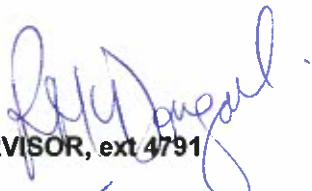

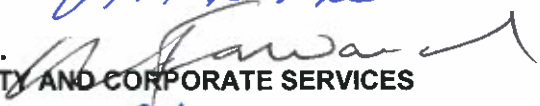

TO: GENERAL COMMITTEE


SUBJECT: 2014 TAX RATES

WARD: ALL

PREPARED BY AND KEY CONTACT: R. MCDOUGALL, REVENUE AND TAXATION SUPERVISOR, ext 4791 

SUBMITTED BY: D. MCKINNON, DIRECTOR OF FINANCE 

COMMISSIONER APPROVAL: R. J. FORWARD, MBA, M.Sc., P. Eng. GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES 

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

RECOMMENDED MOTION

1. That the tax rates for the 2014 taxation year be established as set out in Appendix A of FIN005-14.
2. That the City Clerk be authorized to prepare all necessary by-laws to establish the 2014 taxation rates as described herein.

PURPOSE & BACKGROUND

3. The purpose of this report is to establish the 2014 tax rates based on the budgetary requirements approved in the 2014 Business Plan.
4. Council passed the following motions which are required in order to calculate the 2014 City Tax Rates:
 - a) On January 27, 2014, Motion 14-G-017 was approved by Council which established the 2014 Business Plan and a total tax levy requirement of \$188,895,401.
 - b) On May 5, 2014, Motion 14-G-109 was approved by Council which established the 2014 tax ratios and tax policies.

ANALYSIS

5. The 2014 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 ratio in order to generate the levy requirement of \$188,895,401.
6. It is anticipated that the final 2014 property tax bills will be issued in May. The instalment due dates proposed for 2014 are June 26 and September 25. Proposed installment dates for taxpayers participating in the City's pre-authorized monthly payment plan are June 30, July 31, August 29, September 30 and October 31, 2014. 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.

7. 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 (O. Reg. 114/11). The 2014 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 2014 the annual ceiling rate is 1.22%.
8. Rates for utility transmission corridors and railway right-of-ways are also established by Provincial Regulation (O. Reg. 392/98, 387/98). These rates have remained unchanged for 2014.
9. 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 of taxes are typically government owned properties, hospitals and colleges/universities.
10. The table below indicates the impact of the proposed 2014 tax rates on various residential property types, consistent with the impacts described during deliberations of the 2014 Business Plan:

Property Type	Average Assessment	Municipal Tax	Education Tax	Total 2014 Tax	Total 2013 Tax	\$ Increase	% Increase
Single Family Detached	277,000	3,073	562	3,635	3,563	72	2.0%
Single Family Detached on Water	967,475	10,732	1964	12,696	12,442	254	2.0%
Link Home	231,480	2,568	470	3,038	2,977	61	2.0%
Residential Condominium	200,620	2,225	407	2,633	2,580	53	2.0%

ENVIRONMENTAL MATTERS

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

ALTERNATIVES

12. 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 2014.

FINANCIAL

13. There are no direct financial implications to the City associated with the recommendations regarding the tax rates. However, postponing a decision about the 2014 tax rates would create a delay in issuing the 2014 final property tax bills, which could create a financial constraint on the corporation's cash flows.

LINKAGE TO COUNCIL STRATEGIC PRIORITIES

14. This is an operational matter that has no direct relationship to the City of Barrie's Strategic Priorities.

Property Class	TCC/TCQ	Set 1 Rate	School Rate	Total Set 1	Total Municipal Levy	Total Education Levy	Total Levy (\$)
R - Residential Full	RT	1.109302%	0.203000%	1.312302%	135,764,880	24,844,694	160,609,575
C - Commercial Full	CT/GT	1.589770%	1.179150%	2.768920%	24,921,442	18,484,515	43,405,957
C - Commercial Vacant Land	CX	1.112839%	0.825405%	1.938244%	1,225,359	908,863	2,134,222
C - Commercial Vacant Units/Excess Land	CU	1.112839%	0.825405%	1.938244%	255,654	189,622	445,276
D - Office Building	DT	1.589770%	1.179150%	2.768920%	746,501	553,688	1,300,189
D - Office Vacant Units/ Excess Land	DU	1.112839%	0.825405%	1.938244%	1,505	1,116	2,621
X - Commercial New Construction Full	XT/YT	1.589770%	1.179150%	2.768920%	3,754,787	2,784,968	6,539,755
X - Commercial New Construction Excess Land	XU/YU	1.112839%	0.825405%	1.938244%	140,316	104,074	244,390
F - Farm	FT	0.277326%	0.050750%	0.328076%	67,807	12,409	80,216
FAD1 - Farmland Awaiting Development Phase 1	FAD1	0.831977%	0.152250%	0.984227%	0	0	0
FAD2 - Farmland Awaiting Development Phase 2	FAD2	1.109302%	0.203000%	1.312302%	0	0	0
I - Industrial Full	IT	1.682066%	1.307586%	2.989652%	3,324,270	2,584,185	5,908,455
I - Industrial Vacant Lands	IX	1.093343%	0.849931%	1.943274%	1,060,641	824,510	1,885,151
I - Industrial Vacant Units and Excess Land	IU	1.093343%	0.849931%	1.943274%	76,903	59,782	136,685
J - Industrial New Construction Full	JT	1.682066%	1.220000%	2.902066%	367,860	266,808	634,668
J - Industrial New Construction Vacant Land	JX	1.093343%	0.793000%	1.886343%	16,542	11,998	28,540
J - Industrial New Construction Full - Excess Land	JU	1.093343%	0.793000%	1.886343%	798	579	1,377
L - Large Industrial Full	LT	1.682066%	1.307586%	2.989652%	387,125	300,939	688,064
L - Large Industrial Vacant/Excess	LU	1.093343%	0.849931%	1.943274%	24,094	18,730	42,824
M - Multi-Residential	MT	1.109302%	0.203000%	1.312302%	5,600,000	1,024,789	6,624,789
N - New Multi-Residential	NT	1.109302%	0.203000%	1.312302%	126,843	23,212	150,055
P - Pipelines	PT	1.224602%	1.127812%	2.352414%	407,621	375,404	783,025
S - Shopping Centres	ST	1.589770%	1.179150%	2.768920%	9,504,960	7,049,491	16,553,851
S - Shopping Centres Vac. Units	SU	1.112839%	0.825405%	1.938244%	36,603	27,149	63,752
Z - Shopping Centre New Construction	ZT	1.589770%	1.179150%	2.768920%	868,551	644,214	1,512,765
Z - Shopping Centre New Construction	ZU	1.112839%	0.825405%	1.938244%	212,986	157,974	370,960
T - Managed Forest	TT	0.277326%	0.050750%	0.328076%	1,953	357	2,310
R - Residential School Only	RD	0.000000%	0.203000%	0.203000%	0	22,307	22,307
TOTAL					188,895,401	61,276,377	250,171,779