

Property Assessment

Led by: Director of Assessment & Tax

Description

The Property Assessment service prepares market value property assessments annually as a mechanism to fairly and equitably allocate municipal and provincial property taxes. These taxes are used to fund the provision of public services. Provincial legislation largely directs our service's activities which, while broad and complex, can be summarized as preparing, collaborating on, and explaining property assessments.

Value and benefits

The value and benefits of our service are as follows:

- The Property Assessment service addresses The City of Calgary's and the Government of Alberta's legislated requirement for market value property assessments. These assessments provide a basis for the fair and equitable distribution of property taxes across property owners which are then used to fund the provision of public services.
- From the property owners' perspective, our service is important as it ensures they will pay their fair share of taxes.
- The non-profit community is supported by assigning appropriate tax status to both taxable and eligible tax-exempt properties as prescribed by provincial legislation.
- Various internal and external interested parties have extensive and reliable property related information made available to them.

Customers

Our customers can be summarized into four main groups:

- The City of Calgary
- The Government of Alberta
- Property owners and their representatives
- Business Improvement Areas

What we deliver

The main outputs of the Property Assessment service are annual, market value property assessments.

Partners

Our primary partners are:

- The Government of Alberta (Designated Industrial Properties)
- Other assessment jurisdictions
- Industry groups
- The City of Calgary business units including, but not limited to: Community Planning; Development; Business & Building Services; Finance; and Law.

559,186	2022 annual property assessment accounts
13,316	2021 customer inquiries
1,976	2022 annual tribunal complaints
3,130	2022 pre-roll consultation agreements



Note: Internal recoveries is how The City accounts for the costs of goods or services between services

Key assets

Key pieces of Property Assessment specific software include the Assessment Inquiry Management System (AIMS), Calgary Integrated Assessment Office (CIAO), CIAO+, and Electronic Evidence Package (EEP).

What we have heard & what we are watching

What we have heard

The 2023-2026 One Calgary Service Plans and Budgets Service Value Dimensions Survey noted that 56 per cent of respondents have contacted, accessed, or used the Property Assessment service. Most cited fairness, accuracy, accessible information, and listens to concerns as key elements of our service.

The Service Lines Research Review held in the Fall of 2021 indicated that 93 per cent of respondents rated property tax assessment as important and 72 per cent were satisfied with property tax assessment.

The Property Assessment service conducts transactional customer service surveys throughout the year and those results have been showing that generally around 80 per cent of customers are satisfied with the customer service provided by the Property Assessment service.

What Council has directed

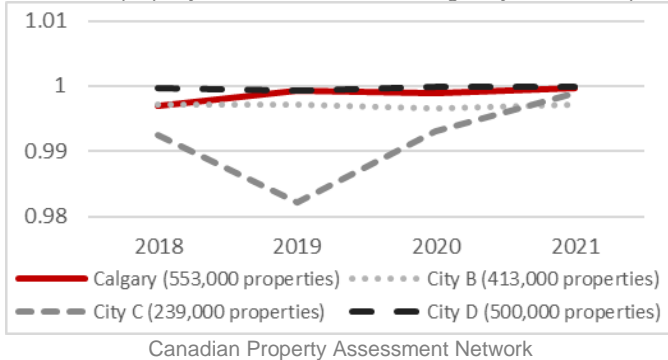
The Property Assessment service will work to implement “Council’s Strategic Direction 2023-2026” with attention provided to each of the three foundational elements – economic resilience, social resilience, and climate resilience. The guiding principles that are the most impactful for Property Assessment are to strengthen relationships with Calgarians, deliver the right services, and finance our future. The main focus area for 2023-2026 will be modernizing government to provide faster and better service to Calgarians but efforts to contribute to downtown revitalization and social equity will also be made. Additionally, throughout the timeframe of this service plan there will be significant progress made towards achieving several of the Financial Task Force recommendations.

What we are watching

We regularly take note of global issues such as the COVID-19 pandemic, supply chains, geopolitics, oil prices, and migration to proactively identify opportunities and threats. 2023-2026 will see a particular focus on the digital shift, Calgarian’s relationships with government, climate change, equity, diversity, inclusion, and belonging. More localized issues are also being tracked such as the real estate market, labour market, legislative constraints, customer demands, and matters internal to The City of Calgary. Our efforts will continue to contribute to The City of Calgary’s Long Range Financial Plan. Our service is also monitoring and responding to the following key risks as appropriate:

- Atypical property market shifts
- Development and succession management of key talent

Per cent of the property assessment base unchanged by the tribunal process



Comparing our service

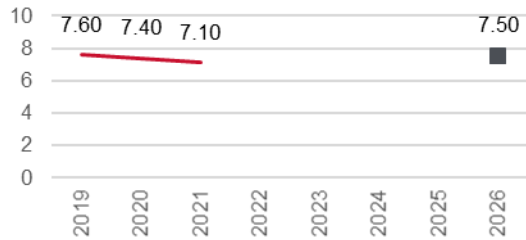
Calgary ranks second best in Canada in this widely used benchmark which indicates how well assessment jurisdictions provide a stable and reliable property assessment base. The selected cities are the best comparables that participate in the Canadian Property Assessment Network, but each differs in some important ways. Calgary and City B are very comparable in terms of legislation. Calgary and City D are quite comparable in terms of size. Calgary and City B are both on a one-year reassessment cycle, but City C is on a two-year reassessment cycle, and City D is on a three-year reassessment cycle.

Measuring performance & where we want to go

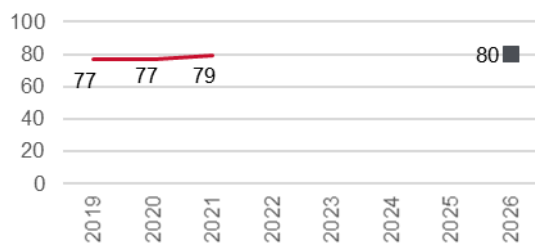
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— Actuals ■ Expected Future Performance

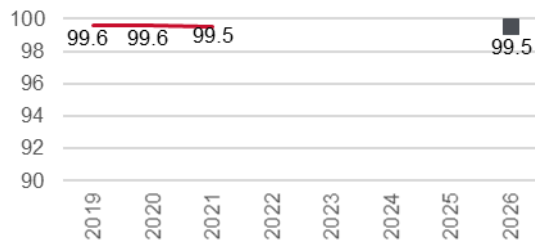
PM1: Total annual assessment base under formal complaint (per cent)



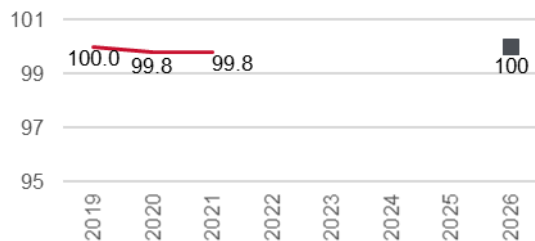
PM2: Assessment customer satisfaction score (per cent)



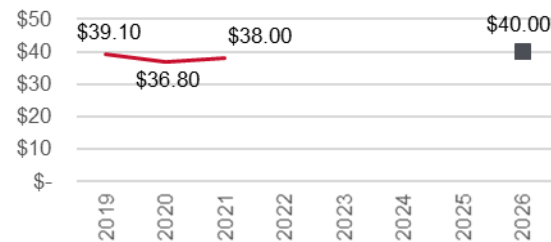
PM3: Annual property assessment base maintained (per cent)



PM4: Overall ratio of what properties are assessed at versus what those properties sold for (per cent)



PM5: Service cost per property assessment account (dollars)



Story behind the curve

The per cent of the total annual assessment base under formal complaint had been steadily rising until a significant effort to turn the curve was made in 2017 leading to 2021 having the lowest number of complaints since moving to market value assessments in 1999. It will be important to continue with recent successes as this performance measure is one of Property Assessment's best leading indicators for property assessment satisfaction and potential tribunal losses with the corresponding negative financial impact that has for The City of Calgary.

Property Assessment conducts a transactional customer satisfaction survey any time a customer who has called in agrees to undertake one. Historically, results have generally stayed over a very healthy 80 per cent but fell below this target in 2018-2020 before efforts to turn the curve back towards the historical 80 per cent level started to be successful. This positive trend will take effort to maintain as Calgarian's expectations have never been higher and customer understanding will be a key strategic priority over the 2023-2026 timeframe.

The per cent of the annual property assessment base maintained is how Property Assessment measures overall effectiveness of all parts of its operations. Commonly called "Roll Stability", results that move too far below 100 per cent erode The City of Calgary's ability to rely on the sizeable and stable property tax base to supply services. Due to wide-reaching internal and external initiatives, recent results have stabilized at historical best levels and efforts to maintain this performance will be a primary operational goal for 2023-2026.

The overall ratio of what properties are assessed at, versus what those properties sold for, is the most fundamental performance measure that Property Assessment has to measure the quality of the property assessment roll. Commonly called the "Assessment to Sale Ratio", anything close to 100 per cent means that, on average, properties are selling for close to what they are assessed at. Performance measure results have stayed around 100 per cent for many years due to Property Assessment's continued focus on meeting and exceeding legislated standards.

The service cost per property assessment account has generally trended down over the years as operating budgets did not keep up with account growth. This trend reversed in 2021 and is expected to move upward over 2023-2026 due to increased investment by The City of Calgary. In the past, the Property Assessment service has been able to maintain service levels due to efforts to increase efficiency despite the increase in both the volume and complexity of accounts. Increased funding in 2023-2026 will allow Property Assessment to continue to maintain or increase these service levels.

What we plan to do

Result for 2023-2026

Property Assessment's focus for 2023-2026 is on providing fair and equitable property assessments used to provide reliable property tax revenue and enable City services while maintaining strong operational performance and making continuous improvements.

How we are going to get there

Meet and exceed all legislated requirements and industry standards by preparing fair and equitable property assessments for all Calgary properties.

Improve the customer experience by focusing on improving Calgarian's understanding and providing more online services and self-service options.

Manage The City's financial risk and improve relationships with Calgarians by actively collaborating with property owners and agents regarding their property assessments.

Maintain equity for all property owners by listening, reviewing, understanding any complaints, and working to collaboratively resolve any Calgarian's concern by exchange of information, amended notice, and if necessary, by explaining our assessments before the Assessment Review Board.

Ensure exemption legislation is correctly interpreted and applied by managing the taxable and non-taxable status of properties.

Better serve Council and Calgarians by smoothly transitioning the Property Assessment and Taxation services into the Assessment & Tax business unit.

Make the Property Assessment service a more attractive long-term career choice by focusing on staff attraction, development, and retention.

Pursue future efficiency and effectiveness gains by continuously investing in technology and process improvements.

Support evidence-based decision-making across The City and the industry by providing property assessment information to internal and external data requesters for such issues as downtown revitalization, affordable housing, etc.

Address the climate emergency by reducing Property Assessment's carbon footprint using both technological and process related tools.

Advance equity efforts at The City by making decisions after first considering all Equity, Diversity, Inclusion, & Belonging implications.

Increase resilience and consider how best to operate in a future that is increasingly volatile, uncertain, complex, and ambiguous by proactively preparing for unexpected challenges.

Operating budget needed to achieve results

For Council Approval

Breakdown of net operating budget (\$000s)

	2023		2024		2025		2026	
	Base	One-time	Base	One-time	Base	One-time	Base	One-time
Previous Year's Net Budget	21,200	-	21,593	-	22,011	-	22,431	-
Previously approved One-time budget		-		-		-		-
2022 One-time carry forward		-		-		-		-
Revenue Changes	-	-	-	-	-	-	-	-
Internal Recoveries Changes	-	-	-	-	-	-	-	-
Inflation	33	-	43	-	46	-	42	-
Operating Impact of Previously Approved Capital	-	-	-	-	-	-	-	-
Operating Impact of New Capital (Incremental)	-	-	-	-	-	-	-	-
Service Reductions	-	-	-	-	-	-	-	-
Service Increases	360	8	375	8	374	8	368	8
Total net budget	21,593	8	22,011	8	22,431	8	22,841	8

Total Operating Budget (\$000s) for Approval

	2022 Budget	2023			2024			2025			2026		
	At April 30	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	21,250	21,593	8	21,601	22,011	8	22,019	22,431	8	22,439	22,841	8	22,849
Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue	(50)	-	-	-	-	-	-	-	-	-	-	-	-
Net	21,200	21,593	8	21,601	22,011	8	22,019	22,431	8	22,439	22,841	8	22,849

Note: Figures may not add up due to rounding.

Capital budget needed to deliver service

For Council Approval

Activity	Investment Name	2023 Request (\$000s)	2024 Request (\$000s)	2025 Request (\$000s)	2026 Request (\$000s)	2027+ Request (\$000s)	Total Request (\$000s)
Annual Investment Program(s)							
		-	-	-	-	-	-
Program(s)							
		-	-	-	-	-	-
Projects(s)							
Sub-Total (New Budget Requests)		-	-	-	-	-	-
Previously Approved Budget Remaining		2,965	1,363	-	-	-	4,328
Total Capital Investment		2,965	1,363	-	-	-	4,328