



# Municipal Business Report

CFIB reports which municipalities are facilitating business-friendly environments across western Canada

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**CFIB**

**CANADIAN FEDERATION  
OF INDEPENDENT BUSINESS**

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Emily Boston, Policy Analyst, BC

Seo Rhin Yoo, Policy Analyst, Prairies & the North



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## Foreword

The Canadian Federation of Independent Business's (CFIB) first Municipal Business Report encourages municipal governments in British Columbia, Alberta, Saskatchewan, and Manitoba to foster environments where small- and medium sized enterprises (SMEs) can thrive and continue to make our local communities vibrant places to live. Our report challenges municipal governments across Western Canada to establish policies that make it easier for business owners to do what they do best: run their business.

In this report, we examine municipal taxation of businesses, red tape reduction and small business friendliness policies. Scores were assigned to municipalities for ease of keeping track and are not to be taken as official scores, especially given the recent municipal elections in Manitoba and British Columbia. It is our hope that this report is used as a benchmark for municipal governments to improve these three areas and learn from other municipalities.

We have also reached out to each municipality mentioned in the report, and considered the feedback municipal leaders provided when we presented the draft indicators in numerous meetings. That is why we have included additional context to highlight the many efforts municipalities are undertaking to improve their business environment and make it more small-business friendly. Throughout the report and under Appendix, the report highlights municipal successes in areas where applicable.

The pandemic highlighted the importance of small businesses and demonstrated that municipal governments can adapt quickly when necessary. For example, many municipalities reduced the red tape and costs for businesses to operate patios. Actionable changes like patio permitting at the municipal level can help alleviate the regulatory and cost pressures on small businesses. This report outlines issues facing small business owners in the west using primary data and provides recommendations for municipal governments to follow.

CFIB is pleased to present the first edition of our annual Municipal Business Report. Thank you to the many government officials for taking the time to discuss the report with us and for providing insights into how we can improve.

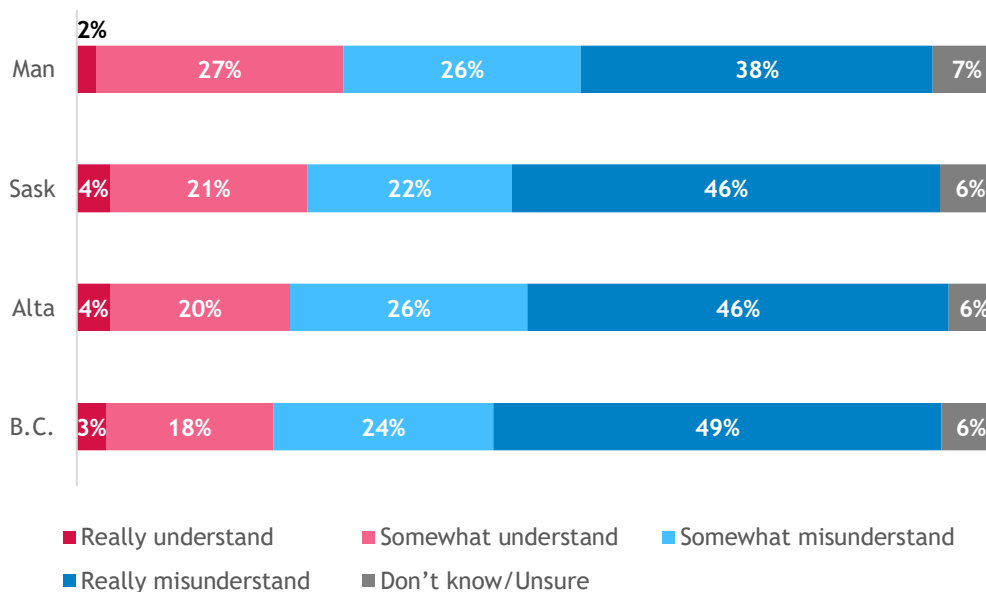
## Introduction

CFIB’s 2023 Municipal Business Report evaluates three cost and regulatory performance areas: **Revenue and Expenditures, Red Tape, and Small Business Friendliness**. We highlight municipalities that are working to reduce the municipal tax burden on businesses, making efforts to reduce red tape and improving small business friendliness. Eight major urban municipalities across Western Canada were selected for the first iteration of the report. The three performance areas were selected using CFIB member feedback, based on importance.

It is worth noting that 70 per cent<sup>1</sup> of small businesses in the west (on average) think that their municipal government misunderstands the cost pressures they face (see Figure 1). Going forward, municipal governments must make it a priority to implement measures to lower taxes, reduce red tape and make it easier for small businesses to run their business.

Figure 1

*Western Canada: To what extent do you think your municipal government understand the cost pressures that your business is facing when they make decisions (such as when they change taxes, consider paid sick day policies or deliver building permits). (Select one for each line)*



Source: CFIB. June 2022 Your Voice Survey. Final results.

## Revenue and Expenditures

This section uses two key indicators which evaluate efforts to reduce the municipal tax burden on small businesses.

<sup>1</sup> This number is an average of the four provinces responses to “Somewhat misunderstand” and “Really misunderstand.”

These indicators are:

- (1) Budget commitment to reduce tax burden
- (2) Does spending outpace inflation and population growth?

Based on these indicators, municipalities with more commitment to reducing taxes and keeping spending in line with inflation and population growth receive higher points. Table 2 summarizes the possible points allotted to each municipality.

Table 1

Summary Table: Revenue and Expenditures (Score below data; 10 is best, 0 is worst)

Municipality	Budget commitment to reduce tax burden	Does spending outpace inflation and population growth?
Vancouver	0	4
Surrey	0	6
Kelowna	0	10
Edmonton	0	9
Calgary	5	8
Regina	0	5
Saskatoon	0	3
Winnipeg	5	7

*“Property Taxes in Vancouver are ridiculous. I rent the second floor of a two-story building, but we pay taxes as if it was a 12-story building because the city changed the zoning.”<sup>2</sup>*

- Yoga Studio, British Columbia

*“The hardest thing right now is that it’s tax time and because we are playing catch up financially, even just paying the taxes owing this year is going to hurt us badly. We are now having to look offshore for workers to reduce costs and find capable, willing workers at a reasonable rate.”<sup>3</sup>*

- Media Company, British Columbia

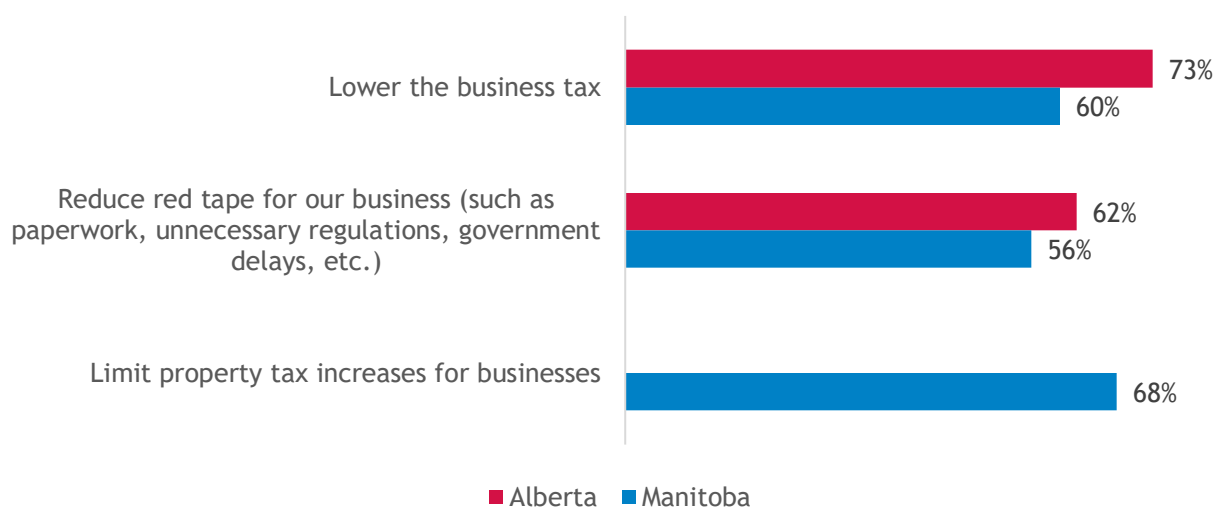
## Revenue and expenditures indicator #1: Budget commitment to reduce tax burdens

<sup>2</sup> CFIB. June Your Voice Survey, 2022.

<sup>3</sup> CFIB. June Your Voice Survey, 2022.

According to data from CFIB surveys, tax reduction is business owners’ top municipal priority. When asked the question, “*In the municipality where your business is located, which of the following areas would you like to see improved to help your business succeed?*”, 73 per cent of Alberta businesses answered property taxes (i.e., lowering property taxes).<sup>4</sup> Similarly, when asked which business relief measures local governments should prioritize in the short term, over two-thirds (68%) of Manitoba businesses answered, “limiting property tax increases for businesses,” and six out of 10 (60%) answered “lowering the business tax”.<sup>5</sup>

Figure 2  
 Alberta Your Voice Municipal Survey 2021 and Manitoba June Your Voice Survey 2022



Source: Your Voice Alberta Municipal Survey 2021. Final Results. Manitoba June Your Voice Survey 2022. Final Results.  
 \*The municipal-specific question was only asked in MB and AB Your Voice surveys.

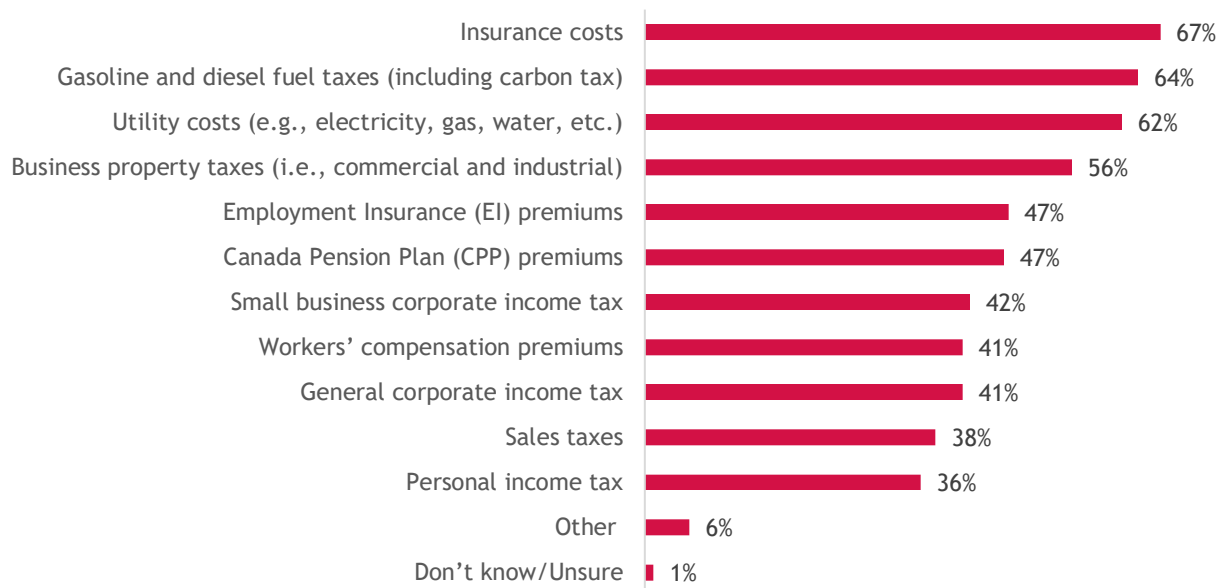
Furthermore, in the most recent October survey, when asked which taxes and costs are the most harmful to business operations, business property tax was in top 5 (56%) - the only municipally governed tax (Figure 3).

<sup>4</sup> CFIB. Alberta Municipal Survey, 2021.

<sup>5</sup> CFIB. June Your Voice Survey, 2022.

Figure 3

Western Canada: Which of the following taxes and costs are the most harmful to the operation of your business? (Select all that apply)



Source: CFIB. October 2022 Your Voice Survey. Final Results.

The scores on this indicator were determined by research using keyword searches in the previous 2021 municipal budget documents. The keywords used for the research are: “Small business,” “Property tax,” “Commercial tax,” and “Business tax.” For this report, the “actionable commitments” we look for are solidified, committed plans mentioning “Tax reduction,” “Tax rebate,” or “Increase in tax exemption threshold.” It is important to note that some municipalities have already approved of their new budget with increases in property taxes before the release of this report, and the recommendations provided should be taken into consideration moving forward.

Table 2

Revenue and expenditures indicator 1: Budget commitment to reduce tax burdens (Score below data; 10 is best, 0 is worst)

	Vancouver	Surrey	Kelowna	Edmonton	Calgary	Regina	Saskatoon	Winnipeg
Score	0	0	0	0	5	0	0	5
<b>Notes:</b> *The following point system was applied: Yes=10 points, Some=5, No=0 points. 1. Half points of 5 (some) are given to municipalities with commitments that are not solidified plans.								



Only two municipalities received points on the commitment to reduce the tax burden indicator. In 2021, Calgary council approved a property tax decrease and identified \$6.3 million from the previous year that was used to decrease property taxes, which culminated in an average property tax decrease of 2.14 %.<sup>6</sup> This was a temporary pandemic-era relief measure that was only extended to non-residential property owners.

Winnipeg's 2022 budget makes a commitment to freeze the business tax rate and in 2021, the small business tax credit threshold increased. Winnipeg is the only large municipality in Canada to have a standalone municipal business tax. Businesses with an Annual Rental Value (ARV) of \$44,220 or less receive an offsetting Small Business Tax Credit (SBTX) equal to their businesses.<sup>7</sup> As of 2022, the business tax rate is 4.84 per cent of the Annual Rental Value (ARV). The tax credit program does not include the Business Improvement Zone and becomes unreasonable when considering different sectoral situations and needs. We recommend that Winnipeg increase the ARV threshold to exempt more small businesses from the business tax.

### Revenue and expenditures indicator #2: Does spending outpace inflation and population growth?

This indicator focuses on whether municipal spending is outpacing population and inflation growth. We recognize that improving municipal services requires increased expenditures which can benefit businesses at times, but it is critical that municipalities practice responsible spending reflective of their size and needs.

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<sup>6</sup> City of Calgary. Municipal Non-Residential Phased Tax Program, 2021. <https://www.calgary.ca/for-business/taxes/phased-tax-program.html>

<sup>7</sup> City of Winnipeg. How Business Taxes are Calculated, 2021. <https://assessment.winnipeg.ca/AsmtTax/English/Business/HowBTcalculated.stm>

Table 3

Revenue and expenditures indicator 2: Does spending outpace inflation and population growth?

	Vancouver	Surrey	Kelowna	Edmonton	Calgary	Regina	Saskatoon	Winnipeg
Score	4	6	10	9	8	5	3	7
<b>Notes:</b> *Municipalities are scored on a relative scale, with 10 points given to the municipality with the best spending rate. 1. Operating spending is evaluated with a baseline of 5 years (2017-21) to account for COVID-19 spending. The calculation uses population and inflation rates data gathered from Statistics Canada for consistency, except for Vancouver <sup>8</sup> . 2. Municipal inflation data (CPI) used for spending calculation was retrieved from StatsCan. B.C. CPI data was used for Surrey and Kelowna.								

The top performing municipality received 10 points and then each municipality had one point taken off based on where they sat in terms of ranks (i.e., 2<sup>nd</sup> place would have one point taken off, 3<sup>rd</sup> would have two points taken off, etc.).

The scoring for this indicator is based on the municipalities' **real operating spending growth per capita (%) from 2017 to 2021** and **2021 operating spending per capita (\$)** (see Figure 5). Some municipalities saw a steep decline in spending throughout 2020 because of the COVID-19 pandemic when municipal services were underutilized because of pandemic-related restrictions (i.e., decreased use of recreation facilities and public transit). Calculations are based on CFIB's [Alberta Municipal Watch Report 2021](#) and include population growth, inflation, and consider spending during the pandemic (2020-21). For detailed information on calculation, see methodology section below.

<sup>8</sup> The city of Vancouver's population data was gathered from its 2021 annual Financial Report to accommodate for Statistics Canada population data using the Central Metropolitan Area (CMA) figure that does not accurately represent the municipal figure.

Table 4

2017-2021 Operating Spending Growth Chart

Municipality	Rank	2017-2021 Real Operating Spending Growth per Capita (%)	2017-2021 Real Operating Spending Growth (%)	2017-2021 Population Growth (%)	2021 Operating Spending per Capita (\$)
Kelowna	1	-3%	7%	10%	\$ 1,053.75
Edmonton	2	-11%	-5%	7%	\$ 1,670.21
Calgary	3	-12%	-6%	7%	\$ 2,099.08
Winnipeg	4	-4%	0%	4%	\$ 1,721.42
Surrey	5	7%	10%	3%	\$ 1,293.10
Regina	6	0%	5%	5%	\$ 2,091.42
Vancouver	7	1%	7%	6%	\$ 2,252.47
Saskatoon	8	2%	10%	8%	\$ 2,195.34

## Recommendations

- Municipalities should **halt tax and cost increases** for small businesses.
- Winnipeg should increase the Annual Rental Value (ARV) threshold to exempt more small businesses from the city's business tax.
- Municipalities should engage in sustainable spending practices by limiting year-over-year operating spending growth to no more than inflation and population growth.

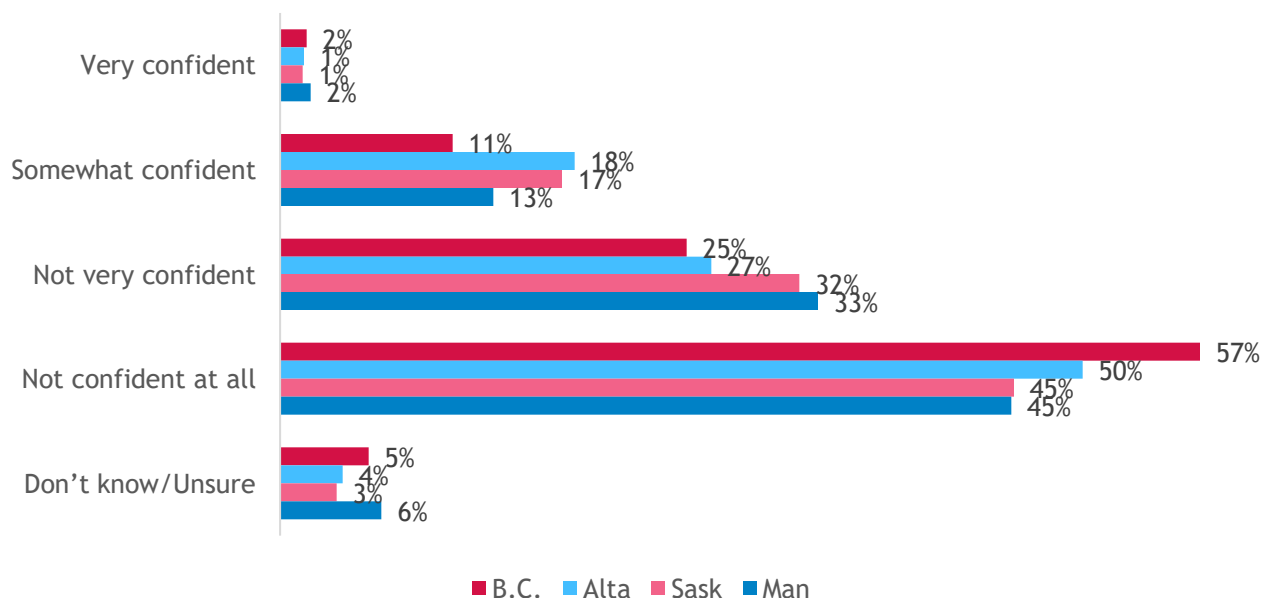
## Red Tape

The term ‘red tape’ refers to normative regulations or standards that are excessively complex and make processes unnecessarily rigid or hinder action. Red tape examples include long application forms and lengthy licencing or permitting processes. Red tape at any level of government is an issue for small businesses. In fact, [CFIB’s Regulatory Costs in Canada and the United States](#) report estimates that red tape costs Canadian businesses \$11.3 billion annually and they spend the equivalent of 677 hours (or 85 days) each year complying with government regulation. Additionally, 87 per cent of Canadian business owners report excessive government regulations add significant stress to their lives.<sup>9</sup> As all governments turn their attention to recovery, red tape reduction is high on the list of small business priorities.

The COVID-19 pandemic encouraged municipalities to make processes easier and more accessible. For instance, it was during this unusual period in time that municipal governments started offering expedited temporary patio permits and providing virtual options for business licence applications. However, as shown under (Figure 4), the low confidence level from SMEs shows that there is continuous work to be done by the municipal government in cutting red tape.

Figure 4

*Sentiment of small businesses in western Canada: “How confident are you that your municipal government is committed to reducing red tape, including unnecessary rules and regulations on your business? (Select one for each line)”*



Source: November 2021 Your Voice Survey. Final Results. \*Adjusted for “Not applicable”.

<sup>9</sup> CFIB. Regulatory Costs in Canada and the United States, 2022.

For the red tape section, five indicators are used to score municipalities on their efforts to reduce red tape for small business. These indicators are:

- (1) Permanent business licences
- (2) Inter-municipal business licences
- (3) Online business licence application and payment option
- (4) Public feedback mechanism for reporting red tape concerns
- (5) Publicly available target timeline for permit processing

Table 5

Summary Table: Red Tape (Score below data; 10 is best, 0 is worst)

Municipality	Permanent business licences	Inter-municipal business licences	Online business licence application and payment option	Public feedback mechanism for reporting red tape concerns	Publicly available target timeline for permit processing
Vancouver	0	5	10	5	5
Surrey	0	5	10	0	10
Kelowna	0	5	10	0	0
Edmonton	5	0	10	5	5
Calgary	0	0	10	5	5
Regina	0	0	10	5	5
Saskatoon	0	0	10	0	5
Winnipeg	10*	10*	10	0	10

Notes:

1. Winnipeg is awarded a score of 10 for this indicator because although the municipality does not offer a permanent business licence, the city does not require business licences for most business types.

*“Government red tape holds up a lot of development, permits can take up to years.”<sup>10</sup>*

- Manufacturing Company, B.C.

Municipalities can reduce red tape by eliminating repetitive paperwork needed for licences and permits (i.e., implementing permanent business licences or getting rid of municipal business licences), increasing consistency and cohesion with their surrounding municipalities (i.e., offering inter-municipal business licences), and prominently displaying ways for the public to offer feedback and report their red tape concerns.

<sup>10</sup> CFIB. April Your Voice Survey, 2022.

### Red tape indicator #1: Permanent business licences

None of the western municipalities currently offer permanent businesses licenses, an option which would reduce red tape for businesses (see Table 6). Winnipeg is the only municipality that received full marks on this indicator because most types of businesses do not require a business license. Edmonton received partial marks on this indicator because it offers a biennial (i.e., renewal occurring every two years) licence additional to its annual licence. Fees for the licences have not been considered in this year's report but may be considered for an indicator in the future.

Table 6

Red tape indicator 1: Permanent business licences (Score below data; 10 is best, 0 is worst)

	Vancouver	Surrey	Kelowna	Edmonton	Calgary	Regina	Saskatoon	Winnipeg
Length of Licence*	Annual (0)	Annual (0)	Annual (0)	Biennial (5)	Annual (0)	Annual (0)	Annual (0)	N/A <sup>11</sup> (10)
Notes:								
<ol style="list-style-type: none"> <li>1. Winnipeg is awarded a score of 10 for this indicator because although the municipality does not offer a permanent business licence, the city does not require business licences for many of its business types.</li> <li>2. Partial marks are given if semi-permanent options are offered.</li> </ol>								

There are municipalities not included in this report that have moved to permanent business licensing with no renewal requirements. For example, the City of Langford, B.C. only requires business owners to pay a one-time fee of \$100 or a one-time \$200 fee for commercial spaces over 5,000 ft<sup>2</sup>. If the business decides to relocate, a new application with only a \$10 fee is required. The city of Langford also posts an approximate timeline for the entire process (10 days), requiring less guesswork for businesses.<sup>12</sup>

### Red tape indicator #2: Inter-municipal business licence

Most municipalities have different business licence requirements than their surrounding jurisdictions. This overlap is a hassle, especially for businesses with multiple locations or mobile businesses (i.e., plumbers, electricians) who may work in several surrounding municipalities on a given day and need licences to operate in each one.

Inter-municipal (or mobile) business licences make it easier for businesses to expand their operation to other cooperating municipalities. Businesses with mobile licences do not have to obtain separate costly, time-consuming business licences for each jurisdiction. Instead, they

<sup>11</sup>CFIB. June Your Voice Survey, 2022.

<sup>12</sup> Langford. Business Licences. <https://www.langford.ca/economic-development/advantages/business-licences/>

can simply apply for one encompassing licence that will grant them access to other partaking municipalities. However, municipalities have been slow to adopt inter-municipal business licences, which may indicate a need for increased communication and connection with surrounding municipalities (see Table 7).

Table 7

Red tape indicator 2: Inter-municipal business licence (Score below data; 10 is best, 0 is worst)

	Vancouver	Surrey	Kelowna	Edmonton	Calgary	Regina	Saskatoon	Winnipeg
Inter-municipal business licence	5	5	5	0	0	0	0	10* (N/A)
Notes:								
* The following point system was applied: Yes=10 points, Some=5, No=0 points.								
1. Winnipeg is awarded a score of 10 for this indicator because although the municipality does not offer an inter-municipal business licence, the city does not require business licences for many of its business types.								

### Red tape indicator #3: Online business licence application and payment option

Though in-person business licence applications (paper copy) may still be preferred by some business owners, many find themselves struggling with time and travel constraints. In order to alleviate frustrations that can arise from in-person application and payment processes, municipalities should offer online application and payment portals for business licenses. All the selected municipalities received full marks on this indicator for offering online application processes and payment options for business licenses (See Table 8).

Table 8

Red tape indicator 3: Online business licence application and payment option (Score below data; 10 is best, 0 is worst)

	Vancouver	Surrey	Kelowna	Edmonton	Calgary	Regina	Saskatoon	Winnipeg
Score	10	10	10	10	10	10	10	10
Notes:								
*The following point system was applied: Yes=10 points, Some=5, No=0 points.								

#### Red tape indicator #4: Public feedback mechanism for reporting red tape concerns

Similar to CFIB’s annual Red Tape Report Card, the existence of a public feedback mechanism for navigating and reporting red tape concerns has been included as an indicator.

All levels of government should have an easy-to-find feedback mechanism (email, phone number, portal, etc.) that allows business owners and the public to submit their red tape frustrations and irritants. Table 9 summarizes which municipalities have some form of public reporting of red tape irritants. Full scores were given to municipalities that have both a **red tape reporting mechanism** and **publicly report the findings from the public submissions annually**. From research, it was concluded that none of the municipalities have an easy to find red tape-specific feedback mechanism on their website, but partial marks were given to municipalities that report public feedback.

Table 9

Red tape indicator 4: Existence of a public feedback mechanism for reporting red tape concerns (Score below data; 10 is best, 0 is worst)

	Vancouver	Surrey	Kelowna	Edmonton	Calgary	Regina	Saskatoon	Winnipeg
Score	5	0	0	5	5	5	0	0
<b>Notes:</b> * The following point system was applied: Yes=10 points, Some=5, No=0 points.								

#### Red tape indicator #5: Publicly available target timeline for permit processing

When asked about the most important aspects of good government service, 99 per cent of small businesses say that approachable, respectful service from government staff, knowledgeable, helpful staff, and easy to understand web content, policies, forms, etc. take priority (See Figure 5). 98 per cent also agree it is important to have reasonable wait/processing times (times on hold, time in line, time to approval), and to have clear timelines on when to expect a response or approval.



Figure 5

Western Canada: How important are each of the following aspects of good government service? (Select one for each line)



Source: November 2022 Your Voice Survey. Final Results.

On top of paying for licences and permits, business owners are stuck waiting for approval while their municipalities do not provide an expected timeframe for completion. Municipalities must be held accountable for licence and permit delays, especially when businesses shoulder the costs of these delays. Offering a publicly available target timeline for licensing and permit processing can provide certainty and reduce costs for businesses and residents.

To achieve full marks municipalities must meet two criteria (5 points each): does the municipality make target timelines publicly available? And does the municipality hold itself accountable by presenting the actual (and regularly updated) performance time that it needs to complete processing permit applications available for public view?

Table 10

Red tape indicator 5: Publicly available target timeline for permit processing (Score below data; 10 is best, 0 is worst)

	Vancouver	Surrey	Kelowna	Edmonton	Calgary	Regina	Saskatoon	Winnipeg
Score	5	10	0	5	5	5	5	10
<b>Notes:</b> * The following point system was applied: Yes=10 points, Some=5, No=0 points.								

### Recommendations

- Municipalities should offer permanent business licences and inter-municipal (mobile) business licences.
- Municipalities should continue to offer business licence and permitting applications online, including online payment.
- Municipalities should implement a permanent public feedback mechanism for businesses and citizens to report their regulatory frustrations and red tape irritants.
- Municipalities should make target timelines (and their actual processing times) for licensing and permitting processing publicly available.

## Small Business Friendliness

This report defines small business friendliness as actions undertaken by municipal governments to improve the overall business environment and attract and support small businesses. The small business friendliness section of the report looks at municipal policies that help business operations and provide cost relief.

### Small Business Friendliness Indicators

This section includes three indicators which are:

- (1) Dedicated small business page with updated contact information
- (2) Public consultation on the budget process
- (3) Legislated construction mitigation policy for public projects

Table 11

Summary Table: Small Business Friendliness (Score below data; 10 is best, 0 is worst)

Municipality	Dedicated small business page with updated contact information	Public consultation on the budget process	Legislated construction mitigation policy
Vancouver	10	5	0
Surrey	5	0	0
Kelowna	0	0	0
Edmonton	10	10	0
Calgary	5	10	0
Regina	0	10	0
Saskatoon	0	0	0
Winnipeg	5	10	0

### Small business friendliness indicator #1: Dedicated small business page with updated contact information (employee/department directory)

As shown above, in Figure 5, businesses find it important to be able to find information easily (97%) and to be able to connect to a real person (97%). Small business owners regularly encounter challenges when searching for information on municipal websites, especially when information is often dispersed across multiple pages or hard to locate. As well, it is a frustrating experience for business owners when they are trying to reach out to the city about a problem but are only tossed around between departments and cannot connect directly to a real person. This indicator looks at which municipalities have compiled information relevant to businesses on a dedicated webpage and include contact information for municipal officials (see Table 12).

Table 12

Small business friendliness indicator 1: Dedicated small business page with updated contact information. (Score below data; 10 is best, 0 is worst)

	Vancouver	Surrey	Kelowna	Edmonton	Calgary	Regina	Saskatoon	Winnipeg
Score	10	5	0	10	5	0	5	5
<b>Notes:</b> *The following point system was applied: Yes=10 points, Some=5, No=0 points. 1. "Some" accounts for municipalities that have a dedicated small business page, but no accessible contact information (and vice versa)								

Vancouver and Edmonton are the only municipalities that have dedicated small business pages with a site of updated direct contact information. Some municipalities, such as Winnipeg, have dedicated business pages but it was not clear whom small business owners should contact for more information.

Vancouver and Edmonton stand out because their business web pages are easy to navigate and have relevant contact information. Edmonton has resources that small business owners can contact when the website information is insufficient, such as One-on-One Business Support. Vancouver offers a mailing list with relevant updates, information, and opportunities for small business owners to input their voices through consultations.<sup>13</sup> The Edmonton employee directory is detailed and includes the city employees' phone numbers, email addresses, and positions so businesses can directly report their concerns to the correct departments. Vancouver's directory is similar; business owners can command search the department or person they seek for inquiries and the site lists phone numbers, emails and names.<sup>14</sup>

### Small business friendliness indicator #2: Public consultation on the budget process

Since businesses do not have a municipal vote, it's important that municipal governments allow the business community to provide input during budget discussions. An open and transparent public budget consultation is important for not only businesses but also for residents. Municipalities offer varying levels of feedback options for their budget consultation processes. The best examples of open consultation mechanisms solicit feedback both in-person and online with multiple budget sessions or town halls held (see Table 13).

<sup>13</sup> City of Vancouver. Small Business. <https://vancouver.ca/doing-business/small-business.aspx>

<sup>14</sup> City of Vancouver. Quickfind. [https://app.vancouver.ca/qf\\_net/Default.aspx](https://app.vancouver.ca/qf_net/Default.aspx)

Table 13

Small business friendliness indicator 2: Public consultation on the budget process. (Score below data; 10 is best, 0 is worst)

	Vancouver	Surrey	Kelowna	Edmonton	Calgary	Regina	Saskatoon	Winnipeg
Score	10	0	0	10	10	10	0	10
Notes:								
*The following point system was applied: Yes=10 points, Some=5, No=0 points.								
1. "Some" accounts for municipalities with a budget consultation process that is difficult to find or participate in								

### Small business friendliness indicator #3: Legislated construction mitigation policy for public projects

Construction projects can cause business disruptions that amount to revenue loss for businesses, and CFIB has been continuously vocal in advocating for municipalities and provincial governments to have construction mitigation plans in place. The Canada Line project in Vancouver is one example of why construction mitigation policies are needed. It is estimated that during the construction of the Canada Line the average business impacted by construction lost \$111,928 in revenue. CFIB's research in 2017 shows that nearly 7 in 10 (69%) businesses answered "yes" when asked if their local government should adopt a coherent construction mitigation policy, including compensation for business losses that are moderate or major, to help ease the costly burden of these projects on small businesses.<sup>15</sup> This indicator emphasizes the importance of *legislating* construction mitigation policies to ensure accountability to commitments.

Table 14

Small business friendliness indicator 3: Legislated construction mitigation policy for public projects

	Vancouver	Surrey	Kelowna	Edmonton	Calgary	Regina	Saskatoon	Winnipeg
Score	0	0	0	0	0	0	0	0
Notes:								
*The following point system was applied: Yes=10 points, No=0 points								

<sup>15</sup> CFIB. Paving a Smoother Road Research Report, 2018.

No municipality in Western Canada has a legislated construction mitigation policy (see Table 14).

In Canada, only Montreal<sup>16</sup> and Quebec City<sup>17</sup> have implemented construction mitigation policies. Vancouver has taken steps towards providing relief to businesses impacted by construction and is currently putting forward a relief package for businesses impacted by the Broadway transportation corridor construction. However, there is no legislation regarding the matter and businesses have yet to see relief. Winnipeg outlines practical recommendations in its Road Construction Working Group Report, but notable action has yet to be seen by residents and businesses. This again shows the importance of a legislated mitigation initiative.

*“...There should not be any reason that lanes are blocked off for months with no work done which usually results in a large part of the city roads barricaded.”<sup>18</sup>*

- Transcription Service, Manitoba

### Recommendations

- Municipalities should create or improve dedicated pages for small business information with updated contact information.
- Municipalities should increase the accessibility of their budget consultation process to accommodate small business owners by providing multiple ways to submit feedback.
- Municipalities should legislate a construction mitigation policy for public projects.

## Recommendations

CFIB offers the following recommendations for mayors and councils to improve their business environment:

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<sup>16</sup> CFIB. CFIB congratulates Montreal for being the first municipality to compensate small businesses hurt by roadwork, 2018. <https://www.cfib-fcei.ca/en/media/cfib-congratulates-montreal-being-first-municipality-compensate-small-businesses-hurt>

<sup>17</sup> CFIB. Quebec City becomes third municipality to compensate businesses hurt by roadwork, 2019. <https://www.cfib-fcei.ca/en/media/quebec-city-becomes-third-municipality-compensate-businesses-hurt-roadwork>

<sup>18</sup> CFIB. June Your Voice Survey, 2022.

## Revenues and Expenditures

- Municipalities should **halt tax and cost increases** for small businesses (e.g., property taxes, utility fees, permit costs, etc.).
- Winnipeg should increase the Annual Rental Value (ARV) threshold to exempt more small businesses from the city's business tax.
- Municipalities should engage in sustainable spending practices by limiting year-over-year operating spending growth to no more than inflation and population growth.

## Red Tape

- Municipalities should offer permanent business licences and inter-municipal (mobile) business licences.
- Municipalities should continue to offer business licence and permitting applications online, including online payment.
- Municipalities should implement a permanent public feedback mechanism for businesses and citizens to report their regulatory frustrations and red tape irritants.
- Municipalities should make target timelines (and their actual processing times) for licensing and permitting processing publicly available.

## Small Business Friendliness

- Municipalities should create or improve dedicated pages for small business information with updated contact information.
- Municipalities should increase the accessibility of their budget consultation process to accommodate small business owners by providing multiple ways to submit feedback.
- Municipalities should adopt a construction mitigation policy for public projects.

## Appendix A: Subindex Scorecards and Summary of Jurisdictional Findings

### Jurisdictional Scorecards

#### Revenue and Expenditures Indicators

	Van	Suy	Kel	Edm	Cgy	Reg	Sask	Wpg
#1	0	0	0	0	5	0	0	5
#2	4	6	10	9	8	5	3	7

#### Red Tape Indicators

	Van	Suy	Kel	Edm	Cgy	Reg	Sask	Wpg
#1	0	0	0	5	0	0	0	10
#2	5	5	5	0	0	0	0	10
#3	10	10	10	10	10	10	10	10
#4	5	0	0	5	5	5	0	0
#5	5	10	0	5	5	5	5	10



**Small Business Friendliness Indicators**

	Van	Suy	Kel	Edm	Cgy	Reg	Sask	Wpg
#1	10	5	0	10	5	0	0	5
#2	5	0	0	10	10	10	0	10
#3	0	0	0	0	0	0	0	0

Vancouver	
<b>Revenue and Expenditures</b>	<p>Vancouver did not make a commitment in their budget to reduce the small business tax burden.</p> <p>Vancouver placed seventh out of eight municipalities in terms of spending. The municipality saw an increase of 1 per cent between 2017 to 2021 in its per capita operating spending while seeing a population growth of 6 per cent. Vancouver reported per capita operating spending in 2021 to be \$2,252.47, the highest of all municipalities compared in this report.</p>
<b>Red Tape</b>	<p>Permanent business licences are not available in Vancouver, and all licences expire on December 31<sup>st</sup> and must be renewed annually (with a pro-rated fee, meaning the city will adjust for when the licence was first obtained).<sup>19</sup></p> <p>Inter-municipal (or mobile) business licences are made available in Vancouver. The city currently participates in the Metro West IMBL with five other participating municipalities: City of Burnaby, Corporation of Delta, City of New Westminster, City of Richmond, and City of Surrey. However, the licence is not open to all business sectors, but is made available for only trades and construction.<sup>20</sup></p> <p>The City of Vancouver currently provides business owners both options of applying for business licences through either the city’s online portal or mail.<sup>21</sup> The payment process is done through the city’s online portal as well.<sup>22</sup></p> <p>Vancouver does not provide the public with a red tape specific feedback mechanism. However, the city outlines the actions they are taking to reduce red tape, with goals, updates and next steps to reduce the unnecessary regulations outlined.<sup>23</sup> This is a step in the right direction.</p> <p>While the city has made anticipated savings (days) in application processing times available for public view, it does not provide the actual processing times.<sup>24</sup></p>

<sup>19</sup> City of Vancouver. Business Licence, 2022. <https://vancouver.ca/doing-business/get-a-business-licence.aspx>

<sup>20</sup> City of Vancouver. Trades and construction, 2022. <https://vancouver.ca/doing-business/building-trades.aspx>

<sup>21</sup> City of Vancouver. Business Licence, 2022. <https://vancouver.ca/doing-business/get-a-business-licence.aspx>

<sup>22</sup> City of Vancouver. Make a business licence payment, 2022. [https://app.vancouver.ca/businesslicence\\_net/Paymentportal.aspx](https://app.vancouver.ca/businesslicence_net/Paymentportal.aspx)

<sup>23</sup> City of Vancouver. Removing the red tape: reducing the permit backlog, 2022. <https://vancouver.ca/home-property-development/addressing-the-permit-backlog.aspx>

<sup>24</sup> City of Vancouver. Removing the red tape: reducing the permit backlog, 2022.

<p><b>Small Business Friendliness</b></p>	<p>Vancouver offers a small business-specific page on their website, as well as a point of contact (<a href="mailto:smallbusiness@vancouver.ca">smallbusiness@vancouver.ca</a>) for small business inquiries.<sup>25</sup> Under Contact, an updated employee directory that publicly provides employee name, telephone number, email, and the department is available.<sup>26</sup> Vancouver’s website is easy to navigate and offers a mailing list with relevant updates, information, and opportunities for small business owners to input their voices through consultations.<sup>27</sup></p> <p>Public engagement for the city’s budget is primarily conducted via an online survey, which residents and business owners can use to provide feedback. They host focused conversations with key stakeholders and underrepresented members of the community.<sup>28</sup></p> <p>Vancouver does not have a legislated construction mitigation policy for public projects.</p>
<p><b>Notable initiatives:</b> The City of Vancouver has a Business Communications and Support Office (BSCO) that allows local business owners to learn about its services and initiatives, make suggestions, request information and assistance, as well as serve as a hub in providing COVID-19 information and economic recovery business supports, programs, etc.<sup>29</sup> This is a great initiative for fellow Western municipalities to replicate, so business owners are not wasting time looking for who to reach out to when they have questions or concerns.</p>	

<sup>25</sup> City of Vancouver. Small Business. <https://vancouver.ca/doing-business/small-business.aspx>

<sup>26</sup> City of Vancouver. Quickfind. [https://app.vancouver.ca/qf\\_net/Default.aspx](https://app.vancouver.ca/qf_net/Default.aspx)

<sup>27</sup> City of Vancouver. Small Business. <https://vancouver.ca/doing-business/small-business.aspx>

<sup>28</sup> City of Vancouver. Feedback and Engagement, 2022. <https://vancouver.ca/your-government/budget-engagement.aspx>

<sup>29</sup> City of Vancouver. Business Communications and Support Office, 2022. <https://vancouver.ca/doing-business/business-communications-and-support-office.aspx>

Surrey	
<b>Revenue and Expenditures</b>	<p>Surrey did not make a commitment in their budget to reduce the small business tax burden.</p> <p>Surrey placed fifth out of eight municipalities in terms of spending. The municipality's per capita operating spending sat at a 7 per cent increase with a population growth rate of 3 per cent between 2017 to 2021. Surrey's spending per capita in 2021 was \$1,293.10.</p>
<b>Red Tape</b>	<p>Surrey does not have a permanent business licence and offers an annual licence issued for one year from the date of application.<sup>30</sup> The city reminds businesses of licence renewals and notices are mailed out one month before the licence is set to expire.<sup>31</sup></p> <p>The City of Surrey currently participates in two Inter-Municipal Business Licence (IMBL) programs: the Fraser Valley IMBL and the Metro-West IMBL. The Fraser Valley IMBL program includes City of Abbotsford, City of Chilliwack, Corporation of Delta, District of Hope, District of Kent, City of Langley, Township of Langley, District of Maple Ridge, District of Mission, and City of Pitt Meadows. The Metro West (IMBL) participants include City of Burnaby, Corporation of Delta, City of New Westminister, City of Richmond, and City of Vancouver. Similar to Vancouver, the program is only open for those in the trades or construction sector. The licences are valid for one year from the date of application and must be paid for individually.<sup>32</sup></p> <p>Surrey offers both online portal and a PDF form (available to send through email or mail) for business licence applications and payment.<sup>33</sup></p>

<sup>30</sup> City of Surrey. Business Licence Application Form, 2022.

<https://www.surrey.ca/sites/default/files/media/documents/BusinessLicenceApplication.pdf>

<sup>31</sup> City of Surrey. Renewing a business licence, 2022. <https://www.surrey.ca/business-economy/business-licensing/renewing-business-licence>

<sup>32</sup> City of Surrey. Types of Businesses: Inter-Municipal Business, 2022. <https://www.surrey.ca/business-economy/business-licensing/types-of-businesses>

<sup>33</sup> City of Surrey. Applying for a business licence, 2022. <https://www.surrey.ca/business-economy/business-licensing/applying-for-a-business-licence>

	<p>City of Surrey does not have a specific red tape feedback mechanism (email, phone number, portal, etc.), nor a report on public findings/actions they have taken. The latest report found on the city’s website is from 2011.<sup>34</sup></p> <p>While Surrey provides both Current Processing Time as well as an Established Guarantee Targets on its website, the only permit timeline applicable for businesses is its Rezoning permit.<sup>35</sup></p> <p>Only the municipality of Surrey received full scores because it has publicly available target timelines, which is an innovative way to increase transparency in its permitting processes.</p>
<p><b>Small Business Friendliness</b></p>	<p>While Surrey currently offers a business page, it does not offer a page specific to small businesses on its website.<sup>36</sup></p> <p>The city put out a survey for feedback on the budget, but in 2021 this process was rushed and there does not appear to be other avenues for the public to participate. It was difficult to find information about the feedback process online or an explanation of how the municipality engaged residents.<sup>37</sup></p> <p>Surrey does not have a legislated construction mitigation policy for public projects.</p>
<p><b>Notable initiatives:</b> With its inception at the beginning of the COVID-19 pandemic, Surrey is implementing an Industrial Capabilities Inventory. The purpose of this program is to understand manufacturing capabilities of local manufacturers and identify those who could support emergency supply production beyond the pandemic emergencies. During the pandemic, local businesses were able to generate over \$15 million in revenue under this program.<sup>38</sup> The city also has an online directory, “Surrey Store to Door”, that lists local businesses, making it easy for potential customers to shop.<sup>39</sup></p>	

<sup>34</sup> City of Surrey. Red Tape Committee Brochure, 2011.

[https://www.surrey.ca/sites/default/files/media/documents/Red\\_Tape\\_Committee\\_Brochure.pdf](https://www.surrey.ca/sites/default/files/media/documents/Red_Tape_Committee_Brochure.pdf)

<sup>35</sup> City of Surrey. Guaranteed Permitting Timelines, 2022. <https://www.surrey.ca/renovating-building-development/guaranteed-permitting-timelines>

<sup>36</sup> City of Surrey. Business Resources. <https://www.surrey.ca/business-economy/business-resources>

<sup>37</sup> City of Surrey. Statement from Mayor Doug McCallum: 2022 Budget, 2022. <https://www.surrey.ca/news-events/news/statement-mayor-doug-mccallum-2022-budget>

<sup>38</sup> Invest Surrey & Partners. Supply Chain Resiliency Program, 2022. <https://investsurrey.ca/supply-chain-resiliency-program>

<sup>39</sup> Invest Surrey & Partners. Surrey Store to Door, 2022. <https://investsurrey.ca/storetodoor>

Kelowna	
<b>Revenue and Expenditures</b>	<p>Kelowna did not make a commitment in their budget to reduce the small business tax burden.</p> <p>Kelowna placed first in terms of spending. The municipality’s per capita spending decreased 3 per cent and its population growth increased by 10 per cent between 2017 and 2021. Kelowna’s operating spending per capita in 2021 was at \$1,053.75; the lowest of all eight municipalities.</p>
<b>Red Tape</b>	<p>The City of Kelowna does not have a permanent business licence and issues an annual licence.</p> <p>The city participates in and offers an inter-community mobile licence with 20 surrounding communities. All mobile businesses are eligible for the licence, with exceptions of certain types of businesses such as exotic services (i.e., body rub) and passenger-directed vehicles-for-hire (i.e., taxi). Licence holds for the same term as the standard business licence issued from the business’ home-based municipality.<sup>40</sup></p> <p>Kelowna offers an online portal for business licence applications and payment.<sup>41</sup></p> <p>The city does not have a red tape-specific feedback mechanism in place nor annually conducted reports that take feedback into consideration.</p> <p>Kelowna also does not have a publicized target timeline nor actual reported periods for permits.</p>
<b>Small Business Friendliness</b>	<p>Kelowna does not offer a small business-specific page on its website.</p> <p>Kelowna does not offer public consultation on the budget, though it does have a dedicated page that offers information about the approval process.<sup>42</sup></p>

<sup>40</sup> City of Kelowna. Inter-community mobile licence, 2022. <https://www.kelowna.ca/business-services/permits-licences/business-licences/inter-community-mobile-licence>

<sup>41</sup> City of Kelowna. Apply for a Business Licence, 2022. <https://billing.kelowna.ca/accounts/eapply/licensing/applywelcome.aspx>

<sup>42</sup> City of Kelowna. City budget, 2022. <https://www.kelowna.ca/city-hall/budget/city-budget>

	Kelowna does not have a legislated construction mitigation policy for public projects.
<b>Notable initiatives: *We could not find Kelowna’s notable initiatives for small businesses on its website</b>	

<b>Edmonton</b>	
<b>Revenue and Expenditures</b>	<p>Edmonton did not make a commitment in their budget to reduce the small business tax burden.</p> <p>Edmonton was second place in terms of spending. The municipality’s per capita operating spending decreased by 11 per cent while its population grew by 7 per cent between 2017 to 2021. In 2021, Edmonton’s operating spending per capita was \$1,670.21.</p>
<b>Red Tape</b>	<p>As of January 2022, with the New Business Licence bylaw in effect, Edmonton has a biennial business licence. This change allows businesses in Edmonton the option of choosing between applying for a 1-year licence and 2-year licence (with discounted fees).<sup>43</sup></p> <p>Edmonton does not offer an inter-municipal business licence.</p> <p>Edmonton offers an online portal for business licence applications and payment.</p> <p>The City of Edmonton does not have red-tape specific feedback portal for its business owners.</p> <p>While Edmonton offers target timelines available for public view, it does not list its actual reported times<sup>44</sup>; however, the city’s Permit and Licensing Improvement (PLI) Initiative was the winner of the Red Tape Reduction category in the Government of Alberta’s 2022 Municipal Excellence Awards. Service improvements and timeline reductions in the PLI Initiative will save applicants \$5.3 million and 67,600 days collectively each year.<sup>45</sup></p>
<b>Small Business Friendliness</b>	<p>Edmonton’s small business page is easy to navigate and has updated contact information. The municipality has resources that small business owners can contact when the website information is insufficient, such as One-on-One Business Support. The employee directory is detailed and includes the city employees’</p>

<sup>43</sup> Edmonton. 2022 Business Licence Fees, 2022. [https://www.edmonton.ca/sites/default/files/public-files/2022\\_BusinessLicence\\_Fees.pdf?cb=1665414844](https://www.edmonton.ca/sites/default/files/public-files/2022_BusinessLicence_Fees.pdf?cb=1665414844)

<sup>44</sup> Edmonton. Application Processing Times. [https://www.edmonton.ca/business\\_economy/processing-times](https://www.edmonton.ca/business_economy/processing-times)

<sup>45</sup> City of Edmonton. News Release - City wins 2022 Municipal Excellence Award for Red Tape Reduction, 2022. <https://myemail.constantcontact.com/News-Release---City-wins-2022-Municipal-Excellence-Award-for-Red-Tape-Reduction.html?soid=1127191170163&aid=ale0Fv1Pfgg>



	<p>phone numbers, email addresses, and positions so businesses can directly report their concerns to the correct departments.</p> <p>The city’s website offers an exceptional review of its public consultation on budget. Edmonton offers three different ways for residents to provide feedback. First, a ‘Balance the Budget’ tool which allows users to “tell us what matters most to you, suggest what you would change, make trade-offs with a real City budget by increasing or decreasing spending, or maintaining and holding, all depending on your priorities.” You can ‘Think Big Picture’ and share your broader ideas about what the city should pay attention to. Finally, residents can fill out a ‘Tough Choices’ survey to let the city know their perspectives on difficult budget decisions.<sup>46</sup> Updated contact information is available for questions or feedback on the process.</p> <p>Edmonton does not have a legislated construction mitigation policy for public projects.</p>
<p><b>Notable initiatives:</b> The City of Edmonton offers a One-on-One Business Support program (open to all levels of business) that serves as a single point of contact in accessing resources and support and navigating city processes. On top of this, the city offers programs such as Small Business Workshops which brings together key City staff to answer questions and help small businesses understand the permit considerations, and Customized Workshops with Partner Organizations that deliver customized business workshops and grant presentations.<sup>47</sup></p>	

<sup>46</sup> City of Edmonton. 2023-2026 Budget Engagement, 2022. <https://engaged.edmonton.ca/budget>

<sup>47</sup> Edmonton. Business-Friendly Support, 2022. [https://www.edmonton.ca/business\\_economy/business-friendly-support](https://www.edmonton.ca/business_economy/business-friendly-support)

<b>Calgary</b>	
<b>Revenue and Expenditures</b>	<p>Calgary council approved \$13 million in tax relief for Calgary businesses with the Non-Residential Phased Tax Program (PTP). The PTP started in 2017 (2021 is the last year) to help alleviate the tax burden on businesses that were seeing very large property tax increases because of negative economic conditions affecting the downtown core. Calgary provided millions of dollars each year for the PTP to cap eligible property owners' non-residential municipal tax increases. In 2020 Calgary changed the tax burden shift to 52 per cent residential and 48 per cent non-residential (was previously 49 per cent residents, 51% non-residential).</p> <p>Calgary placed third in terms of spending. The municipality's per capita operating spending decreased by 12 per cent while its population grew by 7 per cent between 2017 to 2021. Calgary's operating spending per capita in 2021 was at \$2,099.08, above the average spending of (eight municipalities' average) \$1,767.18.</p>
<b>Red Tape</b>	<p>Calgary does not have a permanent business licence and <i>only</i> offers an annual business licence.</p> <p>Calgary does not offer an inter-municipal licence.</p> <p>Calgary offers an online portal for business licence applications and payment.</p> <p>The City of Calgary does not have a red tape specific feedback mechanism. However, the city has created a Business and Local Economy team. The team supports businesses by cutting red tape through streamlining City processes and reducing the time and money it takes to open and run a business in Calgary.<sup>48</sup></p> <p>While Calgary offers a publicly available target timeline for permits ("timeline commitment"), its last updated reported timeline was in 2019 and only for building permits.<sup>49</sup></p>
<b>Small Business Friendliness</b>	<p>Calgary offers a helpful, easy to navigate business page, but not one specifically for small business. They provide updated contact information and Business Experience</p>

<sup>48</sup> Calgary. Supporting local business, 2022. <https://www.calgary.ca/major-projects/supporting-local-business.html>

<sup>49</sup> Calgary. Timeline Commitments, <https://www.calgary.ca/for-business/licences/timelines.html#:~:text=Minimum%20of%20180%20days%20to,to%20a%20year%20or%20longer>

	<p>Representatives. It should be noted that it does provide a page with information about how the public can support local businesses.</p> <p>Calgary offers comprehensive, accessible budget consultation process that runs in different phases. They host numerous in-person sessions with various times and locations, have multiple ways for residents to submit feedback on the process, provide updated contact information, and share their findings on the website.<sup>50</sup></p> <p>Calgary does not have a legislated construction mitigation policy for public projects.</p>
<p><b>Notable initiatives:</b> Calgary has a free Support Local program (#SupportLocalYYC) which connects local Calgarian business owners with tools, resources and connections that can help their business, as well as help Calgary citizens find local businesses. The free-of-charge service allows locals to promote their favourite local businesses and provides business owners marketing tips as well as banners indicating that they are a local business.<sup>51</sup> The city also has a Digital Service Squad (DSS) that provides free digital services for small business that help them get online, digitize and monetize, for free, as well as one-on-one support.<sup>52</sup></p>	

<sup>50</sup> City of Calgary. 2023-2026 Service Plans and Budget, 2022. <https://engage.calgary.ca/your-services>

<sup>51</sup> Calgary. Support Local, 2022. <https://www.calgary.ca/major-projects/buy-local.html?redirect=/supportlocal>

<sup>52</sup> Calgary. Digital Service Squad, 2022. <https://www.calgary.ca/for-business/support/digital-service-squad.html>

Regina	
<b>Revenue and Expenditures</b>	<p>Regina did not make a commitment in their budget to reduce the small business tax burden.</p> <p>Regina placed sixth in terms of spending. The municipality’s per capita operating spending was at zero per cent while its population grew 5 per cent between 2017 to 2021. Regina’s operating spending per capita in 2021 sat higher than average at \$2,091.42.</p>
<b>Red Tape</b>	<p>Regina does not offer a permanent business licence.</p> <p>Regina does not offer an inter-municipal licence.</p> <p>Regina offers an online portal for business licence applications and payment.</p> <p>The City of Regina does not have a red tape specific feedback mechanism. However, the city did implement a new process to cut red tape. Administration can now review and approve “straightforward discretionary use applications”.<sup>53</sup></p> <p>While Regina offers target timelines for permits, it does not list its actual reported times. The website is also tedious to use compared to others; the information is not located all in one place (for instance, you are taken to a different page for Building &amp; Demolition permits<sup>54</sup>), and the user must click through options and read through information to get an estimate.<sup>55</sup></p>
<b>Small Business Friendliness</b>	<p>Regina currently has neither a small business information page nor an updated contact information (employee directory) for direct contact. Under the “Contact Us” portal, only the municipal council are available for contact.<sup>56</sup></p>

<sup>53</sup> City of Regina. 2021 - An Exciting Year for Economic Growth in Regina, 2021. <https://www.regina.ca/news/2021-An-Exciting-Year-for-Economic-Growth-in-Regina/>

<sup>54</sup> Regina. Building & Demolition Permits. <https://www.regina.ca/bylaws-permits-licences/building-demolition/building-demo-permits/>

<sup>55</sup> Regina. Permits. <https://www.regina.ca/bylaws-permits-licences/permits/>

<sup>56</sup> Regina. Contact your Councillor. <https://www.regina.ca/about-regina/contact-us/contact-councillor/>

	<p>The city offers online public consultation on the budget, and residents are encouraged to share their feedback.<sup>57</sup></p> <p>Regina does not have a legislated construction mitigation policy for public projects.</p>
<p><b>Notable initiatives: *We could not find Regina’s notable initiatives for small businesses on its website</b></p>	

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<sup>57</sup> City of Regina. Pre-Budget 2022 Consultation, 2022. <https://www.regina.ca/export/sites/Regina.ca/city-government/budget-finance/.galleries/pdfs/Pre-Budget-2022-Consultation-Results.pdf>

Saskatoon	
<b>Revenue and Expenditures</b>	<p>Saskatoon did not make a commitment in their budget to reduce the small business tax burden.</p> <p>Saskatoon received last place in terms of spending. The municipality increased its per capita operating spending by 2 per cent while population grew by 8 per cent between 2017 to 2021. Saskatoon’s operating spending per capita in 2021 sat high at \$2,195.34.</p>
<b>Red Tape</b>	<p>Saskatoon does not offer a permanent licence.</p> <p>Saskatoon does not offer an inter-municipal licence.</p> <p>Saskatoon offers an online portal for business licence applications and payment. However, it should be noted that the online service is only available for businesses that operate with a permanent Saskatoon business location, and non-resident (or out-of-town) businesses must apply or renew with Corporate Revenue.<sup>58</sup></p> <p>City of Saskatoon does not have a red tape specific feedback mechanism, nor annual findings/reported actions taken to reduce red tape.</p> <p>While Saskatoon has the permit timeline outlined on their website, Commercial is grouped together with Industrial and Institutional, and the site does not list the actual reported times it takes.<sup>59</sup></p>
<b>Small Business Friendliness</b>	<p>Saskatoon currently has does not have a small business information page. However, updated contact information (department directory) for direct contact is available on the website.<sup>60</sup></p> <p>The city did not engage in a public consultation process on the budget.</p>

<sup>58</sup> City of Saskatoon. Business Licence Online, 2022. <https://www.saskatoon.ca/business-licence-online>

<sup>59</sup> City of Saskatoon. Industrial, Commercial, Institutional & Multi-Storey Building & Development. <https://www.saskatoon.ca/business-development/building-development-construction/industrial-commercial-institutional-multi-storey-building-development>

<sup>60</sup> City of Saskatoon. Contact Us by Phone. <https://www.saskatoon.ca/services-residents/connect-your-city/contact-us-phone>

	Saskatoon does not have a legislated construction mitigation policy for public projects.
<b>Notable initiatives:</b> The City of Saskatoon’s downtown is in the process of creating their Public Wi-Fi Pilot Project. The one-year pilot project, expected to launch later this year, will deliver approximately 1500 residents access to internet from or near their homes and in public spaces at no cost. <sup>61</sup>	

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<sup>61</sup> City of Saskatoon. Pilot Project: Public Wi-Fi, 2022. <https://www.saskatoon.ca/services-residents/connect-your-city/pilot-project-public-wi-fi>

<b>Winnipeg</b>	
<b>Revenue and Expenditures</b>	<p>Winnipeg’s 2022 budget makes a commitment to freeze the business tax rate and in 2021, the small business tax credit threshold increased. Winnipeg is the only large municipality in Canada to have a standalone municipal business tax. Businesses with an Annual Rental Value (ARV) of \$44,220 or less receive an offsetting Small Business Tax Credit (SBTX) equal to their businesses.<sup>62</sup> As of 2022, the business tax rate is 4.84 per cent of the Annual Rental Value (ARV).<sup>63</sup> The tax credit program does not include the Business Improvement Zone and is unreasonable when considering different sectoral situations. We recommend that Winnipeg increase the ARV threshold to exempt more small businesses from the business tax.</p> <p>Winnipeg sat at fourth place in terms of spending. The municipality decreased its per capita operating spending by 4 per cent while the population grew by 4 per cent between 2017-2021. Winnipeg’s operating spending per capita in 2021 sat at \$1,721.42.</p>
<b>Red Tape</b>	<p>Winnipeg is currently the only major municipality that does not require a municipal business licence (with exceptions for businesses that fall under specified activities or circumstances).<sup>64</sup> While this does not mean they offer a permanent or inter-municipal business licence, there is also no need for them. CFIB calls on its fellow Western municipalities to follow suit.</p> <p>Winnipeg offers an online portal for business licence applications and payment.</p> <p>The City of Winnipeg does not have a red tape specific feedback mechanism. It did hold a red tape reduction initiative stakeholder engagement, however, the latest update on the initiative is dated to early 2020.<sup>65</sup></p> <p>On its website, the City of Winnipeg offers target processing timelines as well as actual reported times. The files are reported bi-monthly in PDF format and its historical permit application processing times (up to 2013) are also listed under the</p>

<sup>62</sup> City of Winnipeg. How Business Taxes are Calculated, 2022. <https://legacy.winnipeg.ca/ppd/Documents/BIZ/How-business-taxes-are-calculated.pdf>

<sup>63</sup> Economic Development Brandon. Business Taxation, 2022. <http://economicdevelopmentbrandon.com/business-taxation>

<sup>64</sup> City of Winnipeg. Business Licences, 2022. [https://winnipeg.ca/cms/BLES/LS/business\\_licences/](https://winnipeg.ca/cms/BLES/LS/business_licences/)

<sup>65</sup> City of Winnipeg. Red Tape Reduction, 2020. <https://winnipeg.ca/Interhom/redtape/default.stm#tab-updates>



	<p>same page.<sup>66</sup> At the top of the page, the site also reports whether processing times are expected to increase or decrease.</p>
<p><b>Small Business Friendliness</b></p>	<p>Winnipeg offers a page called “Starting a Small Business,” but it does not provide information for current small business owners and this page is not listed under its “Business” category. Contact information is available on the website, but it is interspersed throughout different pages and should be condensed on a page specific to small business.</p> <p>To submit feedback on the budget in person, citizens can register to appear as part of a delegation at the appropriate committee. Citizens can also submit their feedback in writing using a public submission form.<sup>67</sup></p> <p>Winnipeg does not have a legislated construction mitigation policy for public projects.</p>
<p><b>Notable initiatives:</b> The City of Winnipeg has shown tremendous efforts in reducing red tape for businesses. The city’s 311 services page shows average wait and talk times for calls which is regularly updated, as well as the call time data from throughout the day and the day before. On the same page, the city has implemented a “track a service request” box where the status of service requests can be checked using a reference number and email address.</p>	

<sup>66</sup> City of Winnipeg. Sign permit application processing times, 2022.  
<https://www.winnipeg.ca/ppd/permits/PermitApplicationProcessingTimes/Signs.stm>

<sup>67</sup> City of Winnipeg. Participate in Council or Committee Meeting, 2022.  
<https://winnipeg.ca/clerks/council/delegation.stm>

## Appendix B: Methodology

### Trends in Municipal Operating Spending

This report analyzes the municipal operating spending of eight Western municipalities from 2017-21 (2022 data was not used because it has not yet been consolidated). A five-year rolling average was used to calculate the operating spending rate to account for pandemic related spending changes.

Municipal rankings were based on two sub-indicators: real operating spending per capita growth from 2017-21 and 2021 operating spending per capita, which were equally weighted (50:50)<sup>68</sup>. Using a min-max calculation, the municipalities were ranked on each factor independently. The two sub-indicator scores were then equally weighted and added to create a total score that is ranked comparative to other municipalities.

To isolate operating spending, the amortization of capital assets was carefully subtracted from each municipality's spending totals. None of the municipalities used in this report operated their own gas and electric utilities.

As indicated, the revenues and expenditures data in this report were obtained from each municipality's Annual Financial Reports (only consolidated numbers were used) while population data were obtained from Statistics Canada for consistency's sake (excluding Vancouver).

To calculate inflation, Statistics Canada's Consumer Price Index (CPI) measures were used. This report used city-specific CPI measures for all municipalities except Kelowna and Surrey which used provincial figures.

### Property Assessment and Tax Share

#### Data sources

Data used for tax share calculations were retrieved from each provincially released municipal data files, except for Manitoba in which the Municipal Relations Assessment Services did not respond back in time when asked about the file. Winnipeg's 2021 Detailed Financial Statement was used in place of the provincially released municipal data file.

BC: <https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/tax-rates-tax-burden>

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<sup>68</sup> This weighting scheme is subject to change in upcoming years as municipalities grow out of COVID spending.

AB: <https://open.alberta.ca/opendata/municipal-financial-and-statistical-data>

SK: <https://publications.saskatchewan.ca/#/products/72573>

Winnipeg: <https://www.winnipeg.ca/finance/files/2021DetailedFinancialStatement.pdf>

## Property Assessment Share and Tax Share

Both municipal and provincial governments levy property taxes in all western provinces. While municipal governments determine tax rates in order to generate a specific amount of revenue, the provincial government also levies some property taxes on its citizens (often referred to as ‘education property taxes’). Municipalities do not control the provincial property tax and merely collect it on behalf of the province. Therefore, this report only examines general municipal property taxes and does not include the provincial property tax in the analyses or discussions.

Municipalities collect property revenues from various property classifications:

- Residential
- Non-residential  
(Commercial/Business)
- Agriculture/Farmland
- Industry
- Etc.

For the purposes of this report, only the residential and non-residential (commercial) classifications are considered, as this is where a large proportion of the tax share is found for each of the eight municipalities.

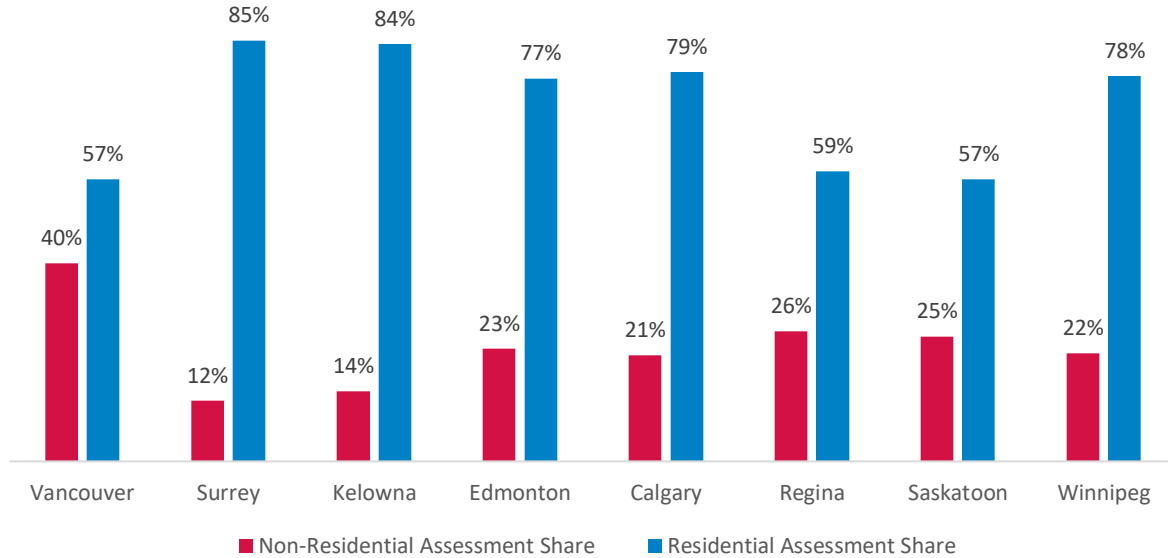
This report examines the amount of property taxes collected from non-residential properties as a percentage of the total municipal property taxes collected and is compared to the share of commercial properties in the total assessed property value within each municipality.

The differential between these two values results in the Property Tax Fairness Ratio (see formula below). However, this report does not grade municipalities on the ratio as CFIB recognizes it is rather difficult for municipalities to achieve a 1-to-1 fairness model. Rather, this report compares the municipalities side by side and provides readers with the context of how much tax share businesses versus residents pay (tax share) compared to how many non-residential properties versus residential properties exist (assessment share).

$$\text{property tax fairness ratio} = \frac{\text{Non residential property tax share}}{\text{Non residential assessment share}}$$

Figure 6

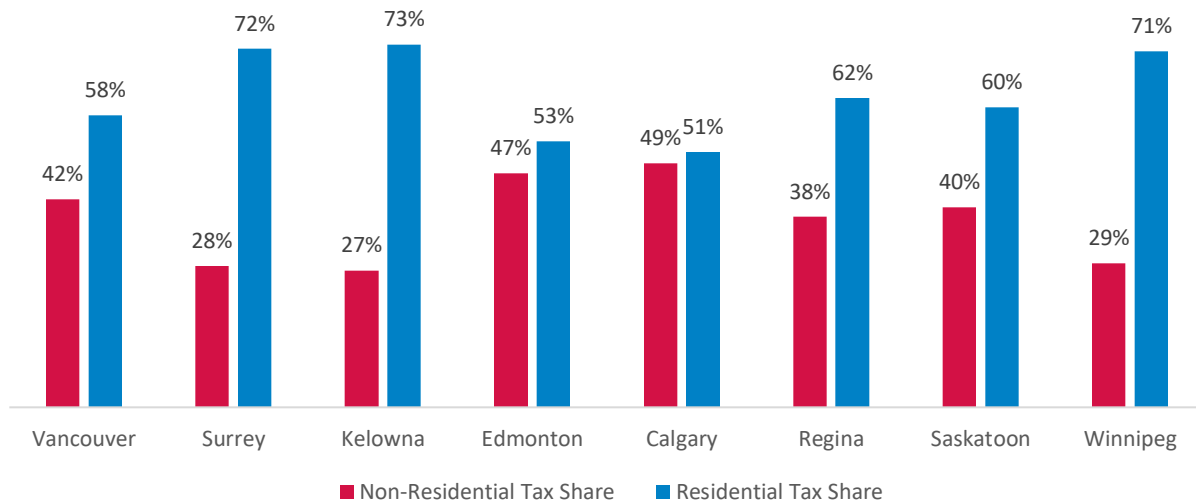
*Municipal Comparison at a Glance: Non-Residential vs. Residential Assessment Share*



Source: CFIB Calculations (see methodology below) using data from each provincial released municipal data (except MB as the province did not respond back in time when assessment data for municipalities were asked for).

Figure 7

*Municipal Comparison at a Glance: Non-Residential vs. Residential Tax Share*



Source: CFIB Calculations (see methodology below) using data from each provincial released municipal data (except MB as the province did not respond back in time when assessment data for municipalities were asked for).

## Indicator Scores

Each indicator is scored on a scale of zero (worst) to ten (best).

Note, we attributed partial scores for some criteria based on a government's commitment to implement the appropriate approaches, or for approaches that met some aspects of criteria but failed others.

We recognize that the size of municipalities and their relative resources impacts the ease of updating and implementing improved services. In this regard, it is pertinent to note that Kelowna has the lowest population of the selected municipalities (229,400 in 2021). Edmonton and Calgary had the highest populations in 2021 (1,480,754 and 1,559,284, respectively). This was also why Winnipeg is the sole city representing Manitoba in the west; Brandon - the second most populated city in Manitoba - sits at a population below 100,000.

## Sources

CFIB is a non-partisan organization exclusively representing the interests of 95,000 small- and medium-sized businesses in Canada. CFIB is entirely funded by our members and takes direction from them through regular surveys on a variety of issues. The Federation believes SMEs, in their capacity as entrepreneurs, require strong advocacy concerning business-related issues.

CFIB's research capacity is second-to-none because the Federation can gather timely and concrete information from business members about business issues that affect their day-to-day operations. In this capacity, CFIB is an excellent source of up-to-date information for governments to consider when developing policies for Canada's SME community.

Much of the data in this report comes from CFIB's monthly Your Voice Surveys:

- The *June Your Voice Survey* period is from June 9 to June 30, 2022. The number of respondents was 2,533. The margin of error for a probability sample of the same size (for comparison purposes only) is +/- 1.9 percentage points, 19 times out of 20.
- The *October Your Voice Survey* period is from October 6 to October 31, 2022. The number of respondents was 4,639. The margin of error for a probability sample of the same size (for comparison purposes only) is +/- 1.4 percentage points, 19 times out of 20.
- The *November Your Voice Survey* period is from November 10 to November 28, 2022. The number of respondents was 3,264. The margin of error for a probability sample of the same size (for comparison purposes only) is +/- 1.7 percentage points, 19 times out of 20.

Outside data was also used in certain areas to create a more rounded view of issues. The sources for this data can be found in the designated footnotes.



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