
TO: GENERAL COMMITTEE

SUBJECT: 2017 TAX RATES

WARD: ALL

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

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

GENERAL MANAGER APPROVAL: P. ELLIOTT-SPENCER, GENERAL MANGER OF COMMUNITY AND CORPORATE SERVICES

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the tax rates for the 2017 taxation year be established as set out in Appendix "A" to Staff Report FIN011-17.
2. That the City Clerk be authorized to prepare all necessary by-laws to establish the 2017 tax rates as described in Staff Report FIN011-17.

PURPOSE & BACKGROUND

3. The purpose of this report is to establish the 2017 tax rates based on the budgetary requirements approved in the 2017 Business Plan.
4. On February 13, 2017, Motion 17-G-024 (as amended) was approved by Council. It established the 2017 Business Plan total property tax levy requirement at \$218,529,063.
5. On May 29, 2017, Council will be considering FIN008-17 – 2017 Tax Ratios and Capping Policies. The 2017 tax rates are contingent on the approval of the recommendations in that staff report.

ANALYSIS

6. The 2017 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 \$218,529,063.
7. It is anticipated that the final 2017 property tax bills will be issued in June. The instalment due dates proposed for the balance of 2017 are June 28 and September 27. Proposed installment dates for taxpayers participating in the City's pre-authorized monthly payment plan are June 30, July 31, August 31, September 29, and October 31, 2017. 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 2017 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. As part of the 2007 Budget, the Province announced an initiative to set annual ceiling rates for the Business Education Tax (BET) Rates for commercial and industrial classes. For 2017 the annual ceiling rate is 1.140%.
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 2017 tax rates on various residential property types, consistent with the impacts described during deliberations of the 2017 Business Plan:

Property Type	Average Assessment	Municipal Tax	Education Tax	Total 2017 Tax	Total 2016 Tax	\$ Increase	% Increase
Single Family Detached	302,000	3,425	541	3,966	3,846	120	3.11%
Single Family Detached on Water	1,052,250	11,934	1884	13,818	13,400	418	3.12%
Link Home	251,800	2,856	451	3,307	3,207	100	3.10%
Residential Condominium	218,300	2,476	391	2,867	2,780	87	3.12%

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 2017.

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 2017 tax rates would create a delay in issuing the 2017 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" - 2017 PROPOSED TAX RATES

Property Class	TCC/TCQ	Set 1 Rate	School Rate	Total Set 1	Total Municipal Levy	Total Education Levy	Total Levy (\$)
R - Residential Full	RT	1.134163%	0.179000%	1.313163%	156,439,627	24,690,178	181,129,805
C - Commercial Full	CT/GT	1.625398%	1.140000%	2.765398%	27,016,214	18,948,267	45,964,481
C - Commercial Vacant Land	CX	1.137779%	0.798000%	1.935779%	777,277	545,156	1,322,433
C - Commercial Vacant Units/Excess Land	CU	1.137779%	0.798000%	1.935779%	559,499	392,414	951,913
D - Office Building	DT	1.625398%	1.140000%	2.765398%	795,142	557,686	1,352,828
D - Office Vacant Units/ Excess Land	DU	1.137779%	0.798000%	1.935779%	861	604	1,465
X - Commercial New Construction Full	XT/YT	1.625398%	1.140000%	2.765398%	5,561,227	3,900,458	9,461,685
X - Commercial New Construction Excess Land	XU/YU	1.137779%	0.798000%	1.935779%	175,034	122,763	297,797
F - Farm	FT	0.283541%	0.044750%	0.328291%	82,474	13,016	95,490
FAD1 - Farmland Awaiting Development Phase 1	FAD1	0.850622%	0.134250%	0.984872%	0	0	0
FAD2 - Farmland Awaiting Development Phase 2	FAD2	1.134163%	0.179000%	1.313163%	0	0	0
I - Industrial Full	IT	1.719763%	1.203765%	2.923528%	3,483,434	2,438,264	5,921,698
I - Industrial Vacant Lands	IX	1.117846%	0.782447%	1.900293%	1,196,438	837,459	2,033,897
I - Industrial Vacant Units and Excess Land	IU	1.117846%	0.782447%	1.900293%	116,434	81,499	197,933
J - Industrial New Construction Full	JT	1.719763%	1.140000%	2.859763%	476,532	315,885	792,417
J - Industrial New Construction Vacant Land	JX	1.117846%	0.741000%	1.858846%	10,226	6,778	17,004
J - Industrial New Construction Full - Excess Land	JU	1.117846%	0.741000%	1.858846%	7,322	4,853	12,175
L - Large Industrial Full	LT	1.719763%	1.203765%	2.923528%	416,688	291,665	708,353
L - Large Industrial Vacant/Excess	LU	1.117846%	0.782447%	1.900293%	31,429	21,999	53,428
M - Multi-Residential	MT	1.134163%	0.179000%	1.313163%	6,897,161	1,088,549	7,985,710
N - New Multi-Residential	NT	1.134163%	0.179000%	1.313163%	939,712	148,311	1,088,023
P - Pipelines	PT	1.252047%	1.107043%	2.359090%	455,726	402,947	858,673
S - Shopping Centres	ST	1.625398%	1.140000%	2.765398%	10,370,592	7,273,586	17,644,178
S - Shopping Centres Vac. Units	SU	1.137779%	0.798000%	1.935779%	13,512	9,477	22,989
Z - Shopping Centre New Construction	ZT	1.625398%	1.140000%	2.765398%	2,527,081	1,772,410	4,299,491
Z - Shopping Centre New Construction	ZU	1.137779%	0.798000%	1.935779%	178,109	124,919	303,028
T - Managed Forest	TT	0.283541%	0.044750%	0.328291%	1,312	207	1,519
R - Residential School Only	RD	0.000000%	0.179000%	0.179000%	0	19,860	19,860
TOTAL					218,529,063	64,009,210	282,538,273