoning private
sector**

**Configuration of
intergovernmental
transfers and revenue
generating authority**

**Evaluation of Options and
Recommendations for Strategy**