

Committee of the Whole Meeting Agenda

Monday, February 5, 2018 – 2:00 p.m.
Council Chambers, Guelph City Hall, 1 Carden Street

Please turn off or place on non-audible all electronic devices during the meeting.

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Call to Order – Mayor

Disclosure of Pecuniary Interest and General Nature Thereof

Consent Agenda –Corporate Services

Chair – Councillor MacKinnon

The following resolutions have been prepared to facilitate Council's consideration of various matters and are suggested for consideration. If Council wishes to address a specific report in isolation of the Consent Agenda, please identify the item. It will be extracted and dealt with separately as part of the Items for Discussion.

CS-2018-04 Delegation of Authority - Property Assessment and Taxation

Recommendation:

1. That pursuant to Section 23(1) of the Municipal Act, By-law (2013)-19529 be amended by adding Schedule "HH" to provide staff the authority to represent, negotiate and legally bind the City in property assessment or property taxation appeals, as set out in ATT-1 hereto.
2. That pursuant to Section 23(1) of the Municipal Act, By-law (2013)-19529 be amended by adding Schedule "II" to provide staff the authority to vest in property after a failed tax sale, as set out in ATT-2 hereto.
3. That pursuant to Section 23(1) of the Municipal Act, By-law (2013)-19529 be amended by adding Schedule "JJ" to provide staff the authority to file taxation/assessment Municipal Act applications, or Request for Reconsiderations or appeals with the Assessment Review Board, as set out in ATT-3 hereto.
4. That pursuant to Section 23(1) of the Municipal Act, By-law (2013)-19529 be amended by adding Schedule "KK" to provide staff the authority to sign and execute documents related to property assessment and taxation, as set out in ATT-4 hereto.

CS-2018-05 2018 Tax Bill Layout

Recommendation:

1. That the City continues the practice of identifying the Dedicated Infrastructure Levy separately on the 2018 City tax bill.
2. That the insert included with the 2018 City tax bill illustrate detailed information regarding the Dedicated Infrastructure Levy and total capital contributions from the operating budget.

Service Area Chair and Staff Announcements

Consent Agenda – Public Services

Chair – Councillor Downer

The following resolutions have been prepared to facilitate Council's consideration of various matters and are suggested for consideration. If Council wishes to address a specific report in isolation of the Consent Agenda, please identify the item. It will be extracted and dealt with separately as part of the Items for Discussion.

PS-2018-02 The Elliott Community – Consent to Obtain External Financing

Recommendation:

1. That staff be directed to authorize The Elliott Community to move forward with obtaining external financing in the amount of \$2,000,000.
2. That staff be authorized to enter into an agreement with an external loan provider to guarantee The Elliott Community's loan in the amount of \$2,000,000.

Service Area Chair and Staff Announcements

Mayor as Chair

Chair and Staff Announcements

Please provide any announcements, to the Chair in writing, by 12 noon on the day of the Council meeting.

Adjournment

Staff Report



| | |
|---------------|---|
| To | Committee of the Whole |
| Service Area | Corporate Services |
| Date | Monday, February 5, 2018 |
| Subject | Delegation of Authority - Property Assessment and Taxation |
| Report Number | CS-2018-04 |

Recommendation

1. That pursuant to Section 23(1) of the Municipal Act, By-law (2013)-19529 be amended by adding Schedule "HH" to provide staff the authority to represent, negotiate and legally bind the City in property assessment or property taxation appeals, as set out in ATT-1 hereto.
2. That pursuant to Section 23(1) of the Municipal Act, By-law (2013)-19529 be amended by adding Schedule "II" to provide staff the authority to vest in property after a failed tax sale, as set out in ATT-2 hereto.
3. That pursuant to Section 23(1) of the Municipal Act, By-law (2013)-19529 be amended by adding Schedule "JJ" to provide staff the authority to file taxation/assessment Municipal Act applications, or Request for Reconsiderations or appeals with the Assessment Review Board, as set out in ATT-3 hereto.
4. That pursuant to Section 23(1) of the Municipal Act, By-law (2013)-19529 be amended by adding Schedule "KK" to provide staff the authority to sign and execute documents related to property assessment and taxation, as set out in ATT-4 hereto.

Executive Summary

Purpose of Report

In 2010, Council passed a By-law to delegate authority to approve several routine administrative matters. At that time, staff had indicated that they would continue to look for opportunities for Council to delegate other minor approval making authority.

Key Findings

There are four key areas related to Property Assessment and Taxation for which delegation of authority is being requested. This will ensure that the proper delegated authority also aligns with current and best practice.

These four areas are:

1. With the changes to the Assessment Review Board's (ARB) Rules of Practice and Procedure it is a mandatory requirement that during mediation the City of Guelph representative has the authority to legally bind the City in the course of the appeal.
2. To streamline the vesting in a property by the City after a failed tax sale.
3. To proactively file assessment appeals for the municipality and to reactively seek increases in property assessments or classifications on appeals filed by property owners or tenants.
4. To sign and execute all assessment and taxation related documents.

Financial Implications:

There are no financial implications related directly to the implementation of this delegation.

Report

This report is intended to deal with the delegation of routine administrative matters, which would contribute to the efficient management of the City, while adhering to the principles of accountability and transparency. This report addresses new rule requirements of the ARB, vesting in property after a failed tax sale and also administratively updates the Delegation of Authority By-law based on current practice.

The area of delegation requested includes authority to approve:

- 1. To represent, negotiate and legally bind the City in property assessment or property taxation appeals.**

With changes in the ARB's Rules of Practice and Procedure there is now a mandatory settlement mediation that each assessment appeal must go through. As the City is a party to all assessment appeals in the City of Guelph and is active in protecting its assessment base, a City representative will be attending all settlement mediations. It is a requirement of the ARB that all present at the settlement mediations be able to legally bind the party they are representing. Thus

we must provide that delegated authority to the staff member(s) attending the mediation.

All mediations will be attended by a member of the Taxation and Revenue division; the Assessment Review Officer or Corporate Analyst – Property Assessment or Manager of Taxation and Revenue. Each of these staff members are designated professionals with the Institute of Municipal Assessors, the Ontario Municipal Taxation & Revenue Association and/or a Licensed Paralegal. Depending on the complexity and issues at each assessment appeal, the appropriate staff member will represent the City depending on their level of expertise and as determined by the Manager of Taxation and Revenue or the City Treasurer. This assigned member will then attend the mandatory settlement mediation, and if required, the appeal hearing. Staff are recommending that the delegated authority to represent, negotiate settlement agreements, and legally bind the City of Guelph in relation to the specific appeal before the ARB, be assigned to the following: Assessment Review Officer, Corporate Analyst-Property Assessment, a Legal Services representative or the Manager of Taxation and Revenue.

The advantages of this approach are:

- Allows for the City to continually protect its property assessment base which makes up the major revenue source for City operations; and
- Allows for full City participation in assessment appeals.

There do not appear to be any disadvantages with this approach.

ATT-1 is a proposed schedule to amend the Delegation of Authority By-law. It has been prepared in the standard format, and provides for conditions, limitations and annual reporting requirements.

2. To vest in property after a failed tax sale.

If a tax sale is unsuccessful, staff must obtain Council approval to vest or take ownership of the property. This process is regulated in the Municipal Act. Staff is recommending that delegated authority be assigned to the City Treasurer and the Manager of Taxation and Revenue.

In the past four years there has only been one unsuccessful tax sale where the City then vested in the property.

The advantages of this approach are:

- Greatly improves response times to vest in the property;
- Allows for timely vesting and ability to then exempt taxes on the vested property sooner therefore reducing write-offs;
- Fewer items on Council agendas and reduced workload for the City Clerk's Office;
- More efficient use of staff time; and
- Staff will report through the Information Report process.

There do not appear to be any disadvantages with this approach.

Reporting will be done through an Information Report at the time the property is vested. If, after any failed tax sale, it is the opinion of staff that the property should not be vested in, an information report will provide those details.

ATT-2 is a proposed schedule to amend the Delegation of Authority By-law. It has been prepared in the standard format, and provides for conditions, limitations and annual reporting requirements.

3. To file taxation/assessment Municipal Act applications or Request for Reconsideration or appeals with the ARB.

Historically this has been done on a 'one-off' basis which did not prove to be efficient. In some municipalities this has resulted in a dismissal of an appeal filed by the Municipality. Clear delegation by Council will allow a streamlined, authorized and transparent approach moving forward. Staff is recommending that delegated authority be assigned to the City Treasurer and the Manager of Taxation and Revenue for the following:

- To initiate and file an appeal with the ARB, or any appropriate Municipal Act application related to property taxation/assessment on any property in the City of Guelph;
- To initiate and file a Request for Reconsideration, or any Municipal Act application related to property taxation/assessment, or file an appeal with the ARB on any property which the City of Guelph has a legal interest;
- To seek an increase in assessment or a classification change on any ARB appeal filed within the City of Guelph;
- To object to Minutes of Settlement, resulting from a Request for Reconsideration, and to file an appeal with the ARB; and
- To withdraw any appeal filed by the City of Guelph should it be determined it is in the best interest of the City to not proceed.

The advantages of this approach are:

- Greatly improves response times for filing and reacting to assessment appeals;
- Allows for timely notice during an appeal process for the City to ask for an increase in assessment or a classification change;
- Fewer items on Council agendas and reduced workload for the City Clerk's Office;
- More efficient use of staff time; and

- Staff internal review process will ensure that the appropriate analysis is preformed prior appeal being filed.

There do not appear to be any disadvantages with this approach.

Reporting of Assessment Appeals filed by the annual deadline will be done via Information Report on an annual basis, all other appeals filed and or increases sought will be reported on an annual basis with the Delegation of Authority Report.

ATT-3 is a proposed schedule to amend the Delegation of Authority By-law. It has been prepared in the standard format, and provides for conditions, limitations and annual reporting requirements.

4. To sign and execute documents related to property assessment and taxation.

Historically this authority has been assigned to the City Treasurer through the Municipal Act or as general practice and delegated unofficially to the Manager of Taxation and Revenue. While the Municipal Act assigns all property tax collection responsibility to the City Treasurer there may be a lack of clarity whether Council is required to approve certain documents related to Assessment and Taxation. This provides the necessary delegation of authority to staff to execute these documents on behalf of the City, allowing the continuation of the practice already in place.

Staff are recommending that delegated authority be assigned to the City Treasurer and Manager of Taxation and Revenue and in their absence or as required the Supervisor of Property Tax or the Corporate Analyst Property Assessment to sign any document related to collection of property taxes and property assessment related issues, including but not limited to:

Tax Certificate;
Tax Arrears Certificate;
Notice of Registration;
Statutory Declaration;
Final Notice;
Tax Arrears Cancellation Certificate;
Extension Agreements;
Tax Deed;
Notice of Vesting;
Statement of Compliance;
Payment into Court;
Notice of Forfeiture;
Bailiff Warrant to Distrain for Taxes;
Bailiff Notice of Seizure;
Bailiff Notice of Attornment of Rent;
Minutes of Settlement;
Municipal Property Assessment Corporation documents; and
ARB documents.

The advantages of this approach are:

- Greatly improves customer service and response times for assessment appeal processes;
- Allows for timely and fair collection efforts related to unpaid property taxes;
- Fewer items on Council agendas and reduced workload for the City Clerk's Office;
- More efficient use of staff time; and
- Staff internal review process will ensure that the appropriate analysis is preformed prior to any signoff.

There do not appear to be any disadvantages with this approach.

Staff in the Finance department administratively process thousands of these types of documents on an annual basis. These will not have annual reporting requirements.

ATT-4 is a proposed schedule to amend the Delegation of Authority By-law. It has been prepared in the standard format, and provides for conditions, limitations and annual reporting requirements.

Financial Implications

There are no financial implications related directly to the implementation of this delegation.

Consultations

Dylan McMahon, Council Committee Coordinator

Corporate Administrative Plan

Overarching Goals

Service Excellence

Service Area Operational Work Plans

Our Services - Municipal services that make lives better

Attachments

- | | |
|-------|---|
| ATT-1 | Schedule "HH" for Delegation of Authority to represent, negotiate and legally bind the City in property assessment or property taxation appeals |
| ATT-2 | Schedule "II" for Delegation of Authority to vest in property after a failed tax sale |
| ATT-3 | Schedule "JJ" for Delegation of Authority to file taxation/assessment Municipal Act applications or Request for Reconsideration or appeals with the Assessment Review Board |

ATT-4 Schedule "KK" for Delegation of Authority to sign and execute documents related to property assessment and taxation

Report Author

James Krauter, Deputy Treasurer / Manager of Taxation and Revenue



Approved By

Tara Baker, CPA, CA
GM Finance & City Treasurer
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Recommended By

Trevor Lee
Deputy CAO, Corporate Services
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trevor.lee@guelph.ca

**New Schedule "HH"
to By-law (2013)-19529**

**Delegation of Authority to represent, negotiate and legally bind the
City in property assessment or property taxation appeals**

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|---|---|
| Power to be Delegated | Authority to represent, negotiate settlement agreements and legally bind the City of Guelph in relation to appeals before the Assessment Review Board. |
| Reasons in Support of Delegation | <ul style="list-style-type: none"> • Requirement of the new Assessment Review Board Rules of Practice and Procedure; • Allows for full City participation in assessment appeals; • Minimize the number of appeals that have to go to hearing; • Allows for the City to continually protect its property assessment base which makes up the major revenue source for City operations; • Contributes to the efficient management of the City of Guelph; • Meets the need to implement work in a timely fashion; and • Maintains accountability through conditions, limitations and reporting requirements. |
| Delegate(s) | <p>The following staff or their successors thereof:</p> <ul style="list-style-type: none"> • Assessment Review Officer, Corporate Analyst – Property Assessment, Legal representative or Manager of Taxation and Revenue • A person who is appointed by the City Treasurer or Deputy Chief Administrative Officer, or selected from time to time, to act in the capacity of the delegate in the delegate's absence. |
| Council to Retain Power | No |
| Conditions and Limitations | <p>All appeals are subject to the Assessment Review Board Rules of Practice and Procedure</p> <p>Budget Restrictions - Allowance for appeal write-offs are within the total amount approved for net supplemental taxes and write-offs as part of the annual operating budget.</p> |
| Review of | N/A |

Decision

Reporting Requirements

Annual Information Report of appeals disposed of pursuant to this delegation of authority.

**New Schedule "II"
to By-law (2013)-19529**

Delegation of Authority to vest in property after a failed tax sale

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| Power to be Delegated | Authority to vest in property after a failed tax sale. |
| Reasons in Support of Delegation | <ul style="list-style-type: none"> • Contributes to the efficient management of the City of Guelph; • Fewer items on Council agendas and reduced workload for the Clerk's office; • More efficient use of staff time; • Allows for timely vesting and ability to then exempt taxes on the vested property sooner, therefore reducing write-offs; • Meets the need to implement work in a timely fashion; and • Maintains accountability through conditions, limitations and reporting requirements. |
| Delegate(s) | <p>The following staff or their successors thereof:</p> <ul style="list-style-type: none"> • City Treasurer or Manager of Taxation and Revenue. • A person who is appointed by the City Treasurer or Deputy Chief Administrative Officer, or selected from time-to-time, to act in the capacity of the delegate in the delegate's absence. |
| Council to Retain Power | No |
| Conditions and Limitations | Must conform to the Municipal Act and associated regulations as amended. |
| Review of Decision | N/A |
| Reporting Requirements | Information Report at the time a property is vested or is recommended not to be vested in pursuant to this delegation of authority. |

**New Schedule "JJ"
to By-law (2013)-19529**

**Delegation of Authority to file taxation/assessment Municipal Act
applications or Request for Reconsideration or appeals with the
Assessment Review Board**

**Power to be
Delegated**

To initiate and file an appeal with the Assessment Review Board, or any appropriate Municipal Act application related to property taxation/assessment on any property in the City of Guelph.

To initiate and file a Request for Reconsideration or any Municipal Act application related to property taxation/assessment, or file an appeal with the Assessment Review Board on any property to which the City of Guelph has a legal interest.

To seek an increase in assessment or a classification change on any Assessment Review Board appeal filed within the City of Guelph.

To object to Minutes of Settlement, resulting from a Request for Reconsideration, and to file an appeal with the Assessment Review Board.

To withdraw any appeal filed by the City of Guelph, should it be determined it is in the best interest of the City to not proceed.

**Reasons in
Support of
Delegation**

- Greatly improves response times for filing and reacting to assessment appeals;
- Allows for timely notice during an appeal process for the City to ask for an increase in assessment or a classification change;
- Protection of the assessment base;
- Fewer items on Council agendas and reduced workload for the Clerk's office;
- More efficient use of staff time; and
- Staff internal review process will ensure that the appropriate analysis is performed prior to the appeal being filed.

Delegate(s)

The following staff or their successors thereof:

- City Treasurer or Manager of Taxation and Revenue
- A person who is appointed by the City Treasurer or Deputy

Chief Administrative Officer, or selected from time to time, to act in the capacity of the delegate in the delegate's absence.

**Council to
Retain Power**

No

**Conditions and
Limitations**

Legislative deadlines and conditions apply within the Assessment Act and the Municipal Act.

**Review of
Decision**

N/A

**Reporting
Requirements**

Reporting of Assessment Appeals filed by the annual deadline will be done via information report on an annual basis. All other appeals filed and/or increases sought will be reported through the annual Information Report pursuant to this delegation of authority.

**New Schedule “KK”
to By-law Number (2013)-19529**

**Delegation of Authority to sign and execute documents related to
property assessment and taxation**

**Power to be
Delegated**

Authority to sign any document related to collection of property taxes and property assessment related issues, including but not limited to:

Tax Certificate;
Tax Arrears Certificate;
Notice of Registration;
Statutory Declaration;
Final Notice;
Tax Arrears Cancellation Certificate;
Extension Agreements;
Tax Deed;
Notice of Vesting;
Statement of Compliance;
Payment into Court;
Notice of Forfeiture;
Bailiff Warrant to Distrain for Taxes;
Bailiff Notice of Seizure;
Bailiff Notice of Attornment of Rent;
Municipal Property Assessment Corporation documents;
Minutes of Settlement; and
Assessment Review Board documents.

**Reasons in
Support of
Delegation**

- Greatly improves customer service and response times for assessment appeal processes;
- Allows for timely and fair collection efforts related to unpaid property taxes;
- Fewer items on Council agendas and reduced workload for the Clerk’s office;
- Aligns with current practice;
- More efficient use of staff time; and
- Staff internal review process will ensure that the appropriate analysis is preformed prior to any signoff.

Delegate(s)

The following staff or their successors thereof:

- the City Treasurer or Manager of Taxation and Revenue and in their absence, or as required, the Supervisor of Property Tax or the Corporate Analyst - Property Assessment
- A person who is appointed by the City Treasurer or

Deputy Chief Administrative Officer, or selected from time to time, to act in the capacity of the delegate in the delegate's absence.

**Council to
Retain Power**

N/A

**Conditions and
Limitations**

Budget Restrictions - Allowance for appeal write-offs are within the total amount approved for net supplemental taxes and write-offs as part of the annual operating budget.

**Review of
Decision**

N/A

**Reporting
Requirements**

Staff in the Taxation and Revenue Division administratively process thousands of these types of documents on an annual basis. These will not have annual reporting requirements.

Staff Report



To **Committee of the Whole**

Service Area Corporate Services

Date Monday, February 5, 2018

Subject **2018 Tax Bill Layout**

Report Number CS-2018-05

Recommendation

1. That the City continues the practice of identifying the Dedicated Infrastructure Levy separately on the 2018 City tax bill.
2. That the insert included with the 2018 City tax bill illustrate detailed information regarding the Dedicated Infrastructure Levy and total capital contributions from the operating budget.

Executive Summary

Purpose of Report

To advise Council of staffs recommended layout of the tax levy on the 2018 tax bill and corresponding information contained on the insert.

Key Findings

The City's tax bill is limited to presenting tax levy information relating to the current taxation year. The cumulative effect of the Dedicated Infrastructure Levy (DIL) should not be accommodated on the tax bill; instead, a simple and transparent layout is preferred.

An accompanying insert will inform property owners which services their tax dollars support. The content of the insert can be modified as required to provide a meaningful and understandable layout of tax supported funding requirements.

As with 2017, it is recommended that the 2018 City tax bill continue to show the DIL separately and that an insert provide the overall transparency and details for tax supported funding requirements by service area, department and capital contributions. Furthermore, an insert can accurately show the full capital commitment beyond the DIL.

Financial Implications

There are no financial implications.

Report

Ontario Regulation 75/01 of the Municipal Act requires the City to report on each tax bill, the property assessment, education levy and municipal levy as they relate to the taxation year. There is no requirement to break out the municipal levy but this can be done to show the cost of separate funding requirements.

The municipal levy is most often broken out to show area rates, special or new funding requirements. Area rates do not apply in Guelph. These exist mainly in municipalities where rural and urban residents receive vastly varying levels of municipal services.

The design of the City's tax system allows for three separate billing columns to be reported on the City's tax bill. As legislated, the education levy uses one of these billing columns, leaving the City with two billing columns to use as desired for the municipal levy as shown on ATT-1 – 2017 Sample Final Tax Bill. To date this functionality has matched with the City's desired level of information to be presented on the tax bill.

Since 2012, the City has broken out the municipal levy to display special or new funding requirements. From 2012 to 2016, the Wellington-Dufferin-Guelph Public Health (WDGPH) funding requirement was shown separately from the municipal levy. In 2017, the WDGPH funding requirement was included in the municipal levy and the DIL was shown separately.

Information showing which services tax dollars support can be better shown on an insert and included with the annual final tax bill as shown on ATT-1 – 2017 Final Tax Bill Insert. City funding requirements are broken down by service area, department and capital contribution, each showing a corresponding percentage representing their share of the tax supported budget. A pie chart is also included to display the same information in a more meaningful and easy to understand presentation.

The City's tax system as well as other tax systems in Ontario, do not support historical reporting of line items on the tax bill, therefore, the cumulative effect of the DIL cannot be accommodated.

The City's tax bill is limited to presenting tax levy information only. The accompanying insert is not limited in the same manner; in previous years, it has only shown the breakdown of the tax supported levy. Future inserts could include new or pertinent information as desired, such as showing the funding commitment for infrastructure or a breakdown between operating and capital spending.

It is recommended that the 2018 City tax bill continue to show the municipal levy and DIL separately. In 2018, as the DIL is being funded 50 percent through a reserve transfer, the tax bill will show a DIL of 0.5 percent.

Staff recommends an insert is provided with the tax bill that provides the overall transparency and details for tax supported funding requirements by service area, department and capital contributions.

Financial Implications

There are no financial implications.

Consultations

Ontario municipalities through the Ontario Municipal Tax & Revenue Association and the Municipal Assessment Review Representatives group.

Corporate Administrative Plan

Overarching Goals

Service Excellence

Financial Stability

Service Area Operational Work Plans

Our Services - Municipal services that make lives better

Attachments

ATT-1 – 2017 Sample Final Tax Bill

ATT-2 – 2017 Final Tax Bill Insert

Departmental Approval

James Krauter

Deputy Treasurer / Manager of Taxation and Revenue

Report Author

Gregory Bedard

Supervisor, Property Tax



Approved By

Tara Baker, CPA, CA

GM Finance & City Treasurer

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Recommended By

Trevor Lee

Deputy CAO, Corporate Services

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THE CITY OF GUELPH-FINANCE DEPT
City Hall, 1 Carden Street
Guelph, Ontario N1H 3A1
tax@guelph.ca T(519)837-5605

TAX BILL

ATT-1 CS-2018-05

REPRINT-2017 FINAL TAX BILL

Billing Date **Jan. 16, 2018**

| | |
|--------------------------------|--|
| Roll No. [REDACTED] | Group Code |
| Mortgage Company | Mortgage Account # |
| Mailing Information [REDACTED] | Legal Owner and Legal Description [REDACTED] |

| Assessments | | Municipal | | Infrastructure | | Education | |
|-------------|---------|------------|----------|----------------|--------|------------|--------|
| Tax Class | Value | Tax Rate % | Amount | Tax Rate % | Amount | Tax Rate % | Amount |
| RTEP | 189,250 | 1.012820 | 1,916.76 | .010128 | 19.17 | .179000 | 338.76 |
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THE CITY OF GUELPH-FINANCE DEPT
City Hall, 1 Carden Street
Guelph, Ontario N1H 3A1
tax@guelph.ca T(519)837-5605

- Credit cards now accepted online - visit guelph.ca/tax
- or by telephone @ 1-855-288-5239
- A convenience fee will apply

PROPERTY ADDRESS: [REDACTED]

Fourth Installment

| | |
|-------------------------------|------------------------------------|
| Roll No. [REDACTED] | |
| Due Date Sep. 29, 2017 | Current Amount Due \$588.34 |
| | Past Due/Credit \$0.00 |
| | Total Amount Due \$588.34 |
| | Amount Paid |

- Make cheque payable to City of Guelph
- Return stub with payment
- Returned cheque fee is \$40
- Penalty charged at 1.25% monthly



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- or by telephone @ 1-855-288-5239
- A convenience fee will apply

PROPERTY ADDRESS: [REDACTED]

Third Installment

| | |
|-------------------------------|------------------------------------|
| Roll No. [REDACTED] | |
| Due Date Jun. 30, 2017 | Current Amount Due \$588.00 |
| | Past Due/Credit \$0.00 |
| | Total Amount Due \$588.00 |
| | Amount Paid |

- Make cheque payable to City of Guelph
- Return stub with payment
- Returned cheque fee is \$40
- Penalty charged at 1.25% monthly



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Stop worrying about missed due dates or late payments

In case you missed it, and are not already enrolled, the City now offers four different pre-authorized payment plans for your property taxes. Skip the line-up and save your stamps.

Options

Due date – payments are withdrawn from your account on the last business day of February, April, June and September.

9-month – payments are withdrawn from your account monthly from January to September.

11-month – payments are withdrawn from your account monthly from November to September.

12-month – payments are withdrawn from your account monthly from January to December.

The application is available on guelph.ca/tax.

Moving? Banking information changed?

Contact us at least 15 days prior to the next scheduled withdrawal date. Written notice is required and may be submitted by email, mail, fax or dropped off at City Hall.

City of Guelph Tax Office

1 Carden Street
Guelph ON N1H 3A1
tax@guelph.ca

519-837-5605
Fax 519-837-5647
TTY 519-826-9771

Alternate formats are available upon request in accordance with the *Accessibility for Ontarians with Disabilities Act*.

Where do my property tax dollars go?

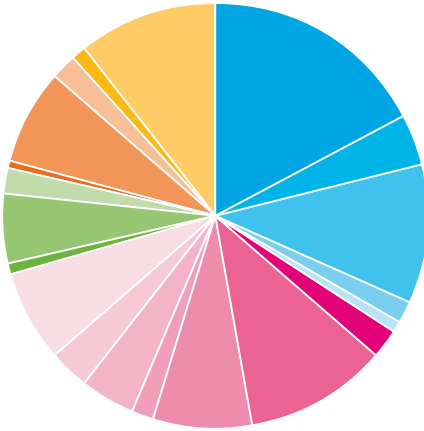
For every dollar the City collects in property taxes, \$0.22 is provided to the province for education. The remaining \$0.78 helps to fund public services. New for 2017 is the one per cent dedicated infrastructure levy. This levy will be shown separately on your tax bill. The public health levy now forms part of the general tax levy.

Other

| | |
|-------------------------------|-------|
| Mayor and Council | 0.4% |
| Administrative services | 7.3% |
| Other services | 1.9% |
| Dedicated Infrastructure Levy | 1.0% |
| General and Capital Financing | 10.5% |

Local Boards and Shared Services

| | |
|---------------------|-------|
| Police | 17.4% |
| Library | 3.9% |
| Social Services | 10.6% |
| Public Health | 1.7% |
| Boards and Agencies | 0.7% |



Infrastructure, Development and Enterprise Services

| | |
|-----------------------------------|------|
| Engineering | 0.8% |
| Waste | 5.2% |
| Planning and Economic Development | 2.2% |

Public Services

| | |
|---------------------|-------|
| EMS | 2.3% |
| Fire | 10.8% |
| Transit | 7.6% |
| Recreation | 1.6% |
| Parks, Forestry | 4.2% |
| Culture and Tourism | 3.1% |
| Roads and Sidewalks | 6.8% |

guelph.ca/budget



Staff Report



To **Committee of the Whole**

Service Area Public Services

Date Monday, February 5, 2018

Subject **The Elliott Community – Consent to Guarantee External Financing**

Report Number PS-2018-02

Recommendation

1. That staff be directed to authorize The Elliott Community to move forward with obtaining external financing over the next three years in the amount of \$2,000,000.
2. That staff be authorized to enter into an agreement with an external loan provider to guarantee The Elliott Community's loan in the amount of \$2,000,000.

Executive Summary

Purpose of Report

To provide Council with a recommendation in response to the request from The Elliott Community ("The Elliott") to obtain external financing in the amount of \$2,000,000.

Key Findings

Staff have reviewed information received by The Elliott and have outlined the various risks and opportunities associated with guaranteeing the requested funds.

Staff recommends that the City guarantee the loan request of \$2,000,000 for The Elliott if the following requirements are met: the rates the loans are secured for are competitive; details of the cash treatment of the past capital contributions intended to fund Long Term Care are provided; accelerating debt repayments is considered as part of their next strategic plan.

Financial Implications

There are no direct implications of guaranteeing the requested funds for The Elliott. The indirect implications include the impact on the City's consolidated financial statements and the potential that external loan providers would be repaid before the City, should The Elliott run into financial difficulties.

Staff believes the addition of \$2,000,000 to the City's consolidated debt balance

will not impact the City's credit rating or the users of the consolidated financial statements.

Report

The Elliott is a local board of the City as established by The Elliott Act, 2002. All areas of operation are overseen by a Board of Trustees appointed by City Council. The by-laws of The Elliott Community indicate that The Elliott may not borrow money without prior consent of City Council, and that City Council should respond within 45 days of obtaining any requests. The City received a letter from The Elliott (ATT-1) requesting consent for The Elliott to obtain additional financing of \$2,000,000 from an external lender. As outlined in the letter, the financing will go towards capital repairs and upgrades on buildings over the next three years.

Outlined below are the reasons why staff support the recommendation to guarantee the loan, as well as potential risks to be aware of given that The Elliott is a local board of the City.

Opportunities

Safety & Legislative Requirements

As outlined in ATT-1, the repairs and upgrades are required to meet legislative and safety requirements in order to provide a safe environment for residents, families, and staff. In the event that we do not provide the funds, it could result in The Elliott facing legal implications and potential fines due to non-compliance.

Cash Flow

If the upgrades are essential, the alternative to borrowing the funds from an external provider is to draw down on The Elliott's preapproved line of credit. The costs of servicing the line of credit would be significantly higher than negotiating a loan backed by the City. It is in the City's and The Elliott's best interest to go through a competitive process to obtain a loan.

Improved Level of Care

By upgrading the facilities, The Elliott is in a position to provide an improved level of care to the residents.

Risks

Default on Payment

The risk associated with any loan is that the organization obtaining the funding would be unable to pay the loan and eventually default. If The Elliott has an unforeseen situation where they are unable to pay this loan, the City would be liable to make payments on their behalf. A preliminary assessment of the impact of the additional financing on The Elliott's current loan covenants will need to be considered by the external lender in advance of any funds being approved. The City rates the risk of this occurring at a moderate level based on past financial history

and the projections for the 2018 cash flow position. City staff acknowledges the increase in financial stability over the past three years, however, staff would like to recommend additional requirements be put in place before agreeing to guarantee the loan, as outlined below.

Safety

As outlined above, a number of the upgrades relate to maintaining the safety of individuals using The Elliott's facilities. Failure to procure the requested funds could result in a safety deficiency.

Current Funding and Financial Condition

In partnership with The Elliott, the City undertook a project in 2014 to transition The Elliott to be the City's Long Term Care provider and to fund The Elliott for these services accordingly. Throughout this project, an analysis of The Elliott's finances was conducted and it was determined that the ongoing operating contributions would be approximately \$1,200,000. In addition, a Building Condition Assessment found the building to be well maintained and in good condition, which resulted in a recommendation that a capital reserve fund be established to meet future capital replacement funding requirements with annual contributions of \$212,000.

The Service Level Agreement between The Elliott and the City restricts The Elliott from requesting additional levels of funding, except for extraordinary circumstances. The Elliott is following the guidelines of this service agreement by not requesting capital funds or additional funds to offset the debt servicing costs.

In addition to the annual funding, the City also has an outstanding loan with The Elliott for \$15,935,633 as of December 31, 2017. The loan was to fund the redevelopment of The Elliott's Long Term Care facilities. Principal and interest are being repaid quarterly, and the loan matures in 2036.

Alternatives – City Lend Funds

Although not requested by The Elliott, City staff gave consideration to lending the \$2,000,000 directly to The Elliott. This approach is not recommended by staff since the City is not a formal lending institution and these funds are not being used to upgrade Long Term Care assets. Given the use of the funds and the goal to have both entities associated at arms length, we feel it's inappropriate to fund the loan using tax revenue. In addition, with the City guaranteeing the loan, the negotiated rate should be competitive to reflect the low risk associated with the lending of these funds.

Requirements

Staff believes it's in the best interest of the City and The Elliott to guarantee the loan with the following stipulations:

- The Elliott is ensuring the loan rates are competitive. Any rate differential needs to be weighed up against the administrative costs of switching banking providers.
- Since 2015, The City has been contributing cash towards the Long Term Care portion of The Elliott's operations. Staff feels it's important to understand how the Long Term Care funding is being tracked and have requested additional information to ensure reserves have been established as outlined in the Service Agreement.
- Based on the Service Agreement, The Elliott provides an annual strategic plan to the Committee of Management. Staff requests that The Elliott build a financial strategy that considers cash flow and the potential of accelerating the repayment of the external loans and its loans to the City.

Financial Implications

There are no direct implications of guaranteeing the requested funds for The Elliott. The indirect implications include the impact on the City's consolidated financial statements and the potential that external loan providers would be repaid before the City, should The Elliott run into financial difficulties.

Staff believes the addition of \$2,000,000 to the City's consolidated debt balance will not impact the City's credit rating or the users of the consolidated financial statements.

Consultations

There was no formal consultation process associated with this report.

Corporate Administrative Plan

Overarching Goals

Financial Stability

Service Area Operational Work Plans

Our Resources - A solid foundation for a growing city

Attachments

ATT-1 Letter from The Elliott Community

Report Author

Jade Surgeoner, CPA, CA, CIA



Approved By

Tara Baker, CPA, CA
General Manager Finance &
City Treasurer
519-822-1260 ext. 2084
tara.baker@guelph.ca



Recommended By

Trevor Lee
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Recommended By

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Deputy CAO
Public Services
519-822-1260 ext. 2588
colleen.clack@guelph.ca



Life Lease Suites • Retirement Suites • Long-Term Care Residence • Event Planning

December 22, 2017

Ms. Tara Baker, CPA, CA
Treasurer, GM Finance
Corporate Services, Finance
City of Guelph
1 Carden Street
Guelph, ON N1H 3A1

Dear Ms. Baker:

The Elliott Community is seeking to receive consent from City Council to borrow two million dollars (\$2,000,000).

The Elliott Act and by-laws of The Elliott Community indicate that "The Elliott may not borrow money without the prior consent of the City council, and the City council shall, if its consent is requested, reply within 45 days of the request and shall not withhold its consent unreasonably". These funds will be borrowed via capital leases and/or term loans with RBC, who provide banking services for The Elliott Community. No additional funds are being requested from the City of Guelph.

The Elliott Community is seeking consent to use these funds to purchase the following over the next 3 years:

- \$750,000 – Roof replacement on the Retirement & Life Lease buildings – over 32,000 square feet;
- \$600,000 – Fire Sprinklers for Retirement required to be in place by January 1, 2019 to meet the new Ontario Fire Code;
- \$270,000 – General building repairs to the Retirement & Life Lease buildings, including replacing rain gutters, making basement and parking lot repairs, waterproofing staircases, adding sealants;
- \$210,000 – Equipment purchases for the kitchen, refurbishment of the boiler and generator, and adding elevator safety rails;
- \$100,000 – Installation of handrails in the Retirement & Life Lease buildings to support resident safety;
- \$70,000 – Heat detector and smoke detector replacement.

These purchases will allow The Elliott Community to continue to maintain the upkeep of the buildings and provide a safe environment for residents, families, and staff.

The 2018 Budget for The Elliott Community shows an expected surplus of \$335,542 but only a positive cash flow of \$6,004. The aforementioned purchases have been built into the 2018, 2019, and 2020 budgets, and in order to have a cash flow level that is not negative, these funds will need to be borrowed.

170 Metcalfe Street, Guelph, Ontario N1E 4Y3 • Phone: 519-822-0491 • Fax: 519-822-5658 • Email: info@elliottcommunity.org • www.elliottcommunity.org

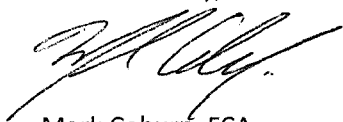
Quality choices in a caring and inclusive, home-like community. A tradition of promoting dignity and independence for those we serve and their families.

As a part of the 2018 Budget request, The Elliott Community received funding of \$212,000 to be allocated to Long-Term Care repairs and capital expenditures. These funds are planned to be fully utilized on items that were not listed above.

The 2017 Forecast for The Elliott Community is expected to show a year-end surplus, and the cash balance is approximately \$200,000 better than it was at the same time last year.

If you require any additional information or have any questions, please feel free to contact us. Thank you for your time and consideration.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark Coburn', with a stylized flourish at the end.

Mark Coburn, FCA
Director of Finance

A handwritten signature in black ink, appearing to read 'Sherri Enns', with a long horizontal line extending to the right.

Sherri Enns, RN
Acting CEO