

CITY OF ELLIOT LAKE



CITY COUNCIL - REGULAR MEETING AGENDA

Monday, March 27, 2017

7:00 pm

COUNCIL CHAMBERS

Pages

1. CALL TO ORDER
2. ROLL CALL
3. DECLARATIONS OF CONFLICT OF INTEREST
4. ADOPTION OF PREVIOUS MINUTES
 - 4.1 March 13, 2017 - Regular. 3
5. PUBLIC PRESENTATIONS
6. INTRODUCTION AND CONSIDERATION OF CORPORATE REPORTS
7. PRESENTATION OF COMMITTEE REPORTS
 - 7.1 March 21, 2017. Report from the Finance and Administration Committee 12
re: outcome of the RFP for the provision of Municipal banking services
 - 7.2 March 21, 2017. Report from the Finance and Administration Committee 16
re: taxation by-laws for vacant commercial and industrial properties
 - 7.3 March 21, 2017. Report from the Finance and Administration Committee 24
re: Statutory Tax policies, Rates & Levy
 - 7.4 March 21, 2017. Report from the Finance and Administration Committee 39
re: consideration of budget matters pursuant to Ontario Regulation 284/09
8. UNFINISHED BUSINESS
 - 8.1 March 22, 2017. Report from the Information Technology Manager
re: Information Technology Full Time Employee update

As this matter deals with labour relations or employee negotiations and advice that is subject to solicitor-client privilege, it may be discussed in closed session under Section 239 (2)(d) and (f) of the Municipal Act.

Staff Attendees in Closed Session: Chief Administrative Officer, Director of Corporate Services, Manager of Human Resources, Manager of Information Technology

9. PETITIONS

10. CORRESPONDENCE

10.1 March 22, 2017. Memo from the Elliot Lake Public Library Board **44**
re: resignation of a member from the Public Library Board

10.2 March 23, 2017. Memo from Mayor Marchisella
re: Code of Conduct for Municipal Employees

As this matter deals with labour relations, it may be discussed in closed session under Section 239 (2)(d) of the Municipal Act.

Staff Attendees in Closed Session: Chief Administrative Officer, Manager of Human Resources

11. NOTICES OF MOTION

12. PUBLIC QUESTION PERIOD

13. INTRODUCTION AND CONSIDERATION OF BY-LAWS

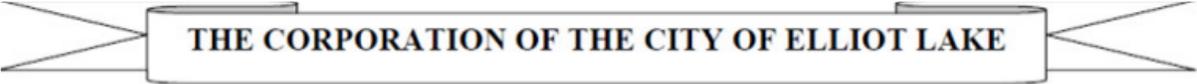
13.1 By-law No. 17-16 **45**
Being a by-law to set Tax Rate Reductions for prescribed property subclasses for the year 2017

14. COUNCIL REPORTS AND ANNOUNCEMENTS

15. ADDENDUM

16. CLOSED SESSION (if applicable)

17. ADJOURNMENT



THE CORPORATION OF THE CITY OF ELLIOT LAKE

Minutes of a regular meeting of the Council of The Corporation of The City of Elliot Lake

Monday, March 13, 2017

7:00 PM

COUNCIL CHAMBERS

Present D. Marchisella, Mayor
 L. Cyr, Councillor
 C. Nykyforak, Councillor
 N. Mann, Councillor
 T. VanRoon, Councillor
 S. Reinhardt, Councillor

Present M. Humble, Director of Corporate Services
 S. McGhee, Director of Operations
 J. Thomas, Director of Protective Services
 W. Rowland, Director of Community Services
 A. Vlahovich, Economic Development Coordinator
 B. Ewald, Chief Building Official
 L. Sprague, Director of Clerks and Planning Services

Regrets C. Martin, Councillor

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. DECLARATIONS OF CONFLICT OF INTEREST**
- 4. ADOPTION OF PREVIOUS MINUTES**

4.1 February 27, 2017 - Regular.

Res. 73/17

Moved By: T. VanRoon

Seconded By: C. Nykyforak

That the following minutes be adopted:

February 27, 2017 - Regular.

Carried

5. PUBLIC PRESENTATIONS

6. INTRODUCTION AND CONSIDERATION OF CORPORATE REPORTS

7. PRESENTATION OF COMMITTEE REPORTS

7.1 March 3, 2027. Report from the Economic Development Committee

re: amendments to the Community Improvement Plan (CIP)

Res. 74/17

Moved By: S. Reinhardt

Seconded By: L. Cyr

That Staff Report EDC2017-04 dated February 22, 2017 of the Economic Development Coordinator be received; and

That the amendments to the Community Improvement Plan be approved as recommended by the Economic Development Committee in their Resolution No. 7/17, dated February 23, 2017.

Carried

7.2 March 7, 2017. Report from the By-laws and Planning Committee

re: Selling of Lands for Economic Development Purposes

Res. 75/17

Moved By: T. VanRoon

Seconded By: N. Mann

That Staff Report EDC 2017-05 dated March 1, 2017 of the Economic Development Coordinator be received; and

That the report "Policies with Respect to Selling of Land to Promote Economic Development in the City of Elliot Lake" by McSweeney and Associates be received; and

That the proposed policy in section 4 "Selling of Lands for Economic Development Purposes" be adopted as recommended by the By-laws and Planning Committee in their Resolution No. 09/17 dated March 6, 2017.

Carried

7.3 March 7, 2017. Report from the By-laws and Planning Committee

re: Offer to Purchase waterfront property adjacent to Glassy Bay Outfitters on Elliot Lake

As this matter deals with the disposition of land owned by the Municipality, it may be discussed in closed session under Section 239.(2)(c) of the Municipal Act.

Res. 76/17

Moved By: T. VanRoon

Seconded By: N. Mann

That the Offer to Purchase from T. Grignon, operating as Glassy Bay Outfitters with respect to the 3.7 acres of vacant waterfront property on the north shore of Elliot Lake adjacent to the Air Base and described as Part 1 on Plan 1R-2785 A.E.S. be accepted, as recommended by the By-laws and Planning Committee in their Resolution No. 14/17, dated March 6, 2017.

Carried

7.4 March 7, 2017. Report from the Recreation and Culture Committee

re: agreement with Elliot Lake Retirement Living with respect to the Spine Road Cross Country Ski Trail

Res. 77/17

Moved By: C. Nykyforak

Seconded By: S. Reinhardt

That Report R&C 2017-05 of the Manager of Recreation & Culture dated March 1, 2017 be received; and

That the City of Elliot Lake enter into an agreement with Elliot Lake Retirement Living for the use of Parts 1 and 2 on Plan 1R-11447 and Part 1 on Plan 1R-8151, Spine Road Trail, for cross country skiing purposes; and

That the proposed agreement be approved as recommended by the Recreation and Culture Standing Committee in their Resolution No. 06/17 dated March 6, 2017.

Carried

7.5 March 7, 2017. Report from the Recreation and Culture Committee

re: Annual Drag race event

Res. 78/17

Moved By: C. Nykyforak

Seconded By: L. Cyr

That Report R&C 2017-04 of the Manager of Recreation & Culture dated March 1, 2017 be received; and

That the City of Elliot Lake enter into an agreement with the North Shore Cruisers Car Club at the cost of \$8,500 and Luskville Dragway Company at the cost of \$31,000 plus taxes to host the 18th Annual HiRail Leasing North Shore Challenge Drag Race at the Elliot Lake Airport as recommended by the Recreation and Culture Standing Committee in their Resolution No. 05/17 dated March 6, 2017.

Carried

8. UNFINISHED BUSINESS

9. PETITIONS

10. CORRESPONDENCE

11. NOTICES OF MOTION

Councillor Cyr assumed the Chair.

11.1 March 13 2017. Notice of Motion from Mayor Marchisella

re: Miners Memorial Wall criteria

Moved By: D. Marchisella

Seconded By: L. Cyr

Whereas the criteria for inclusion of a name on the Miners Memorial Wall currently contains the following:

1. A mine worker who was employed in any occupation related to the mining camps in Elliot Lake and was either:

- a) Tragically killed in a mining accident or;
- b) Who succumbed to an occupational disease/illness that is recognized and confirmed by the Workplace Safety and Insurance Board (WSIB);

And Whereas the spirit and intent of the Miners Memorial Wall is to recognize and remember those who endured through the hardship and personal sacrifice associated with mining practices of the time, and upon which the City of Elliot Lake was built; and

Whereas these hardships and personal sacrifices should include the recognition of the suffering of those afflicted by long-term illness as a result of their employ as miners, even where such affliction cannot be shown as the causation of death;

Now Let It Be Resolved That: the criteria for inclusion on the Miners Memorial Wall be amended by the addition of the following to section 1:

c) And those who have suffered long-term due to disease/illness related to said occupation and recognized by the (WSIB).

At the request of Mayor Marchisella, the following roll call vote was recorded:

In Favour

L. Cyr

D. Marchisella

Not In Favour

C. Nykyforak

N. Mann

T. VanRoon

S. Reinhardt

Defeated

Mayor Marchisella returned to the Chair.

12. PUBLIC QUESTION PERIOD

Q. Nicole Cook - Requested a diary date for item 11.1 (Miners Memorial Wall criteria) to come forward again and that a decision be made before the next ceremony.

Councillor Cyr asked if the Committee is helping individuals with their case. The Miners Monument applications are managed by the Committee.

The Mayor advised that the Notice of Motion has to do with the criteria, not with the Committee itself.

13. INTRODUCTION AND CONSIDERATION OF BY-LAWS

13.1 By-law No. 17-8

Being a by-law to accept the Offer to Purchase from Glassy Bay Outfitters for Part 1 on Plan 1R-2785, being Part of Parcel 2295 A.E.S., municipally known as the former Police Association clubhouse property

Res. 79/17

Moved By: S. Reinhardt

Seconded By: C. Nykyforak

That By-law No. 17-8, being a by-law to authorize acceptance of an Offer to Purchase from Todd Grignon, operating as Glassy Bay Outfitters, with respect to vacant land described as Part 1 on Plan 1R-2785, being part of Parcel 2295 A.E.S., be passed.

Carried

13.2 By-law No. 17-9

Being a by-law to amend the Community Improvement Plan for the City of Elliot Lake

Res. 80/17

Moved By: N. Mann

Seconded By: L. Cyr

That By-law No. 17-9, being a by-law to amend By-law No. 08-67, a by-law to adopt the Community Improvement Plan, by replacing Schedule A, be passed.

Carried

13.3 By-law No. 17-10

Being a by-law to amend the Municipality's Zoning By-law to permit the use of shipping containers in the Industrial zone as an accessory structure

Res. 81/17

Moved By: T. VanRoon

Seconded By: L. Cyr

That By-law No. 17-10, being a by-law to amend the Municipality's Zoning By-law by permitting the use of shipping containers in the Industrial "M" Zone as an accessory structure, be passed.

Carried

13.4 By-law No. 17-13

Being a by-law to authorize and agreement with the North Shore Cruisers Car Club with respect to planning and hosting the 2017 Drag Race Event

Res. 82/17

Moved By: C. Nykyforak

Seconded By: N. Mann

That By-law No. 17-13, being a by-law to authorize an agreement with The North Shore Cruisers Car Club Inc. for planning and hosting the Drag Race event to be held July 13th to 16th, 2017, be passed.

Carried

13.5 By-law No. 17-14

Being a by-law to authorize an agreement with Luskville Dragway Company with respect to facilitation and provision of services with respect to the 2017 Drag Race Event

Res. 83/17

Moved By: C. Nykyforak

Seconded By: L. Cyr

That By-law No. 17-14, being a by-law to authorize an agreement with Luskville Dragway Company Limited for facilitation and provision of equipment, services and personnel for the Drag Race event to be held July 13th to 16th, 2017, be passed.

Carried

13.6 By-law No. 17-15

Being a by-law to authorize an agreement with Elliot Lake Retirement Living for use of property for the Spine Cross-Country Ski Trail

Res. 84/17

Moved By: N. Mann

Seconded By: C. Nykyforak

That By-law No. 17-15, being a by-law to authorize an agreement with Non-Profit Retirement Residences of Elliot Lake Inc. for the location and maintenance of a cross country ski trail / walking trail on their property adjacent to the Spine Road Beach, be passed.

Carried

14. COUNCIL REPORTS AND ANNOUNCEMENTS

Community Liaison Committee

Tuesday March 21st at 6:30, the CNSC will be making 3 presentations on:

1. Transport of Radioactive Material: Overview of the Regulatory Requirements
2. Transport of Radioactive Material: Overview of Emergency Preparedness
3. Transportation Security For Used Nuclear Fuel

The community is welcome to a social gathering prior to the meeting at White Mountain, beginning at 6pm.

Canada 150 Winter Fest 2017

Thank you to the citizens of Elliot Lake and visitors who came out to support this event. Thank you to our outstanding volunteers, City staff and community organizations, and all our generous and community minded sponsors. Ice Culture Inc. added world class flavour to our event and the vendors brought some tasty treats. Bordeleau Farms provided Horse-drawn Sleigh Rides, and Crane Harbour Huskies provided Sled Dog Rides.

Walking Program

The Indoor Walking Program available at the Collins Hall is gaining in popularity. Mon – Fri 8:30 – 10 a.m. and Mon – Thurs 5:30 – 7:00 p.m. Cost is \$1 per time or Monthly Pass \$10. Come out and enjoy the company of friends and neighbours while you walk in a safe and warm environment.

Public Swim and Skate

Daily public Swims and public skates will be held throughout the March Break. Also, there are youth programs taking place at the Collins Hall Monday – Friday, March Break from 1-3 pm. See the city website for further details.

Registrations for swimming lessons as part of our spring session will take place March 27 – 30 at the pool.

Cruisers Kids

North Shore Cruisers annual fundraiser for the Sick Kids Fund will be on April 1st, 6pm at the Collins Hall. This Event includes the steak eating contest, dinner, an auction, dance and live entertainment. Tickets available at Appliance Busters or Bruno's Auto. Always a good time and the fund helps children and families in our area during their greatest time of need.

Snow Removal

A shout out of appreciation to our crews at Public Works for another fine year of snow removal, keeping the streets clear and safe. I know this a tough job in any Northern community and sometimes includes long days and nights as mother nature has her own plans..... Ask Sean about the curb removal and why it can't be done earlier in the season (extreme cold, and the effects on pipes)

15. ADDENDUM

16. CLOSED SESSION (if applicable)

17. ADJOURNMENT

Res. 85/17

Moved By: C. Nykyforak

Seconded By: N. Mann

That this meeting adjourn at the hour of 7:40 PM.

Carried

Mayor

City Clerk

THE CORPORATION OF THE CITY OF ELLIOT LAKE
MUNICIPAL OFFICE
45 HILLSIDE DRIVE NORTH
ELLIOT LAKE, ON P5A 1X5



March 21, 2017

Mayor and Members of Council
City of Elliot Lake
45 Hillside Drive North
Elliot Lake, ON P5A 1X5

ATTENTION: L. SPRAGUE, DIRECTOR OF CLERKS & PLANNING SERVICES

Your Worship and Members of Council:

RE: FINANCE & ADMINISTRATION COMMITTEE RESOLUTION

We wish to advise that at a meeting of the Finance & Administration Committee held Monday, March 20, 2017, the Committee passed the following resolution:

Res#: 2017-15

THAT Report FIN 2017-07 of the Director of Corporate Services dated 6th March 2017 be received;

And THAT Council accept the proposal for a five-year term municipal banking services agreement as submitted by the Royal Bank of Canada.

A copy of the report is attached and the foregoing is respectfully submitted for your information.

Yours truly,

Michael Humble, CPA, CGA
Director of Corporate Services

MH/eal



The Corporation of the City of Elliot Lake

Staff Report FIN2017-07

Report of the **Director of Corporate Services**
for the Consideration of Council

RE: BANKING SERVICES RFP

OBJECTIVE

To provide Mayor and Council with information regarding the outcome of the Request for Proposals for the provision of Municipal Banking Services

RECOMMENDATION

THAT Report FIN 2017-07 of the Director of Corporate Services dated 6th March 2017 be received;

AND THAT Council accept the proposal for a five-year term municipal banking services agreement as submitted by the Royal Bank of Canada.

Respectfully Submitted

A blue ink signature of Michael Humble, consisting of a series of loops and a horizontal stroke.

Michael Humble CPA, CGA
Director of Corporate Services

Approved

Jeff Renaud
Chief Administrative Officer

6th March 2017

BACKGROUND

The Corporation of the City of Elliot Lake's banking services have not been tendered or quoted since 2007. The City has used Royal Bank of Canada for its banking services since at least 1998, and once the contract with RBC expired in 2012, the City remained with RBC on a non-contract basis.

On 19th October 2016 an open Request for Proposal (RFP) for municipal banking services was issued to all banking institutions. Four institutions responded by the deadline of 31st January 2017 with qualified submissions received from Royal Bank of Canada, Toronto Dominion, Bank of Nova Scotia, CIBC.

Respondents were advised the City planned to gain Council approval to award the new contract on 20th March 2017 with the agreement to commence 1st June 2017 and to be in effect for a period of five (5) years.

ANALYSIS

Staff reviewed the proposals considering and considered, among other criteria,

- interest rate paid on deposits,
- interest rate charged on short term borrowing,
- complete fee schedule for bank services and associated charges,
- on-line services offered,
- Consideration was also given to respondents that made additional recommendations to the City regarding future options and/or improvements that could be offered by the respondent, as requested in the RFP.

All proponents are able to offer all services required by the City, and all proposals had their own particular merits.

In order to quantify the true cost / benefit of each proposal, Staff evaluated each proposal against a typical transaction activity model for the year. We based our model on 2016 activity with average daily balances available to earn deposit interest and average monthly cheques, electronic funds transfers (eft's) and payroll entries issued, as well as pre-authorized payments (PAP's) received for water/sewer and tax accounts, plus a myriad of smaller banking activities.

The control column compared all results to the interest paid and fees charged to us by RBC in 2016

	Control RBC	CIBC	Scotia	TD	RBC
Interest & cash back	(\$46,430.26)	(\$66,265.00)	(\$60,463.50)	(\$67,590.30)	(\$75,691.20)
Fees	\$ 8,387.63	\$ 2,773.20	\$ 1,190.98	\$ 6,042.96	\$ 1,740.00
TOTAL	(\$38,042.63)	(\$63,491.80)	(\$59,272.52)	(\$61,547.34)	(\$73,951.20)

Each of the proposals bettered the contract terms we have been operating under since 2012 by at least \$21,000 per year. The best value proposition to the City is our existing provider, RBC, who have sharpened their pencils to the tune of approximately \$35,900 per annum through a general elimination of service fees and an increase to the interest rate paid on overnight deposits from 0.95% to 1.08%.

FINANCIAL IMPACT

Interest earned and banking fees paid by the City will be around \$35,900 (annual basis) better than budgeted for 2017, or approximately \$26,900 for the remainder of the current year based on a contract signing date of 1st April 2017.

LINKS TO STRATEGIC PLAN

Strong Municipal Corporate Administration and Governance

SUMMARY

Our current banking provider, Royal Bank of Canada has submitted the most beneficial proposal for continuation of municipal banking services to the City.

THE CORPORATION OF THE CITY OF ELLIOT LAKE
MUNICIPAL OFFICE
45 HILLSIDE DRIVE NORTH
ELLIOT LAKE, ON P5A 1X5



March 21, 2017

Mayor and Members of Council
City of Elliot Lake
45 Hillside Drive North
Elliot Lake, ON P5A 1X5

ATTENTION: L. SPRAGUE, DIRECTOR OF CLERKS & PLANNING SERVICES

Your Worship and Members of Council:

RE: FINANCE & ADMINISTRATION COMMITTEE RESOLUTION

We wish to advise that at a meeting of the Finance & Administration Committee held Monday, March 20, 2017, the Committee passed the following resolution:

Res#: 2017-16

That Report SR FIN 2017-08 of the Director of Corporate Services dated 6th March 2017 be received;

And That a by-law to establish maximum rebate tax reductions for Vacant Industrial and Commercial properties in accordance with section S.364 of the Municipal Act be recommended to Council;

And Further That a by-law to establish the tax treatment at 30% for 2017 for Vacant and Excess Land Subclasses be adopted by Council.

A copy of the report is attach and the foregoing is respectfully submitted for your information.

Yours truly,

Michael Humble, CPA, CGA
Director of Corporate Services

MH/eal



The Corporation of the City of Elliot Lake

Staff Report FIN2017-08

Report of the **Director of Corporate Services**
for the Consideration of Council

RE: Taxation By-Laws – Vacant Commercial / Industrial Properties

OBJECTIVE

To ensure compliance with statutory tax policy responsibilities pursuant to the Municipal Act, 2001 by adopting prescribed bylaws respecting Tax Reductions for Vacant Industrial and Commercial Properties.

RECOMMENDATION

That Report SR FIN 2017-08 of the Director of Corporate Services dated 6th March 2017 be received;

And That a by-law to establish rebate tax reductions for Vacant Industrial and Commercial properties be adopted by Council

And Further That a by-law to establish the tax treatment for Vacant and Excess Land Subclasses be adopted by Council.

Respectfully Submitted

Michael Humble CPA, CGA
Director of Corporate Services

Approved

Jeff Renaud
Chief Administrative Officer

6th March 2017

Until now the tax treatment of Vacant and Excess Land and the Rebate Program for Vacant Commercial and Industrial Units has been rigidly prescribed by the content of the *Municipal Act, 2001* and supporting Regulations.

For the most part, no significant concerns have arisen in respect of Vacant and Excess Land Sub-Classes but the Vacant Unit Rebate Program has become increasingly problematic. Although the program has generally functioned as intended, it has been marked by some critical weaknesses since its inception. In the absence of any Provincial policy attention, and no avenues for meaningful local enhancement, the issues have grown over time along with the administrative burden and cost to municipalities.

Vacant Unit Rebates: provide a tax rebate to property owners who have vacancies in commercial and industrial buildings. This application-based program is administered by single or upper-tier municipalities.

Vacant and Excess Land Property Tax Subclass: commercial and industrial properties or portions of these properties in the Vacant and Excess Land Property Tax Subclasses are taxed at a fixed percentage rate below the tax rate of the broad class.

The City has historically approved the same discount rate of 30% for all eligible properties.

ANALYSIS

The Province has reviewed the Vacant Unit Rebate and the Vacant/Excess Land Subclasses in consultation with municipal and business stakeholders, and is moving forward with providing municipalities broad flexibility for 2017 and future years.

This change is intended to allow municipalities to tailor the vacant rebate and reduction programs to reflect specific community needs and circumstances. As of 2017 upper and single-tier municipalities will have the opportunity to assume more responsibility and control over how these programs function locally. Municipalities are now able to consider changes in respect of:

- The percentage reductions for Vacant and Excess Land;
- The percentage or percentages used for Vacant Unit Rebates;
- Administrative policies, application procedures and information requirements;
- Enhanced and refined eligibility requirements; and
- In some instances, municipalities may choose to eliminate a program in its entirety.

What the Province has not done, is provide any specific *menu* of options to pick from; it is up to each municipal jurisdiction to craft their own local policies. Municipalities interested in pursuing policy refinements and enhancements must take on the policy making task locally and submit their desired program designs to the Province for review and consideration. As part of any such submission, the municipality must demonstrate that it has:

- Considered its policy objectives carefully;
- Crafted policy solutions and policy tools that are consistent with, and will effectively meet its policy objectives;
- Planned for the administrative and practical requirements of implementing the proposed policy changes;
- Considered the impact of change on the taxpayer and business community; and
- Integrated the feedback and perspective of stakeholders in the decision making process.

Attached is an overview prepared by MTE outlining their analysis of this opportunity for greater tax policy control by the City. Options vary from enhancing the tax rebate program to considering ways to phase out the program;

- Continue program for Commercial and/or Industrial class as-is
- Pursue immediate opt-out
- Pursue a universal staged phase-out over time
- Implement a declining benefit program on a property by property basis
- Alter rebate percentage(s)
- Exclude specific property types
- Eliminate partial building / unit rebates

Even if Council desired to make changes, there is insufficient time and direction from the Province to consider and initiate changes for the 2017 fiscal year with the timelines provided by the provincial government (1st July 2017) Considered program changes would need to be designed within general equity principals and implemented in a consistent and equitable manner, and any direction provided to staff by Council will be evaluated for the 2018 fiscal year.

Notwithstanding this increased flexibility, Staff recommends that Council maintain both the “*Vacant Unit*” rebate and the “*Vacant and Excess Land Property Tax Subclass*” rebate factors at 30% for 2017. The 30% subsidy reasonably recognizes the financial hardship experienced by property owners during periods when eligible buildings are vacant and provides sufficient incentive to return buildings to occupied status.

FINANCIAL IMPACT

Fixed rate reductions to property sub-classes are absorbed by all other taxpayers within the City.

Vacancy rebates for eligible buildings are a loss of revenue to the City and impact our bottom line.

LINKS TO STRATEGIC PLAN

Strong Municipal Corporate Administration and Governance

SUMMARY

It is recommended that Council maintain the Vacant Unit Rebate at 30% for commercial and industrial buildings for 2017.

It is recommended that Council maintain the rate reduction for commercial and industrial Vacant and Excess Land property tax subclasses at the 30% level for 2017.



Ministry of Finance

**VACANCY REBATE AND REDUCTION PROGRAM CHANGES
CHECKLIST
January 2017**

BUSINESS COMMUNITY ENGAGEMENT

- ✓ Have you engaged the local business community?
- ✓ Can you provide details on how and when you have engaged the local business community?
- ✓ Have you considered the potential impacts the proposed changes may have on local businesses?
- ✓ Have you communicated potential impacts of proposed changes to the business community?
- ✓ Has Council been made aware of the potential impacts on the business community?

PROGRAM DETAILS

- ✓ Have you outlined details of program changes in your submission?
- ✓ For municipalities in a two-tiered system, have you discussed proposed changes with lower-tier municipalities?
- ✓ Have you considered how you will implement or administer any potential changes to the vacancy programs?
- ✓ Have you considered these changes as part of a multi-year strategy?
- ✓ Has Council passed a resolution indicating approval of these changes?

FURTHER INFORMATION

If you have any questions about implementation of changes to the vacant rebate and reduction programs, please contact the Ministry of Finance at info.propertytax@ontario.ca.

CLIENT MEMO: VACANCY REFORM

FEBRUARY 2017

(Overview of Recommended Step 1: Interest Identification)

STEP 1: IDENTIFICATION OF POLICY INTERESTS

This interest documentation matrix has been prepared to assist municipalities in identifying their “first pass wish list” of potential changes and improvements in respect of vacant and excess land and the vacant unit rebate program. It is recommended that the process begin with identifying general policy interests and not advancing specific policy tools or solutions (these will follow).

To help organize the process, we have simply broken the programs out by their constituent elements. Under each element the participant should note whether they see change as desirable / needed and if so list:

- ✓ Problematic Elements that require **Remedial Policy** attention (e.g. applicant delays, eligibility rules, etc.) and
- ✓ **Progressive Policy** Changes and Improvements (e.g. reduce costs, more robust administrative procedures, etc.)

SUB-CLASS DISCOUNTS

Is a discount outside the 30-35% range desirable for any or all of the following?

If so, why and to what end?

- Industrial Excess Land Discount
- Industrial Vacant Land Discount
- Commercial Excess Land Discount
- Commercial Vacant Land Sub-Class

VACANT UNIT REBATES

Big Picture

- Continue Program for Commercial and/or Industrial Class As-Is (if yes, stop here)
- Pursue Immediate Opt-Out
- Pursue a Universal Staged Phase-Out over Time
- Implement a Declining Benefit Program on a Property By Property Basis
- Alter Rebate Percentage(s)
- Exclude Specific Property Types
- Eliminate Partial Building / Unit Rebates

Application and Administrative Elements

- Applications and Due Dates
- Application Completeness
- Compelling Additional Information and Inspections
- Vetting what is Submitted to MPAC
- Response Timing and Information Submission / MPAC Responses and Interest Timing
- Vacancy Period Start Notification for Full and/or Partial Vacancies
- Establish “File Close” Dates / Timing

Full Building Eligibility

- Enhanced Definitions Surrounding “Use”
- Eligibility / Exclusion Rules for Certain Property, Building or Structure Types
- Eligibility / Exclusion Rules for Specific Property Use or Function
- Add additional conditions surrounding availability and potential for occupancy as per partial vacancies?

CLIENT MEMO: VACANCY REFORM

FEBRUARY 2017

(Overview of Recommended Step 1: Interest Identification)

Partial Building Eligibility Commercial

- Eliminate Partial Vacancies
- Set Differential Rebate Amount
- Eligibility / Exclusion Rules for Certain Property, Building or Structure Types
- Eligibility / Exclusion Rules for Specific Property Use or Function
- Set Minimum Size / Area
- Enhance Definitions Such as "Occupancy", "Lease", "Leasehold Interest"
- Strengthen Exceptions for Repairs, Renovations and Unfit
- Mandate Notification at Start of Vacancy
- Establish Standards for Separation of Unused Units

Partial Building Eligibility Industrial

Same Considerations as Commercial Plus:

- Standardize Criteria with Commercial
- Establish Standards for Separation of Unused Space (clearly delineated?)
- Mandate Notification at Start of Vacancy

Institute Declining Benefit

A declining benefit program would involve some form of systematic reduction to a taxpayer's rebate and/or eligibility over time. For example, an applicant would be eligible for a traditional rebate for one or more years, but at some point (Yr. 2, 3, 5, etc.) the benefit would begin to decline; perhaps seeing the rebate reduced by 5% or 10% per year. Some of the details and secondary issues/outcomes a municipality would want to consider include:

- When does the decline begin?
- What is the rate of decline?
- Will it apply on a property / roll number basis, or by a portion of property (unit)?
- Will it be a total decline to 0%, or will it end with a minimal amount 10% or 5%?
- How will "gap years" be dealt with and will there be any reset points or reset eligible events?
- How will this be tracked and what administrative resources/systems will be required? (Cost?)

A property specific declining benefit scheme may be capable of addressing some very specific and significant policy objectives; however it is expected to be the most complex and administratively burdensome approach. It also has the potential of creating a wide spectrum of unintended consequences and issues over time. Any municipality considering such a plan must do with extreme care.

Opt-Out / Phase-Out

Some municipalities are considering eliminating the vacancy rebate program in its entirety.

Concepts being looked at include immediate discontinuation, or universal phase-out.

A phase-out might look similar to a declining balance program, but it would be based solely on time/year rather than on any property-by-property activity within the program. Necessary considerations may include:

- Is immediate opt-out / cancellation of the program desirable/possible?
- How many years will the phase-out take?
- What is the rate of decline?
- Is it worth the effort, time and resources to consider other refinements that will apply during the phase-out?
- Will this trigger a surge in other forms of relief being pursued (appeals, 357's, etc.)?
- Will there be any *competitiveness* issues with neighbouring jurisdictions?

CLIENT MEMO: VACANCY REFORM

FEBRUARY 2017

(Overview of Recommended Step 1: Interest Identification)

Opting out may be one of the most dramatic avenues of reform to pursue, however, in a practical sense, it could prove to be less complex and less demanding to administer than a declining benefit program. That said, there is the potential for downsides that might not be fully known until the program has expired.

Approach to and Potential for Reform

The above points are simply intended to assist the policy maker organize their own thoughts and preferences. It may or may not be possible to develop or implement policy tools that would address these items. That will depend on how well the policies are planned, considered and presented. MTE suggests that an essential element of any successful reform effort in this regard will be the drafters' ability to connect the policy tools and choices being pursued with specific and reasonable policy objectives and reasonably expected policy outcomes. That is, we encourage our clients to focus on what they want to correct and/or achieve first. With this clearly sketched out municipalities will be better positioned to begin carefully selecting policy tools that have a reasonable expectation of achieving those outcomes.

What we suggest be avoided at all cost, is attaching to a seemingly attractive policy tool without considering how it will be implemented, what might happen, and how it fits with the municipality's broader goals, principles and objectives. This is particularly important to avoid at the early stages of policy development when the risk of initiating a narrowly conceived and path dependent process is at its greatest.

It is expected that policies approved by the Ministry will most likely need to fit with the general logic of the broader programs. It can also be expected that policy changes that go against general equity principles, conflict with existing policy, or propose the imposition of controls on other aspects of the property tax regime will prove problematic. Some of the policy suggestions to avoid might include, but may not be limited to:

- Rules that would treat similar properties differently based on a variable irrelevant to the realm of property tax;
- Rules that would curtail a taxpayer's opportunity to pursue recourse measures unrelated to the vacancy of their property (appeal against value);
- Program elements can't practically be implemented in a consistent and equitable manner;
- Any mechanism that presents more as punitive or obstructive as opposed to a refinement or enhancement to promote compliance and limit exposure; and
- Rules that attempt to consider motive, interest or intent may also be problematic (Would the taxpayer rather be vacant, strike circumstances, looking for buyer rather than tenant, etc.)

ADDITIONAL INFORMATION AND SUPPORT

As noted, Municipalities have been presented with a unique opportunity, but successful implementation of an enhanced local vacancy program will require careful consideration and deliberate design efforts. Should you have any questions regarding these matters, or would like to undertake any locally specific analysis or review, please do not hesitate to contact the undersigned at any time.

Peter

Peter R. Frise

Tel: 905-878-7978 Ext. 411 /

Email: peterf@mte.ca

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THE CORPORATION OF THE CITY OF ELLIOT LAKE
MUNICIPAL OFFICE
45 HILLSIDE DRIVE NORTH
ELLIOT LAKE, ON P5A 1X5



March 21, 2017

Mayor and Members of Council
City of Elliot Lake
45 Hillside Drive North
Elliot Lake, ON P5A 1X5

ATTENTION: L. SPRAGUE, DIRECTOR OF CLERKS & PLANNING SERVICES

Your Worship and Members of Council:

RE: FINANCE & ADMINISTRATION COMMITTEE RESOLUTION

We wish to advise that at a meeting of the Finance & Administration Committee held Monday, March 20, 2017, the Committee passed the following resolution:

Res#: 2017-17

That Report SR FIN 2017-09 of the Director of Corporate Services dated 13th March 2017 be received;

And That the Committee identifies the 15% ratio reduction scenario for Commercial & Industrial property classes for consideration of Council;

And That a by-Law to Levy and Collect Property Taxes for the 2017 Taxation Year be adopted by Council.

A copy of the report is attach and the foregoing is respectfully submitted for your information.

Yours truly,



Michael Humble, CPA, CGA
Director of Corporate Services

MH/eal



The Corporation of the City of Elliot Lake

Staff Report FIN2017-09

Report of the **Director of Corporate Services**
for the Consideration of Council

RE: Property Tax Policy, Rates and Levy

OBJECTIVE

To provide for the final levying and collection of the 2017 property tax requirements for the City of Elliot Lake, based upon estimates contained in By-Law 16-79 of the City and to ensure compliance with statutory tax policies pursuant to the Municipal Act by setting tax rates, ratios and other mandatory parameters for the current taxation year.

RECOMMENDATION

That Report SR FIN 2017-09 of the Director of Corporate Services dated 13th March 2017 be received;

And That the preferred tax policy be identified by Council resolution

And That a by-Law to Levy and Collect Property Taxes for the 2017 Taxation Year be adopted by Council.

Respectfully Submitted

A handwritten signature in blue ink, appearing to read "Michael Humble", written over a horizontal line.

Michael Humble CPA, CGA
Director of Corporate Services

13th March 2017

BACKGROUND

The Municipal Act, 2001 ("Municipal Act") requires single-tier municipalities to establish own-purpose property tax estimates and tax rates to raise those estimates each year. The tax rates set to raise these amounts must be established in accordance with compliant tax ratios and subclass reductions, which will govern the distribution of the burden among the different property tax classes.

The municipality must also define its levying and collection protocols for the year including installment due dates and penalties and interest that will be imposed for late or non-payment of taxes. All of these must be set annually via By-Law.

The City's "2017 Tax Policy and Assessment Change Impact Study" was prepared by Municipal Tax Equity Consultants Inc. (MTE) to assist Council and staff in understanding the local assessment and taxation landscape and to provide a background context for considering these decisions within a locally sensitive context.

ANALYSIS

At the regular Council meeting on 27th February, Council heard a presentation from Peter Frise of MTE Consultants Inc.

Council heard the impact of the new assessment cycle on the relative distribution of taxes between and within property tax classes.

Staff were directed to bring back a number of very specific scenarios that

- reduce multi-residential ratio from 2.07 to 2.0
- maintain a consistent balance of taxation between urban and rural property owners at 2016 levels
- and indicate ratio reductions in Commercial / Industrial of 5%, 10%, and 15% for discussion and selection purposes of Council.

Attached are three scenarios (Attachment One).

In order to better understand the impact of these scenarios I have prepared a table that explains these tax rate shifts on the residential tax class. (Attachment Two).

This class contains 4,360 individual properties and this table considers 4,219 of them (97% of all affected properties). We consider the City portion of property taxes only as the 2017 education rates are yet to be released by the Province.

The baseline is the amount of taxes paid by an average property for each class and type in 2016.

The 2016 reassessment cycle affected different property types in varying degrees.

301 Single Family Detached	-1.163%
311 Semi-Detached Residential	0.376%
309 Freehold Townhouse	-11.894%
370 Residential Condominium	-1.899%
391 Seasonal Recreational Dwelling On Water	-14.483%
313 Single Family Detached on Water	-14.572%

On average, semi-detached properties saw a small increase in current value assessment (CVA), while waterfront properties experienced large decreases in the region of 14.5%.

No two properties are the same, and even within the property classes, some individual properties will have experienced increases larger than the average presented here, while an equal number will have experienced larger decreases than the average quoted.

The 'Taxes at 2017 base' on Attachment Two shows what taxes would be paid by an average residential property with the base changes requested by Council at their last meeting.

- 2017 levy requirement \$11,137,068
- Urban surcharge at 12.9% of total levy requirement
- Reducing multi-residential ratio from 2.07 to 2.0

The next three columns show the impact on residential property types if Council were to reduce the Occupied Commercial and Industrial property class ratios by 5%, 10% and 15% respectively.

At the 15% ratio reduction level (from 1.679 times the residential rate in 2016 to 1.42715 in 2017) the impact on residential property owners would be the following

Class & Description	Taxes 2016	2017 (15%)	\$ Increase/ (decrease)	% Increase/ (decrease)
301 Single Family Detached	\$ 1,928	\$ 1,972	\$ 43	2.25%
311 Semi-Detached Residential	\$ 1,337	\$ 1,389	\$ 51	3.84%
309 Freehold Townhouse	\$ 1,127	\$ 1,027	\$ (100)	-8.85%
370 Residential Condominium	\$ 927	\$ 940	\$ 14	1.49%
391 Seasonal Recreational Dwelling On Water	\$ 3,376	\$ 3,292	\$ (85)	-2.51%
313 Single Family Detached on Water	\$ 4,718	\$ 4,595	\$ (123)	-2.61%

It should be noted that waterfront property owners will still see an average reduction of 2.5% to 2.6% in their 2017 property tax bill (due to large CVA assessment reductions) while Urban residents will experience general increases of 2.25%.

This suggests that the Urban Surcharge remains unbalanced and still somewhat inequitable.

The Urban Surcharge was based on the availability of storm sewers, streetlights, transit, garbage collection, recycling and Fire Department costs.

It should also be noted that Administration is receiving a significant amount of correspondence from property owners who desire to be included in this subsidized area even though they do not qualify geographically, and reside within Town boundaries.

Some do not have street lights, others question the level of garbage collection service they receive, and others do not use public transit, patronize the Library or dial 911 to request Police, Fire or Ambulance assistance. Others do not have children and seek exemption from the Education component of their tax bill.

The Ontario property tax system is based on market value assessment and equality and is not menu-based where property owners select the services they receive or utilize. I believe Council will receive an increasing number of questions about the Urban Surcharge as other property owners outside of Polls 17 to 22 wish to receive the same subsidy these residents currently enjoy.

FINANCIAL IMPACT

The 2017 municipal taxable levy requirement (2017 tax supported operating budget) is \$11,137,068. This does not include provincial education tax amounts or the City's Central Commercial Area (CCA) levy which are calculated separately.

This report addresses how the levy requirement is distributed amongst property classes and between urban and rural properties.

LINKS TO STRATEGIC PLAN

Strong Municipal Corporate Administration and Governance

SUMMARY

Staff are presenting three scenarios of reducing the occupied commercial and industrial class ratios by 5%, 10% and 15%.

The impact of these reductions on residential property tax payers is explained.

Council are requested to identify their preferred tax policy by resolution.

The by-law to formally set tax rates will be brought forward once the Province releases education tax rates and multi-residential ratio caps for 2017.

CONFIDENTIAL

**TAX RATIO SENSITIVITY AND
MUNICIPAL LEVY IMPACT ANALYSIS**

Prepared For:
THE CITY OF ELLIOT LAKE

By:
MUNICIPAL TAX EQUITY (MTE) CONSULTANTS INC.
GEORGETOWN, ONTARIO
WWW.MTE.CA

Published On:
MONDAY, MARCH 13, 2017



DISCLAIMER AND CAUTION

The information, views, data and discussions in this document and related material are provided for general reference purposes only.

Regulatory and statutory references are, in many instances, not directly quoted excerpts and the reader should refer to the relevant provisions of the legislation and regulations for complete information.

The discussion and commentary contained in this report do not constitute legal advice or the provision of legal services as defined by the *Law Society Act*, any other Act, or Regulation. If legal advice is required or if legal rights are, or may be an issue, the reader must obtain an independent legal opinion.

Decisions should not be made in the sole consideration of or reliance on the information and discussions contained in this report. It is the responsibility of each individual in either of a decision-making or advisory capacity to acquire all relevant and pertinent information required to make an informed and appropriate decision with regards to any matter under consideration concerning municipal finance issues.

No attempt has been made by MTE to establish the completeness or accuracy of the data prepared by the Municipal Property Assessment Corporation (MPAC). MTE, therefore, makes no warranties or guarantees that the source data is free of error or misstatement.

MTE is not responsible to the municipality, nor to any other party for damages arising based on incorrect data or due to the misuse of the information contained in this study, including without limitation, any related, indirect, special or consequential damages.

CONFIDENTIAL**Discussion and Explanation**

The assistance of Municipal Tax Equity (MTE) Consultants Inc. has been sought by the City of Elliot Lake to generate models to illustrate the impacts of reducing the Commercial and Industrial tax ratios by 5%, 10% and 15%.

In preparing these results, MTE has relied on the following general parameters to create a base-line, status quo levy model:

1. A 2017 Municipal Taxable Levy Requirement of City General levy target of \$11,137,068.
2. An apportionment factor of 12.9% has been used to calculate the Urban Surcharge portion of the total requirement in order to maintain the balance of municipal taxation between Urban and Rural areas consistent with the balance of taxation for 2016. This factor has been adjusted to account for the impacts of reassessment change across the City.
3. The City's starting tax ratios as documented in the 2017 Tax Policy Study dated January 24, 2017, which include a reduction in the Multi-Residential ratio to 2.0 and a Landfill ratio matching the City's 2016 Commercial ratio. Both of these ratios must be considered interim until such time as final Regulations are filed by the Province.
4. Provincial Education tax amounts and the City's Central Commercial levy have not been included in any of the calculations.

Results Tables

Tables 1, 2 and 3 have been prepared to summarize and document these three scenarios.

"A" Tables summarize the ratios and general levy rates for each model.

"B" Tables contain the general levies raised by the rates in the "A" tables.

"C" Tables summarize the ratios and urban service area rates for each model.

"D" Tables contain the general levies raised by the rates in the "C" tables.

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**Table 1-A
2017 General Ratios and Rates**

Realty Tax Class	Tax Ratios			General Levy Rates		
	Start	Alternate	Difference	Start Rates	Alternate	Difference
Residential	1.000000	1.000000	0.00%	0.01644142	0.01655465	0.69%
Managed Forest	0.250000	0.250000	0.00%	0.00411036	0.00413866	0.69%
Multi-Residential	2.000000	2.000000	0.00%	0.03288284	0.03310930	0.69%
Commercial	1.679000	1.595050	-5.00%	0.02760514	0.02640549	-4.35%
Industrial	1.679000	1.595050	-5.00%	0.02760514	0.02640549	-4.35%
Pipeline	0.700000	0.700000	0.00%	0.01150899	0.01158826	0.69%

**Table 1-B
2017 General Levy**

Realty Tax Class	General Levy		Difference	
	Start Ratios	Alternate	\$	%
<i>Taxable</i>				
Residential	\$7,078,451	\$7,127,200	\$48,749	0.69%
Managed Forest	\$133	\$134	\$1	0.75%
Multi-Residential	\$1,248,576	\$1,257,175	\$8,599	0.69%
Commercial	\$1,265,897	\$1,210,884	-\$55,013	-4.35%
Industrial	\$61,015	\$58,363	-\$2,652	-4.35%
Pipeline	\$46,312	\$46,631	\$319	0.69%
Sub-Total Taxable	\$9,700,384	\$9,700,387	\$3	0.00%
<i>Payment In Lieu</i>				
Residential	\$9,612	\$9,678	\$66	0.69%
Commercial	\$174,804	\$167,207	-\$7,597	-4.35%
Industrial	\$3,946	\$3,774	-\$172	-4.36%
Landfill	\$520	\$524	\$4	0.77%
Sub-Total PIL	\$188,882	\$181,183	-\$7,699	-4.08%
Total Taxable + PIL	\$9,889,266	\$9,881,570	-\$7,696	-0.08%

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Table 1-C
2017 Urban Surcharge Ratios and Rates

Realty Tax Class	Tax Ratios			Urban Surcharge Rates		
	Start	Alternate	Difference	Start	Alternate	Difference
Residential	1.000000	1.000000	0.00%	0.00276651	0.00278632	0.72%
Multi-Residential	2.000000	2.000000	0.00%	0.00553302	0.00557264	0.72%
Commercial	1.679000	1.595050	-5.00%	0.00464497	0.00444432	-4.32%
Industrial	1.679000	1.595050	-5.00%	0.00464497	0.00444432	-4.32%
Pipeline	0.700000	0.700000	0.00%	0.00193656	0.00195042	0.72%

Table 1-D
2017 Urban Surcharge Special Area Levy

Realty Tax Class	Urban Surcharge		Difference	
	Start Ratios	Alternate	\$	%
<i>Taxable</i>				
Residential	\$1,014,450	\$1,021,714	\$7,264	0.72%
Multi-Residential	\$210,091	\$211,596	\$1,505	0.72%
Commercial	\$195,325	\$186,888	-\$8,437	-4.32%
Industrial	\$9,023	\$8,633	-\$390	-4.32%
Pipeline	\$7,793	\$7,848	\$55	0.71%
Sub-Total Taxable	\$1,436,682	\$1,436,679	-\$3	0.00%
<i>Payment In Lieu</i>				
Residential	\$73	\$73	\$0	0.00%
Commercial	\$17,028	\$16,292	-\$736	-4.32%
Industrial	\$664	\$635	-\$29	-4.37%
Sub-Total PIL	\$17,765	\$17,000	-\$765	-4.31%
Total Taxable + PIL	\$1,454,447	\$1,453,679	-\$768	-0.05%



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Table 2-A
2017 General Ratios and Rates

Realty Tax Class	Tax Ratios			General Levy Rates		
	Start	Alternate	Difference	Start Rates	Alternate	Difference
Residential	1.000000	1.000000	0.00%	0.01644142	0.01666944	1.39%
Managed Forest	0.250000	0.250000	0.00%	0.00411036	0.00416736	1.39%
Multi-Residential	2.000000	2.000000	0.00%	0.03288284	0.03333888	1.39%
Commercial	1.679000	1.511100	-10.00%	0.02760514	0.02518919	-8.75%
Industrial	1.679000	1.511100	-10.00%	0.02760514	0.02518919	-8.75%
Pipeline	0.700000	0.700000	0.00%	0.01150899	0.01166861	1.39%

Table 2-B
2017 General Levy

Realty Tax Class	General Levy		Difference	
	Start Ratios	Alternate	\$	%
<i>Taxable</i>				
Residential	\$7,078,451	\$7,176,620	\$98,169	1.39%
Managed Forest	\$133	\$135	\$2	1.50%
Multi-Residential	\$1,248,576	\$1,265,892	\$17,316	1.39%
Commercial	\$1,265,897	\$1,155,108	-\$110,789	-8.75%
Industrial	\$61,015	\$55,675	-\$5,340	-8.75%
Pipeline	\$46,312	\$46,954	\$642	1.39%
Sub-Total Taxable	\$9,700,384	\$9,700,384	\$0	0.00%
<i>Payment In Lieu</i>				
Residential	\$9,612	\$9,745	\$133	1.38%
Commercial	\$174,804	\$159,505	-\$15,299	-8.75%
Industrial	\$3,946	\$3,600	-\$346	-8.77%
Landfill	\$520	\$527	\$7	1.35%
Sub-Total PIL	\$188,882	\$173,377	-\$15,505	-8.21%
Total Taxable + PIL	\$9,889,266	\$9,873,761	-\$15,505	-0.16%

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Table 2-C
2017 Urban Surcharge Ratios and Rates

Realty Tax Class	Tax Ratios			Urban Surcharge Rates		
	Start	Alternate	Difference	Start	Alternate	Difference
Residential	1.000000	1.000000	0.00%	0.00276651	0.00280643	1.44%
Multi-Residential	2.000000	2.000000	0.00%	0.00553302	0.00561286	1.44%
Commercial	1.679000	1.511100	-10.00%	0.00464497	0.00424080	-8.70%
Industrial	1.679000	1.511100	-10.00%	0.00464497	0.00424080	-8.70%
Pipeline	0.700000	0.700000	0.00%	0.00193656	0.00196450	1.44%

Table 2-D
2017 Urban Surcharge Special Area Levy

Realty Tax Class	Urban Surcharge		Difference	
	Start Ratios	Alternate	\$	%
<i>Taxable</i>				
Residential	\$1,014,450	\$1,029,088	\$14,638	1.44%
Multi-Residential	\$210,091	\$213,123	\$3,032	1.44%
Commercial	\$195,325	\$178,330	-\$16,995	-8.70%
Industrial	\$9,023	\$8,238	-\$785	-8.70%
Pipeline	\$7,793	\$7,905	\$112	1.44%
Sub-Total Taxable	\$1,436,682	\$1,436,684	\$2	0.00%
<i>Payment In Lieu</i>				
Residential	\$73	\$74	\$1	1.37%
Commercial	\$17,028	\$15,546	-\$1,482	-8.70%
Industrial	\$664	\$606	-\$58	-8.73%
Sub-Total PIL	\$17,765	\$16,226	-\$1,539	-8.66%
Total Taxable + PIL	\$1,454,447	\$1,452,910	-\$1,537	-0.11%



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**Table 3-A
2017 General Ratios and Rates**

Realty Tax Class	Tax Ratios			General Levy Rates		
	Start	Alternate	Difference	Start Rates	Alternate	Difference
Residential	1.000000	1.000000	0.00%	0.01644142	0.01678584	2.09%
Managed Forest	0.250000	0.250000	0.00%	0.00411036	0.00419646	2.09%
Multi-Residential	2.000000	2.000000	0.00%	0.03288284	0.03357168	2.09%
Commercial	1.679000	1.427150	-15.00%	0.02760514	0.02395591	-13.22%
Industrial	1.679000	1.427150	-15.00%	0.02760514	0.02395591	-13.22%
Pipeline	0.700000	0.700000	0.00%	0.01150899	0.01175009	2.09%

**Table 3-B
2017 General Levy**

Realty Tax Class	General Levy		Difference	
	Start Ratios	Alternate	\$	%
<i>Taxable</i>				
Residential	\$7,078,451	\$7,226,733	\$148,282	2.09%
Managed Forest	\$133	\$136	\$3	2.26%
Multi-Residential	\$1,248,576	\$1,274,732	\$26,156	2.09%
Commercial	\$1,265,897	\$1,098,553	-\$167,344	-13.22%
Industrial	\$61,015	\$52,949	-\$8,066	-13.22%
Pipeline	\$46,312	\$47,282	\$970	2.09%
Sub-Total Taxable	\$9,700,384	\$9,700,385	\$1	0.00%
<i>Payment In Lieu</i>				
Residential	\$9,612	\$9,813	\$201	2.09%
Commercial	\$174,804	\$151,696	-\$23,108	-13.22%
Industrial	\$3,946	\$3,424	-\$522	-13.23%
Landfill	\$520	\$531	\$11	2.12%
Sub-Total PIL	\$188,882	\$165,464	-\$23,418	-12.40%
Total Taxable + PIL	\$9,889,266	\$9,865,849	-\$23,417	-0.24%



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Table 3-C
2017 Urban Surcharge Ratios and Rates

Realty Tax Class	Tax Ratios			Urban Surcharge Rates		
	Start	Alternate	Difference	Start	Alternate	Difference
Residential	1.000000	1.000000	0.00%	0.00276651	0.00282682	2.18%
Multi-Residential	2.000000	2.000000	0.00%	0.00553302	0.00565364	2.18%
Commercial	1.679000	1.427150	-15.00%	0.00464497	0.00403430	-13.15%
Industrial	1.679000	1.427150	-15.00%	0.00464497	0.00403430	-13.15%
Pipeline	0.700000	0.700000	0.00%	0.00193656	0.00197877	2.18%

Table 3-D
2017 Urban Surcharge Special Area Levy

Realty Tax Class	Urban Surcharge		Difference	
	Start Ratios	Alternate	\$	%
<i>Taxable</i>				
Residential	\$1,014,450	\$1,036,565	\$22,115	2.18%
Multi-Residential	\$210,091	\$214,671	\$4,580	2.18%
Commercial	\$195,325	\$169,646	-\$25,679	-13.15%
Industrial	\$9,023	\$7,837	-\$1,186	-13.14%
Pipeline	\$7,793	\$7,963	\$170	2.18%
Sub-Total Taxable	\$1,436,682	\$1,436,682	\$0	0.00%
<i>Payment In Lieu</i>				
Residential	\$73	\$74	\$1	1.37%
Commercial	\$17,028	\$14,789	-\$2,239	-13.15%
Industrial	\$664	\$577	-\$87	-13.10%
Sub-Total PIL	\$17,765	\$15,440	-\$2,325	-13.09%
Total Taxable + PIL	\$1,454,447	\$1,452,122	-\$2,325	-0.16%



SR FIN 2017-09 Property Tax Policy - ATTACHMENT TWO

Average Residential Properties (Urban & Rural)					City Share Property Taxes (No Education)							
Class & Description	Count	2016 Average CVA	2017 Average CVA	Taxes 2016	Taxes at 2017 Base	% Increase/ (decrease)	Taxes in 2017 (5%)	% Increase/ (decrease)	Taxes in 2017 (10%)	% Increase/ (decrease)	Taxes in 2017 (15%)	% Increase/ (decrease)
301 Single Family Detached	2436	\$ 101,706	\$ 100,523	\$ 1,928	\$ 1,931	0.14%	\$ 1,944	0.84%	\$ 1,958	1.54%	\$ 1,972	2.25%
311 Semi-Detached Residential	952	\$ 70,546	\$ 70,811	\$ 1,337	\$ 1,360	1.70%	\$ 1,370	2.41%	\$ 1,379	3.12%	\$ 1,389	3.84%
309 Freehold Townhouse	276	\$ 59,450	\$ 52,379	\$ 1,127	\$ 1,006	-10.73%	\$ 1,013	-10.11%	\$ 1,020	-9.49%	\$ 1,027	-8.85%
370 Residential Condominium	289	\$ 48,878	\$ 47,950	\$ 927	\$ 921	-0.60%	\$ 927	0.09%	\$ 934	0.78%	\$ 940	1.49%
391 Seasonal Recreational Dwelling On Water	174	\$ 229,302	\$ 196,091	\$ 3,376	\$ 3,224	-4.51%	\$ 3,246	-3.85%	\$ 3,269	-3.19%	\$ 3,292	-2.51%
313 Single Family Detached on Water	92	\$ 320,430	\$ 273,736	\$ 4,718	\$ 4,501	-4.61%	\$ 4,532	-3.95%	\$ 4,563	-3.29%	\$ 4,595	-2.61%

THE CORPORATION OF THE CITY OF ELLIOT LAKE
MUNICIPAL OFFICE
45 HILLSIDE DRIVE NORTH
ELLIOT LAKE, ON P5A 1X5



March 21, 2017

Mayor and Members of Council
City of Elliot Lake
45 Hillside Drive North
Elliot Lake, ON P5A 1X5

ATTENTION: L. SPRAGUE, DIRECTOR OF CLERKS & PLANNING SERVICES

Your Worship and Members of Council:

RE: FINANCE & ADMINISTRATION COMMITTEE RESOLUTION

We wish to advise that at a meeting of the Finance & Administration Committee held Monday, March 20, 2017, the Committee passed the following resolution:

Res#: 2017-18

That Report SR FIN 2017-10, "Budget Matters – Ontario Regulation 284/09" of the Director of Corporate Services dated 14th March 2017 be received;

And That the report be forwarded to Council for adoption by resolution.

A copy of the report is attached and the foregoing is respectfully submitted for your information.

Yours truly,

Michael Humble, CPA, CGA
Director of Corporate Services

MH/eal



The Corporation of the City of Elliot Lake

Staff Report FIN2017-10

Report of the **Director of Corporate Services**
for the Consideration of Council

RE: 2017 Budget Matters – Ontario Regulation 284/09

OBJECTIVE

To provide information pursuant to Ontario regulation 284/09.

RECOMMENDATION

That Report SR FIN 2017-10, "Budget Matters – Ontario Regulation 284/09" of the Director of Corporate Services dated 14th March 2017 be received;

And That the report be forwarded to Council for adoption by resolution.

Respectfully Submitted

A handwritten signature in blue ink, appearing to read "Michael Humble", written over a horizontal line.

Michael Humble CPA, CGA
Director of Corporate Services

14th March 2017

BACKGROUND

Ontario Regulation 284/09 permits Municipalities to exclude certain expenses from their estimated expenditures when setting its budget and tax rates. The permitted exclusions include all or part of (1) amortization expense, (2) post-employment benefits expense and (3) landfill closure and post-closure expenses.

If the budget does not include these expenses, a report to Council is required. The report shall include (1) an estimate of the change in the accumulated surplus of the municipality resulting from the exclusion of any of these expenses and (2) an analysis of the estimated impact of the exclusion of any of the expenses on the future tangible capital asset funding requirements.

ANALYSIS

Attached are two schedules - Schedule "A" re: General Municipal Budget and Schedule "B" re: the Water and Sewer Plants Budget, for 5 years, 2013 to 2017 inclusive. The Water and Sewer Plants figures are presented separately because the Safe Drinking Water Act addresses cost recovery of municipal systems.

Amortization Expense and Current Capital expenditures:

The City's average annual amortization expense is about \$2.36 Million. The average investment in capital (capital levy plus net transfers to capital reserves) is about \$697,000. The average difference is about \$1.66 Million.

The Water and Sewer Plants average annual amortization expense is about \$433,000. The average investment in Plants capital is about \$451,000 and the difference is about \$19,000.

If the City were to fully fund amortization as a current expense, the tax levy would have to be increased by \$1.66 Million per year.

Post-Employment Benefits Expense:

The City provides health & dental benefits to retirees who meet policy criteria. Every three years, an actuarial consultant reviews the benefits package and the workforce demographics, and forecasts future benefit obligations. The operating budget covers current costs, but no provision is set aside to cover future costs. If the City were to fully fund post-employment benefits obligations based on the past five years' forecasts, the budget would have to include an additional \$1.5 Million.

Landfill Closure and Post-Closure Costs:

The City's landfill site is nearing its capacity, and the City is in the process of expanding the site. Based on current capacity, closure and post-closure costs are estimated at \$1.14 Million. Landfill reserves are \$2.18 Million.

The landfill liability is funded by existing reserve balances.

Cost of Asset Replacement:

It is important to note that the difference between annual amortization expense and the City's capital investment as represented by the annual budget is not an accurate reflection of the "Infrastructure Deficit".

Amortization is an accounting entry that is recorded based on the historical cost of an asset when it was purchased or originally constructed, and is expensed in our financial statements over the expected useful life of the asset.

Many of the City's infrastructure assets are already fully amortized and beyond their useful lives so there is no ongoing write-down recorded.

Historical cost tends to be only a fraction of today's replacement cost, so by not setting aside even amortization costs in the years that assets were depreciating, the City was not acknowledging the need to finance replacement costs as those assets reach the end of their useful life.

Waiting until the end of an assets useful life and then attempting to pay the entire cost in one year on a cash basis is problematic when infrastructure costs can reach the millions of dollars. Borrowing is always a capital financing option, but that places the cost of asset replacement on future taxpayers, not the taxpayers who used the asset during its useful life.

The 2017 capital budget has acknowledged this infrastructure funding deficit and reserves are now being built to address the City's future capital replacement needs.

FINANCIAL IMPACT

No immediate impact; may affect long-term financing of capital projects.

LINKS TO STRATEGIC PLAN

Strong Municipal Corporate Administration and Governance

SUMMARY

Ontario Regulation 284/09 requires that a report be prepared for Council and that Council adopts the report by resolution.

Schedule A
City of Elliot Lake - not including Water & Sewer Plants

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Budget</u>
<u>Unfunded expenses:</u>					
amortization expense	3,028,888	2,620,968	2,178,625	1,977,598	2,000,000
unfunded liability - landfill closure and post-closure costs	940,561	944,374	0	0	0
unfunded liability - post-employment benefits	1,429,700	1,478,600	1,509,800	1,525,100	1,550,000
	5,399,149	5,043,942	3,688,425	3,502,698	3,550,000
<u>Less:</u>					
capital levy	535,862	920,123	0	0	0
transfer to capital reserves	907,492	939,846	1,564,776	3,405,671	2,484,610
reduced by transfer from reserve to current capital projects	-499,670	-372,943	-830,692	-2,212,510	-3,357,636
reduction in municipal surplus:	4,455,465	3,556,916	2,954,341	2,309,537	4,423,026
average difference (2013 - 2017)					3,539,857

Schedule B
Water and Sewer Plants

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Budget</u>
<u>Unfunded expenses:</u>					
amortization expense	433,619	387,915	402,636	469,139	470,000
<u>Less:</u>					
capital funded by current year water billing	269,418	341,875	244,000	0	0
transfer to capital reserves	220,000	220,000	245,000	1,099,297	844,980
reduced by transfer from reserve to current capital projects	-241,357	0	0	-236,580	-749,015
	185,558	-173,960	-86,364	-393,578	374,035
average difference (2013 - 2017)					-18,862

Lesley Sprague

From: Pat McGurk
Sent: March-22-17 1:20 PM
To: Lesley Sprague
Subject: Library Board - Vacancy

Hello Lesley,
See below resolution passed at Library Board meeting March 22,2017.

Moved by: C. Nykyforak

Resol. 34/2017

Seconded by: R. Hamilton

Correspondence

That the Library Board accepts with regret the resignation of
Pam Cathrae and we request the City Clerk
to advertise for a new Library Board member.
Carried.

Pat McGurk
Chief Librarian/CEO
Elliot Lake Public Library
99 Spine Road
Elliot Lake, ON
P5A 3S9

THE CORPORATION OF THE CITY OF ELLIOT LAKE

BY-LAW No.17-16

Being a by-law to set Tax Rate Reductions
for prescribed property subclasses for the
year 2017.

WHEREAS the Council of the Corporation of the City of Elliot Lake (the “Municipality”) is required by s. 313 of the *Municipal Act, 2001*, S.O. 2001 c.25, as amended (hereinafter referred to as the “Act”) to provide for tax rate reductions for prescribed property subclasses;

AND WHEREAS the property subclasses subject to tax rate reductions are those prescribed under s.8(1) of the *Assessment Act*, R.S.O. 1990, c.A.31, as amended;

AND WHEREAS that tax rate reductions reduce the tax rates that would otherwise be levied for municipal purposes;

NOW THEREFORE the Council of the Corporation of the City of Elliot Lake hereby **ENACTS AS FOLLOWS:**

1. **THAT** the tax rate that would otherwise be levied for municipal purposes for the subclass prescribed under subparagraph i of paragraph 2 of subsection 8(1) of the *Assessment Act* (Vacant Commercial Land) shall be reduced by 35%;
2. **THAT** the tax rate that would otherwise be levied for municipal purposes for the subclass prescribed under subparagraph ii of paragraph 2 of subsection 8(1) of the *Assessment Act* (Vacant Industrial Land) shall be reduced by 35%;

3. **THAT** the tax rate that would otherwise be levied for municipal purposes for the subclass prescribed under subparagraph i of paragraph 3 of subsection 8(1) of the *Assessment Act* (Excess Commercial Land) shall be reduced by 30%;
4. **THAT** the tax rate that would otherwise be levied for municipal purposes for the subclass prescribed under subparagraph ii of paragraph 3 of subsection 8(1) of the *Assessment Act* (Excess Industrial Land) shall be reduced by 30%.

PASSED this 27th day of March, 2017.

MAYOR

CITY CLERK