

Property Assessment

Led by: Director of Assessment & Tax

Service 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.

Service Updates

Key Service Results

The Property Assessment service's key service results for 2023 were:

- The 2024 property assessment roll consisted of over 581,000 accounts and approximately \$387B in assessed value. Despite a 2.5 per cent increase in accounts, all required quality standards were met or exceeded.
- Customers made approximately 6,331 phone inquiries throughout the 2023 Customer Review Period (CRP) up from 3,995 in 2022. CRP surveys of customers showed an 80 per cent customer satisfaction score in 2023 up from 78 per cent in 2022.
- Property Assessment extensively engaged with non-residential property owners regarding their 2023 property assessments which contributed to only 10.2 per cent of total tax revenue being under complaint. This was the lowest proportion since tracking began and down from the 2008 high of 47.9 per cent. This was in large part due to the great work done during Pre-Roll Consultation to arrive at an all-time high number and value of agreements with non-residential property owners and overall 99.6 per cent of the total number of properties did not have a complaint filed in 2023.

Service Challenges

The Property Assessment service's largest challenges faced in 2023 were:

- The CIAO+ (Calgary Integrated Assessment Office+) Program, which will replace Property Assessment's core valuation software, has had continued vendor delivery delays that have led to the go-live date of this program being extended into 2025.
- The 2023 property market saw some instability that arose due to factors such as rising interest rates, high inflation, and rising property values for residential, industrial, and other property types. For the Property Assessment service this saw decreased public trust, increased workload, and increased financial risk. This was primarily mitigated via increased engagement with customers which led to a record number of agreements and the lowest proportion of total tax revenue being under complaint since tracking began.

Trends & Potential Uncertainties

The largest trends and potential uncertainties for the Property Assessment services are related to ongoing economic uncertainty, rising property values, and increasing cost of living. In response to these identified risks the Assessment & Tax business unit is updating its Business Continuity Plan and rewriting its entire internal business planning & reporting process to reflect the changes made as part of the Organization Realignment and meet industry best practices. The new 2024-2026 Assessment & Tax Strategic Plan has the following strategic goals: provide an integrated and exceptional customer experience; deliver excellent quality through expertise and governance; and be a great place to make a living.



Measuring Our Performance

Legend

— Actuals

■ Expected Future Performance

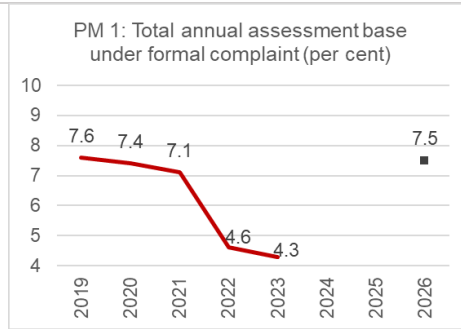
→ Progressing as planned

⊖ Not progressing as planned

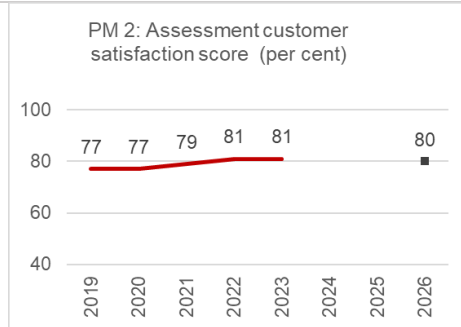
Performance Measures

Story behind the numbers

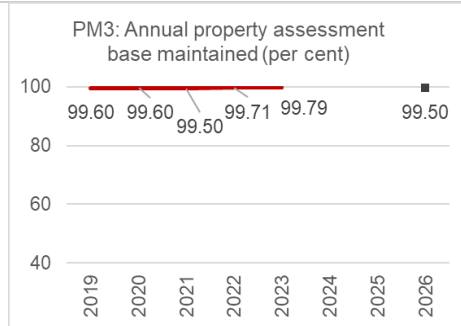
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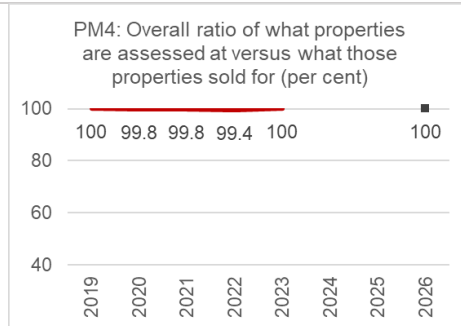
This performance measure had been steadily rising until a significant effort to turn the curve was made in 2018 leading to 2023 having the lowest result since moving to market value assessments in 1999. This significant turn has been primarily due to increased collaboration with non-residential property owners and their agents before property assessments are finalized and has resulted in decreased financial risk for The City.



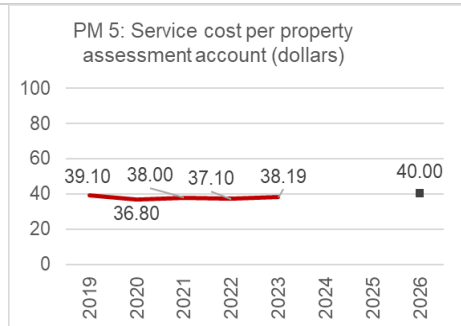
Property Assessment conducts a transactional customer satisfaction survey any time a customer who has called in agrees to undertake one. Historically, results had generally stayed over a very healthy 80 per cent but fell below this level in 2018-2021. Efforts to turn the curve back over the historical 80 per cent level using a combination of organizational/culture change, process/systems improvement, and staff training have been successful in 2022 and 2023.



This performance measure is how Property Assessment measures the 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 fund services. Due to wide-reaching internal and external initiatives, recent results have been the best results achieved since 1999 and the move to market value assessments. 2023 results are even better than these recent strong results.



This is the most fundamental performance measure to evaluate 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.



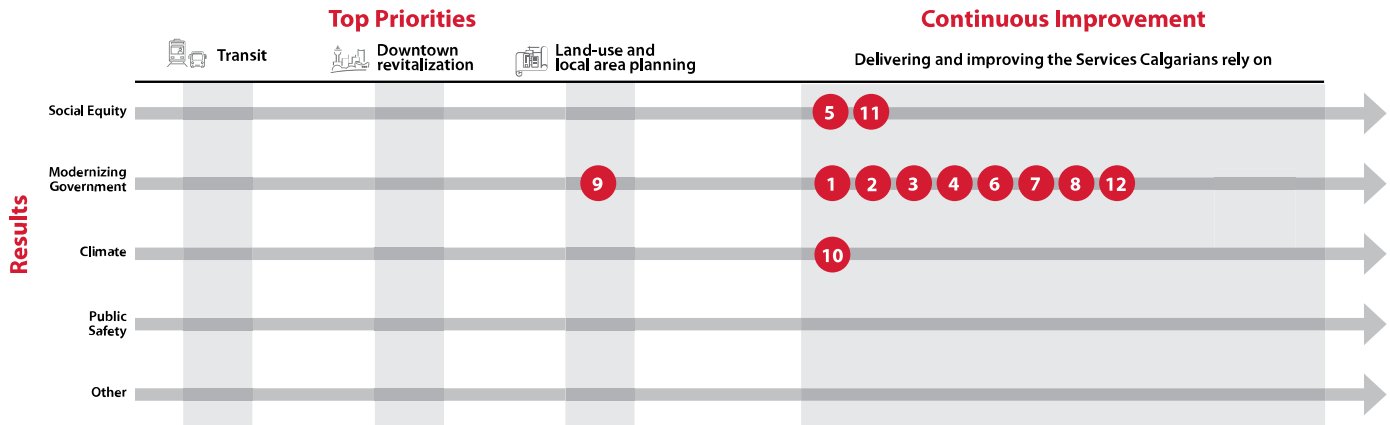
This performance measure had generally trended down through 2015-2020 as operating budgets did not keep up with account growth. Service levels drops were minimized due to efforts to increase efficiency despite the increase in both the volume and complexity of accounts. This trend has reversed and this performance measures has generally been moving higher since 2020 due to increased investment by The City of Calgary which will allow service levels to be maintained.











Progress on Service Delivery

Alignment with Council Refined Priorities and Result Areas



- Legend**
- ✔ Completed
 - ➡ Progressing as planned
 - ⊖ Not progressing as planned
 - ⏻ Not started
 - 1 Initiative number

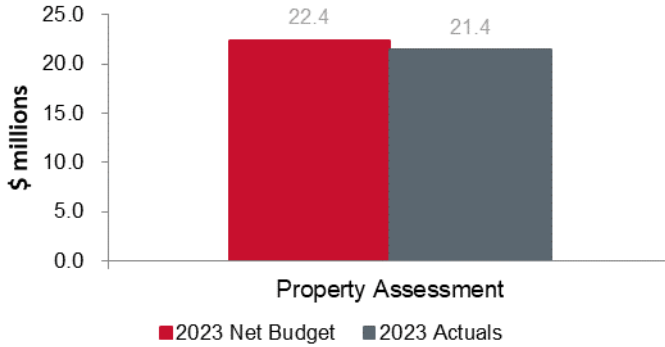
Initiative	Initiative Update	Status
1 Meet and exceed all legislated requirements and industry standards by preparing fair and equitable property assessments for all Calgary properties.	The 2024 property assessment roll consisted of over 581,000 accounts and approximately \$387B in assessed value. Despite a 2.5 per cent increase in accounts, all required quality standards were met or exceeded.	➡
2 Improve the customer experience by focusing on improving Calgarian's understanding and providing more online services and self-service options.	Customers made approximately 6,331 phone inquiries throughout the 2023 Customer Review Period (CRP) up from 3,995 in 2022. CRP surveys of customers showed an 80 per cent customer satisfaction score in 2023 up from 78 per cent in 2022 with team members resolving 78 per cent of inquiries on the first phone call.	➡
3 Manage The City's financial risk and improve relationships with Calgarians by actively collaborating with property owners and agents regarding their property assessments.	Property Assessment extensively engaged with non-residential property owners regarding their 2023 property assessments which contributed to only 10.2 per cent of total tax revenue being under complaint. This was the lowest proportion since tracking began and down from the 2008 high of 47.9 per cent. This was in large part due to the great work done during Pre-Roll Consultation to arrive at an all-time high number and value of agreements with non-residential property owners and overall 99.6 per cent of the total number of properties did not have a complaint filed in 2023.	➡
4 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.	Property Assessment again increased its collaboration efforts to all-time highs securing 3,281 total 2024 agreements for a total of approximately 34.2 billion in 2024 taxable property assessed value. After removing Multi-Residential from the above numbers, this represents about 45.3 per cent of the 2023 non-residential taxable property assessment base with signed agreements in place which ensures tax revenue stability and security for The City.	➡
5 Ensure exemption legislation is correctly interpreted and applied by managing the taxable and non-taxable status of properties.	In 2023, 33.9 per cent of the non-residential assessment base was exempt from taxation which is an increase from 32.3 per cent in 2022. Property Assessment's property tax exemption processing times stayed below 2023 targets 83 per cent of the year.	➡
6 Better serve Council and Calgarians by smoothly transitioning the Property Assessment and Taxation services into the Assessment & Tax business unit.	The merge of the Property Assessment and Taxation services into the Assessment & Tax business unit was successfully implemented and now there are a number of projects that have been completed or are in progress to optimize the new business unit. These projects include "Assess and Adjust"; improving property assessment notices; integrating Taxation and Property Assessment tools, products, and processes; determining the ideal future workplace; renovating workspaces; realigning information storage; and moving a considerable number of staff to a new workspace.	➡

Initiative	Initiative Update	Status
7 Make the Property Assessment service a more attractive long-term career choice by focusing on staff attraction, development, and retention.	Property Assessment only has access to a small pool of qualified staff and the 2023 overall turnover for the Assessment & Tax business unit is currently at over four per cent for core employees. In 2018, Calgary had the lowest percentage of appraisal staff accredited in Canada at 14 per cent. Efforts to address this resulted in getting this all the way to 47.8 per cent and now, due to some staff transition, Calgary sits at 37.9 per cent. Creating a "Transforming Learning" strategy is a 2023-2026 priority which is currently active and is aimed at improving all aspects of staff development.	
8 Pursue future efficiency and effectiveness gains by continuously investing in technology and process improvements.	The CIAO+ Program aims to replace Property Assessment's core valuation software with a new vendor supported software solution. This Program is the primary capital priority for Property Assessment and represents a large investment of resources. The Program has experienced vendor delivery delays which will affect the go-live date of the new software. The go-live date has moved into 2025. The development and configuration of the new solution is almost complete. The focus for the CIAO+ Program team in 2024 will be testing and training.	
9 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.	As part of the 2023-2026 service plans and budgets process, the Property Assessment service received additional funding to hire new staff. Those new staff for 2023 have been hired and a part of their focus is on providing property assessment information to external and internal data requesters to support priorities like the Downtown Strategy, Housing Strategy, and Citywide Growth Strategy.	
10 Address the climate emergency by reducing Property Assessment's carbon footprint using both technological and process related tools.	Property Assessment implemented a contest to incentivize more property owners to use eNotices rather than have their property assessments mailed. As of 2023 December 31, around 58,000 property owners have signed up to receive an eNotice which is up approximately 13 per cent since this time last year. This eNotice usage increase along with conducting many Assessment Review Board hearings via videoconference, reducing mailing/printing, moving more services online, and staff working primarily with a telework agreement all contributed to an unmeasured reduction in The City's carbon footprint.	
11 Advance equity efforts at The City by making decisions after first considering all Equity, Diversity, Inclusion, & Belonging implications.	After successfully applying to the "Equity in Service Delivery Fund" the Assessment & Tax business unit has \$70,000 to undertake the ProperTEA (Tax Equity Assessment) project which is expected to conclude by 2024 June 28. This project will see a partnership with the University of Calgary Department of Economics' research group. It will explore issues of equity in The City of Calgary's residential property assessment and tax system and develop targeted and operational refinements to better meet the needs of diverse Calgarians and to support greater equity.	
12 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.	The Assessment & Tax Business Continuity Plan and the entire internal business planning & reporting process are in the process of being completely rewritten to reflect the changes made as part of the Organization Realignment and bring things up to industry best practices. While there is still more to do an early success in 2023 was the creation of the first ever multi-year Assessment & Tax Strategic Plan.	



Service Updates on Financial Performance

Net Operating Budget and Actuals as of December 31, 2023



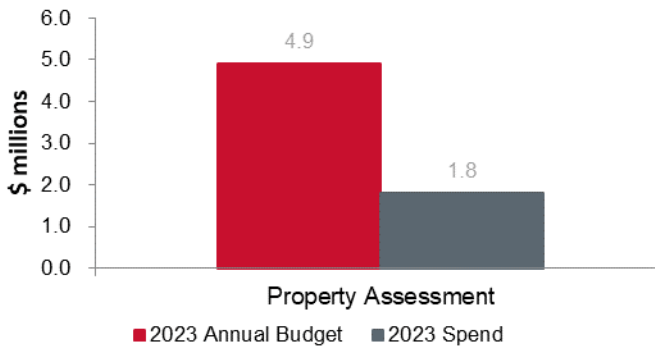
Operating Budget Updates - 2023 net operating budget vs actuals:

Property Assessment service line has a favourable variance of \$1.0 million. The main reasons that have contributed to the variance are savings in salary and wages from intentionally managing the workforce of \$0.9 million and savings in business and communications expenses of \$0.1 million.

In 2023, Property Assessment had a number of accomplishments achieved such as:

- Mailed a high-quality property assessment roll to well over half a million accounts
- Provided better customer service during the Customer Review Period despite a 61 per cent increase in inquiry volume
- Administered a record low proportion of total property tax revenue being under complaint
- Negotiated a high number and large value of Pre-Roll Consultation agreements
- Released an improved property assessment notice format and improved website content and usability

Capital Budget and Spend as of December 31, 2023



Capital Budget Updates - 2023 total capital budget vs 2023 spend:

Property Assessment has spent 36.8 per cent of the 2023 approved capital budget.

The Calgary Integrated Assessment Office+ (CIAO+) Program aims to replace Property Assessment's core valuation software with a new vendor supported software solution. This Program is the primary capital priority for Property Assessment and represents a large investment of resources. The Program has experienced vendor delivery delays which will affect the go-live date of the new software. As a result, the spend rate for 2023 is lower than anticipated and the go-live date has moved into 2025. The development and configuration of the new solution is almost complete. The focus for the CIAO+ Program team in 2024 will be user acceptance testing (UAT) and training.