



TO: GENERAL COMMITTEE

SUBJECT: 2018 TAX RATES

WARD: ALL

PREPARED BY AND KEY CONTACT: M. MASLIWEC, SENIOR MANAGER OF ACCOUNTING AND REVENUE (ACTING), X 4428

SUBMITTED BY: C. MILLAR, DIRECTOR OF FINANCE AND TREASURER

GENERAL MANAGER APPROVAL: D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the tax rates for the 2018 taxation year be established as set out in Appendix "A" to Staff Report FIN005-18.
2. That the City Clerk be authorized to prepare all necessary by-laws to establish the 2018 tax rates as described herein.

PURPOSE & BACKGROUND

3. The purpose of this report is to establish the 2018 tax rates based on the budgetary requirements approved in the 2018 Business Plan.
4. On January 29, 2018, Motion 18-G-014 (as amended) was approved by Council. It established the 2018 Business Plan total property tax levy requirement at \$228,407,789.
5. On April 9, 2018, Council will be considering FIN004-18 – 2018 Tax Ratios and Capping Policies. The 2018 tax rates are contingent on the approval of the recommendations in that report.

ANALYSIS

6. The 2018 tax rates are presented in Appendix "A". The tax rates are calculated by determining the amount each property class needs to contribute based on established tax ratios in order to generate the property tax levy requirement of \$228,407,789.
7. It is anticipated that the final 2018 property tax bills will be issued in June. The installment due dates proposed for the balance of 2018 are June 27, and September 26. Proposed installment dates for taxpayers participating in the City's pre-authorized monthly payment plan are June 29, July 31, August 31, September 28, and October 31, 2018. As in previous years, the final tax rate by-law will establish penalties and interest rates at 1.25% per month in accordance with the *Municipal Act, 2001*.

8. In addition to collecting Municipal taxes, the City is also required to collect education taxes on behalf of the Province. The Province establishes the education rates each year by regulation. The 2018 education rates have been adjusted to maintain revenue neutrality based on the Assessment Phase-In Program across the Province. As such, property owners should not see an increase in the education portion of their property tax bills.
9. Rates for utility transmission corridors and railway rights-of-way are also established by Provincial Regulation.
10. Payment in lieu of taxes are billed and collected in accordance with Provincial Regulation (O. Reg. 382/98) based on assessed values from the Municipal Property Assessment Corporation (MPAC), and the tax rates that would be used if the properties were taxable. Properties that are subject to payment in lieu (PIL's) of taxes are typically government owned properties, hospitals, and colleges/universities. For hospitals, PIL's are calculated based on the number of beds, and for colleges/universities, the calculation is based on "heads" or number of students.
11. The table below indicates the impact of the proposed 2018 tax rates on various residential property types, consistent with the impacts described during deliberations of the 2018 Business Plan.

| Property Type | Average Assessment | Municipal Tax | Education Tax | Total 2018 Tax | Total 2017 Tax | Increase (\$) | Increase (%) |
|-------------------------------|---------------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|---------------------|
| Detached 3 bedroom bungalow | \$288,563 | \$3,181 | \$491 | \$3,671 | \$3,573 | \$98 | 2.75% |
| Two storey 3 bedroom home | \$358,019 | \$3,946 | \$609 | \$4,555 | \$4,433 | \$122 | 2.75% |
| Two storey 4-5 bedroom home | \$481,989 | \$5,313 | \$819 | \$6,132 | \$5,968 | \$164 | 2.75% |
| Apartment/unit - walk-up | \$114,925 | \$1,267 | \$195 | \$1,462 | \$1,343 | \$119 | 8.87% |
| Apartment/unit- mid/high rise | \$128,617 | \$1,418 | \$219 | \$1,636 | \$1,503 | \$133 | 8.87% |

ENVIRONMENTAL MATTERS

12. There are no environmental matters related to the recommendations.

ALTERNATIVES

13. There are no alternatives for Council to consider, as tax rates are a prescribed calculation based on the tax levy, tax ratios, and tax policies approved by Council for 2018.

FINANCIAL

14. There are no direct financial implications to the City associated with the recommendations regarding the tax rates. However, postponing a decision about the 2018 tax rates would create a delay in issuing the 2018 final property tax bills, which could create a financial constraint on the Corporation's cash flows.

LINKAGE TO 2014-2018 STRATEGIC PLAN

15. This is an operational matter that is not specifically related to the goals identified in the 2014-2018 Strategic Plan.



APPENDIX "A" - 2018 PROPOSED TAX RATES

| Property Class | Municipal Tax Rate | School Rate | Total Rate | Total Municipal Levy (\$) | Total Education Levy (\$) | Total Levy (\$) |
|--|--------------------|-------------|------------|---------------------------|---------------------------|----------------------|
| R - Residential Full | 1.102297% | 0.170000% | 1.272297% | 162,983,662 | 25,135,896 | 188,119,558 |
| C - Commercial Full | 1.579730% | 1.090000% | 2.669730% | 27,523,518 | 18,990,983 | 46,514,501 |
| C - Commercial Vacant Land | 1.105811% | 0.763000% | 1.868811% | 580,882 | 400,803 | 981,685 |
| C - Commercial Vacant Units/Excess Land | 1.105811% | 0.763000% | 1.868811% | 612,242 | 422,442 | 1,034,684 |
| D - Office Building | 1.579730% | 1.090000% | 2.669730% | 785,268 | 541,828 | 1,327,095 |
| D - Office Vacant Units/ Excess Land | 1.105811% | 0.763000% | 1.868811% | 837 | 578 | 1,415 |
| X - Commercial New Construction Full | 1.579730% | 1.090000% | 2.669730% | 6,687,951 | 4,614,626 | 11,302,577 |
| X - Commercial New Construction Excess Land | 1.105811% | 0.763000% | 1.868811% | 243,733 | 168,174 | 411,907 |
| F - Farm | 0.275574% | 0.042500% | 0.318074% | 81,660 | 12,594 | 94,254 |
| FAD- 1 - Farmland Awaiting Development - Phase 1 | 0.826723% | 0.127500% | 0.954223% | 0 | 0 | 0 |
| FAD 2 - Farmlands Awaiting Development - Phase 2 | 1.102297% | 0.170000% | 1.272297% | 0 | 0 | 0 |
| I - Industrial Full | 1.671444% | 1.153207% | 2.824651% | 3,461,612 | 2,388,328 | 5,849,940 |
| I - Industrial Vacant Lands | 1.086438% | 0.749585% | 1.836023% | 1,266,157 | 873,580 | 2,139,737 |
| I - Industrial Vacant Units and Excess Land | 1.086438% | 0.749585% | 1.836023% | 108,134 | 74,607 | 182,740 |
| J - Industrial New Construction Full | 1.671444% | 1.090000% | 2.761444% | 601,611 | 392,329 | 993,940 |
| J - Industrial New Construction Vacant Land | 1.086438% | 0.708500% | 1.794938% | 0 | 0 | 0 |
| J - Industrial New Construction Full - Excess Land | 1.086438% | 0.708500% | 1.794938% | 11,710 | 7,636 | 19,346 |
| L - Large Industrial Full | 1.671444% | 1.153207% | 2.824651% | 411,957 | 284,228 | 696,185 |
| L - Large Industrial Vacant/Excess | 1.086438% | 0.749585% | 1.836023% | 30,900 | 21,320 | 52,220 |
| M - Multi-Residential | 1.102297% | 0.170000% | 1.272297% | 7,489,511 | 1,155,058 | 8,644,569 |
| N - New Multi-Residential | 1.102297% | 0.170000% | 1.272297% | 1,316,467 | 203,030 | 1,519,497 |
| P - Pipelines | 1.216869% | 1.090000% | 2.306869% | 456,587 | 408,984 | 865,572 |
| S - Shopping Centres | 1.579730% | 1.090000% | 2.669730% | 10,719,378 | 7,396,275 | 18,115,653 |
| S - Shopping Centres Vac. Units | 1.105811% | 0.763000% | 1.868811% | 14,038 | 9,686 | 23,723 |
| Z- Shopping Centre New Construction - Full | 1.579730% | 1.090000% | 2.669730% | 2,838,694 | 1,958,674 | 4,797,368 |
| Z- Shopping Centre New Construction - Excess Land | 1.105811% | 0.763000% | 1.868811% | 179,286 | 123,706 | 302,992 |
| T - Managed Forest | 0.275574% | 0.042500% | 0.318074% | 1,910 | 295 | 2,204 |
| R - Residential School Only | 0.000000% | 0.170000% | 0.170000% | 0 | 19,007 | 19,007 |
| TOTAL | | | | \$228,407,704 | \$65,604,666 | \$294,012,370 |