

Staff Report



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|---------------------------|---|
| To | General Committee |
| Subject | 2025 Tax Rates |
| Date | April 16, 2025 |
| Ward | All |
| From | C. Smith, Interim Director of Finance |
| Executive Member Approval | J. Schmidt, General Manager of Community and Corporate Services |
| CAO Approval | M. Prowse, Chief Administrative Officer |
| Staff Report # | FIN004-25 |

Recommendations:

1. That the tax rates for the 2025 taxation year be established as identified in Appendix A to Staff Report FIN004-25.
 2. That the City Clerk be authorized to prepare all necessary by-laws to establish the 2025 tax rates as described within Staff Report FIN004-25.
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Executive Summary:

The purpose of this report is to establish the 2025 tax rates based on the budgetary requirements approved in the 2025 Business Plan. The 2025 tax rates are presented in Appendix A. The tax rates are calculated by determining the amount each taxable property class needs to contribute based on established tax ratios in order to generate the property tax levy requirement of \$320,016,893.

Council approved the City of Barrie's (City) portion of the 2025 Business Plan & Budget on December 11, 2024, under Motion 24-G-256 (as amended), and the Service Partner portion on January 29, 2025 under Motion 25-G-015 (as amended). Both motions established the 2025 Business Plan & Budget total property tax levy requirement at \$320,016,893.

On April 9, 2025, Council approved FIN002-25 - 2025 Tax Ratios. The 2025 tax rates are based on the approved recommendations from that report.

Key Findings:

It is anticipated that the final 2025 property tax bills will be issued in late May into early June. The instalment due dates proposed for the balance of 2025 are June 30 and September 29. Proposed instalment dates for taxpayers participating in the City's pre-authorized monthly payment plan are June 30, July 31, August 29, September 29, and October 31. 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*.

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 under Ontario Regulation 400/98, as amended.

Payment in lieu (PIL) of taxes are billed and collected in accordance with Provincial Regulation O. Reg. 382/98, as amended, 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 PIL of taxes are typically government owned properties, hospitals, and colleges/universities. For hospitals, the PIL is calculated based on the number of beds, and for colleges/universities, the calculation is based on "heads" or number of students as reported to the City.

Financial Implications:

There are no direct financial implications for the City associated with the recommendations regarding the tax rates. However, postponing a decision about the 2025 tax rates would create a delay in issuing the 2025 final property tax bills, which could create a financial constraint on the City's cash flow.

Alternatives: The following alternative is available for consideration by General Committee:

Alternative #1 - General Committee could choose to change the instalment or monthly pre-authorized due dates. This alternative is not recommended as it could pose a strain on the City's cash flow requirements.

Strategic Plan Alignment:

The recommendation(s) included in this Staff Report are not specifically related to the goals identified in the 2022-2026 Strategic Plan.

Additional Background Information and Analysis:

The City must establish its tax rates through by-law on an annual basis to raise the required levy set out in the annual Budget and Business Plan. The tax rates are based on assessment values, tax ratios, and the annual tax levy requirement. They are calculated as follows:

$$\text{Property Tax Rate} = \frac{\text{Annual Property Tax Levy}}{\text{Weighted Assessment for All Classes}} \times \text{Tax Ratio for the class}$$

Consultation and Engagement:

No public consultation was required in relation to this staff report.

Environmental and Climate Change Impact Matters:

There are no environmental and/or climate change impact matters related to the recommendations.

Appendix:

Appendix A – 2025 Proposed Tax Rates

Report Author:

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K. Jylha, Manager of Taxation and Revenue, Finance Department

File #:

F22

Pending # (if applicable):

Not Applicable

Appendix "A"
2025 Proposed Tax Rates

| Property Class | Tax Class Qualifier | Municipal Tax Rate | Education Rate | Total Rate | Total Municipal Levy (\$) | Total Education Levy (\$) | Total Levy (\$) |
|--|---------------------|--------------------|----------------|------------|---------------------------|---------------------------|-----------------------|
| R - Residential | RT | 1.258754% | 0.153000% | 1.411754% | 232,490,647 | 28,258,898 | 260,749,545 |
| C - Commercial | CT/GT/C7 | 1.803953% | 0.880000% | 2.683953% | 41,734,060 | 20,358,559 | 62,092,619 |
| C - Commercial Excess Land | CU | 1.803953% | 0.880000% | 2.683953% | 1,069,623 | 521,780 | 1,591,403 |
| C - Commercial Vacant Land | CX | 1.803953% | 0.880000% | 2.683953% | 1,288,619 | 628,610 | 1,917,229 |
| D - Office Building | DT | 1.803953% | 0.880000% | 2.683953% | 1,602,186 | 781,573 | 2,383,759 |
| D - Office Building Excess/Vacant Land | DU/DX | 1.803953% | 0.880000% | 2.683953% | 0 | 0 | 0 |
| F - Farm | FT | 0.314689% | 0.038250% | 0.352939% | 66,208 | 8,048 | 74,256 |
| I - Industrial | IT | 1.908684% | 0.880000% | 2.788684% | 5,770,535 | 2,660,509 | 8,431,044 |
| I - Industrial Vacant Land | IX | 1.908684% | 0.880000% | 2.788684% | 1,987,800 | 916,474 | 2,904,274 |
| I - Industrial Excess Land | IU | 1.908684% | 0.880000% | 2.788684% | 191,761 | 88,411 | 280,172 |
| V - Aggregate Extraction Taxable | VT | 1.553112% | 0.051100% | 1.604212% | 3,260 | 107 | 3,367 |
| L - Large Industrial | LT | 1.908684% | 0.880000% | 2.788684% | 597,278 | 275,375 | 872,653 |
| L - Large Industrial Excess Land | LU | 1.908684% | 0.880000% | 2.788684% | 47,689 | 21,987 | 69,675 |
| M - Multi-Residential | MT | 1.258754% | 0.153000% | 1.411754% | 11,452,458 | 1,392,029 | 12,844,487 |
| N - New Multi-Residential | NT | 1.258754% | 0.153000% | 1.411754% | 2,643,833 | 321,354 | 2,965,187 |
| P - Pipelines | PT | 1.389588% | 0.880000% | 2.269588% | 601,457 | 380,890 | 982,347 |
| S - Shopping Centre | ST | 1.803953% | 0.880000% | 2.683953% | 17,877,386 | 8,720,882 | 26,598,269 |
| S - Shopping Centre Excess Land | SU | 1.803953% | 0.880000% | 2.683953% | 60,668 | 29,595 | 90,263 |
| T - Managed Forest | TT | 0.314689% | 0.038250% | 0.352939% | 2,461 | 299 | 2,760 |
| R - Residential Education Only | RD | 0.000000% | 0.153000% | 0.153000% | 0 | 946 | 946 |
| Industrial Payment in Lieu Properties | IH, IJ, IK | 1.908684% | 1.062384% | 2.971068% | 168,726 | 93,914 | 262,640 |
| Commercial Payment in Lieu Properties | CH, CJ | 1.803953% | 0.980000% | 2.783953% | 360,238 | 195,699 | 555,937 |
| TOTAL | | | | | \$ 320,016,893 | \$ 65,655,938 | \$ 385,672,831 |