Committee of the Whole Meeting Agenda

Monday, April 3, 2017 – 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 – Chair Councillor Downer

Disclosure of Pecuniary Interest and General Nature Thereof

Public Services

Vice Chair – Councillor Hofland

Presentation

a) Festivals and Events Ontario: Municipality of the Year Award

b) Request for Inclusion in South End Recreation Centre – Steve Kraft, CEO, Guelph Public Library

Consent Agenda – Public Services

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.

COW-PS-2017.02 Outstanding Resolutions of Public Services

Recommendation:

That the recommendations marked as "completed" within Report# PS-17-05 Outstanding Resolutions of Public Services be removed from the outstanding resolutions list.

COW-PS-2017.03 Animal Control By-law Chicken Amendments

Recommendation:

1. That as detailed in Public Services Report #PS-17-04 Animal Control By-law chicken amendments, that staff be directed to create an amendment to the Animal Control By-law (2016)-20122 to permit residents that cannot facilitate a 15 metre (50 feet) distance for the keeping of poultry to keep chickens provided the following can be met:

   Hen coops and hen runs shall be a distance of at least 1.2m from the rear lot line and at least 1.2m from any side lot line of the dwelling lot on which the hen coop is located (meeting the setback requirements as per the zoning bylaw);

   Pens (includes hen coop and hen run) must be located the furthest from any other dwelling, and must be 1.2m away from any property line;

   Pens shall be located at least 7.5m from the lot line to any religious institution or business or school;

   Pens shall be a minimum distance of 3m from all windows and doors of dwellings that are located on an abutting property;

   Pens are not permitted in any front or side yard;

   That the maximum number of hens be limited to ten (10).

2. That as detailed in Public Services Report #PS-17-04 Animal Control By-law chicken amendments, that staff be directed to create an amendment to the Animal Control Bylaw (2016)-20122 requiring food for poultry be stored in an animal proof secured container.

3. That as detailed in Public Services Report #PS-17-04 Animal Control By-law chicken amendments, that staff be directed to create an amendment to the Animal Control By-law (2016)-20122 requiring that coop floors be lined with an appropriate material to absorb fecal matter and to facilitate cleaning.

4. That as detailed in Public Services Report #PS-17-04 Animal Control By-law chicken amendments, that staff be directed to create an amendment to the Animal Control By-law (2016)-20122 requiring that residents keeping backyard chickens shall provide each hen with food, water, shelter, light, ventilation, appropriate substrate flooring, and provide opportunities for essential behaviours such as scratching, nesting, including but not limited to dust-bathing, and roosting, to maintain each hen in good health and welfare.

5. That as detailed in Public Services Report #PS-17-04 Animal Control By-law chicken amendments, that staff be directed to create an amendment to the Animal Control By-law (2016)-20122 prohibiting persons from killing a domestic animal on their property, except by a licenced vet or otherwise authorized by the City of Guelph.

Public Services Chair and Staff Announcements

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.

COW-CS-2017.02 Tax Ratios 2017-2020 Assessment Cycle

Recommendation:

1. That the Tax Ratios for the 2017 year be adopted as set out in Table One of the "Tax Ratios 2017-2020 Assessment Cycle" Report CS-2017-02 dated Monday, April 3, 2017.

2. That the Tax Ratios for the remainder of the 2017-2020 assessment cycle be adopted based on start ratios for all tax classes except for the multi-residential ratio which will remain revenue neutral on an annual basis.

3. That the tax ratios be incorporated into the appropriate Tax Policy.

COW-CS-2017.03 2017 Tax Policy

Recommendation:

1. That the 2017 City of Guelph Property Tax Policies set out in Schedule 1 to the "2017 Tax Policy" CS-2017-07 report dated April 3, 2017, be approved.

2. That the tax policies be incorporated into tax ratio, tax rate, and capping by-laws to be adopted on April 24, 2017.

3. That a tax rate related to the dedicated infrastructure levy be calculated for the required amount and identified separately on the 2017 and future years' City tax bills replacing the previously separated Public Health levy.

4. That the maximum allowed capping parameters be used for 2017, allowing the City of Guelph to exit the capping program in the shortest time frame available.

Items for Discussion – Corporate Services

The following items have been extracted from Consent Agenda and will be considered separately. These items have been extracted either at the request of a member of Council or because they include a presentation and/or delegations.

COW-CS-2017.004 2018 Municipal Election: Methods of Voting

Presentation:
Stephen O'Brien, City Clerk

Recommendation:

1. That a By-law be adopted to support the use of vote scanners/tabulators and internet voting in the 2018 Municipal Election.

2. That a By-law be adopted to support the optional use of an in person, paperless method of voting in the 2018 Municipal Election as a complementary voting channel for the advance voting period.

Corporate Services Chair and Staff Announcements

Councillor Downer as Chair

COW-2017.01 Councillors Mike Salisbury and Leanne Piper Request for Access to Additional Training Funding 2017

Recommendation:

1. That Councillor Mike Salisbury be authorized to exceed his 2017 training allocation of $3250 to an upset limit of $2000 in order to attend and complete the final two courses of the Directors College Certificate in 2017.

2. That Councillor Leanne Piper be authorized to exceed her 2017 training allocation of $3250 to an upset limit of $400 in order to attend the American Planning Association conference in May 2017.

Special Resolutions

CON-2017.9 Surplus Asset Sales Policies – Mayor Guthrie's Motion for which notice was given on March 6, 2017

Recommendation:
That staff review and report back on the City of Guelph's surplus asset sales policies and that the potential for local community group/non-profit benefit be reviewed and included in the report.

Chair and Staff Announcements

Adjournment

Staff Report

To	**Committee of the Whole**
Service Area	Public Services
Date	Monday, April 3, 2017
Subject	**Outstanding Resolutions of Public Services**
Report Number	PS-17-05

Recommendation

1. That the recommendations marked as "completed" within Report# PS-17-05 Outstanding Resolutions of Public Services be removed from the outstanding resolutions list.

Executive Summary

Purpose of Report

To advise Committee of the status of all outstanding Public Services resolutions and to further advise Committee of resolutions to be removed from the list.

Key Findings

Staff continue to plan work required to address outstanding resolutions previously passed by Committee. In some cases, resolutions previously passed may no longer be of community interest, or have the same level of priority based on more recent events or circumstances. The status of all outstanding resolutions is attached.

Financial Implications

There are no direct financial implications.

Report

Each service area maintains a record of outstanding resolutions of Committee, and reports annual on its status. Where appropriate, the report may include recommendations to eliminate from the list any outstanding resolutions that may no longer be of priority to the Committee.

The outstanding resolutions list for Public Services, including the status of the work and when available, the timing for when the work may be completed is attached as ATT-1.

Financial Implications

N/A

Consultations

Corporate Services – Clerk’s Department

Corporate Administrative Plan

Service Area Operational Work Plans
Our Services - Municipal services that make lives better
Our People- Building a great community together

Attachments

ATT-1 Public Services Outstanding Resolutions

Departmental Approval

N/A

Report Author

Susan O’Toole, Executive Assistant

Recommended By
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Public Services
Outstanding Items List as of February 2017

Date of Committee	Subject	Lead Area
Apr 4/16	**Summer Games 2021 Update and Regional Bid Investigation** That staff report back to the Public Services Committee with potential historical costs for bidding on the Canada Summer Games as soon as possible.	Completed – information provided to Council by e-mail
Apr. 4/16	**Wellington Guelph Drug Strategy** That staff be directed to dialogue with Wellington Guelph Drug Strategy on further scoping of recommendations #11 and #12 on pages 4 and 5 from the “We can do it Better” booklet and report back to the Public Services Committee on those recommendations by the end of the third quarter 2016.	
Dec. 9/15 Council	**Leaf Collection** That the subject of leaf collection be referred to the Public Services Committee for review.	On hold, pending the Solid Waste Service Review
Nov. 2/15	**Graffiti Management** That staff report back to the Public Services Committee on the matter of public and private graffiti management in Q2, 2016.	Pending – to be completed by Q4 2017
Jun 22/15 Council	**Councillor Salisbury’s Motion for which notice was given May 11, 2015** That the following resolution be referred to the Public Services Committee for consideration: 1. That as a follow up to the previous resolution of the Community Design and Development Services meeting of October 19, 2009, “That staff be directed to proceed with a study on the relocation of the Deerpath Park Skateboard area including a review of location, site	Completed – capital budget funding approved for the feasibility study to be started in Q4 2017

	treatments, cost and timing and opportunities for additional amenities such as a bicycle skills facility”. 2. That staff develop a framework, using the City’s guidelines for Community Engagement, to confirm need, potential site locations and operating models for a Bicycle Skills Facility. 3. And that staff report back to the Public Services Committee in October for consideration in the 2016 Capital Budget.	
June 23/14 Council	**CSS-2014.16** **South End Community Centre Needs Assessment and Feasibility Study** 1. That Council endorse the staff recommendation for the proposed site location of the South End Community Centre and the proposed facility scope in principle, and programming elements included. 2. That the proposed costs for the South End Community Centre be referred to the 2015 capital budget process. 3. That staff be directed to continue discussions with potential partner organizations and report back to the Community and Social Services Committee by January 2015 on the progress of these discussions.	Completed – reported back as part of 2017 budget process
Apr. 28/14 Council	**CSS-2014.7** **Brant Neighbourhood Hub Development** That staff be directed to conduct a feasibility study, and determine criteria and a timeline for locating a community hub on Brant Avenue Park lands, and bring back a	Completed

	recommendation for further consideration at a future Community and Social Services Committee meeting.	
Feb 24/14 Council	**OTES-2014.4** **By-law Review – Disabled Parking By-law** 1. That the Operations, Transit & Emergency Services Committee Report OTES021404 Disabled Parking Bylaw Review dated February 4, 2014 be received. 2. That staff be directed to create a new Accessible Parking Bylaw for Council's approval based on the existing regulations within the Disabled Parking Bylaw (1984)-11440, as amended, to better reflect current legislative authorities and to update wording pursuant to Operations, Transit & Emergency Services Committee Report OTES021404 Disabled Parking Bylaw Review dated February 4, 2014.	Completed
Nov 25/13 Council	**CSS-2013.31** **Older Adult Strategy First Year Corporate Action Plan** That staff be directed to report back on subsequent implementation plans.	Completed – information reports come forward annually
Oct 28/13 Council	**OTES-2013.25** **Public Works Yard Expansion – Update** 1. That the Operations, Transit & Emergency Services Committee Report OTES091326 Public Works Yard Expansion - Update be received. 2. That the Operations, Transit & Emergency Services Committee refer back to staff to consider alternate plans to address growth concerns surrounding the Public Works property to include the possibility of a comprehensive needs assessment study for the entire Public Works Department yard and its dependencies.	Ongoing – Corporate Facilities Management is now the lead within IDE Service Area

Public Services
Outstanding Items List as of February 2017

Sept 30/13 Council	**OTES-2013.26** **Sidewalk & Sign Inspection Program – Updates** 1. That the Operations, Transit & Emergency Services Committee report OTES091324, Sidewalk & Sign Inspection Programs – Update, dated September 10, 2013 be received. 2. That staff consider an alternate method to marking sidewalk discontinuities that meets regulatory compliance and reduces visual impact. 3. That sidewalk discontinuity per kilometer be included as a key performance indicator in the Public Works Annual Report. 4. That staff report back in 2014 with a funding strategy to close the gap on sidewalk infrastructure maintenance. 5. That Council requests the Province of Ontario to establish an infrastructure funding program for sidewalk maintenance to support the goals of the legislation and assist municipalities close the gap on sidewalk infrastructure repairs. 6. That this resolution be forwarded to the Council approved comparator municipalities for endorsement.	Completed
Mar 25/13 Council	**OTES-2013.1 (Now PS)** **Public Nuisance By-law** 1. That the Operations, Transit & Emergency Services Committee Report #OT031303 dated March 18, 2013, regarding the establishment of a Public Nuisance By-law be received. 2. That the amended Public Nuisance By-law be referred back to the Operations, Transit and	Completed

	Emergency Services Committee in April, 2014 to review the effectiveness of the by-law to date.	
Oct 22/12 Council	**Urban Forest Management Plan** THAT staff be directed to report back with a cost/benefit analysis of different service delivery models to support the most efficient and effective implementation of the Urban Forest Management Plan.	Completed

Staff Report

To	**Committee of the Whole**
Service Area	Public Services
Date	Monday, April 3, 2017
Subject	**Animal Control By-law Chicken Amendments**
Report Number	PS-17-04

Recommendation

1. That as detailed in Public Services Report #PS-17-04 Animal Control By-law chicken amendments, that staff be directed to create an amendment to the Animal Control By-law (2016)-20122 to permit residents that cannot facilitate a 15 metre (50 feet) distance for the keeping of poultry to keep chickens provided the following can be met:

   Hen coops and hen runs shall be a distance of at least 1.2m (4ft) from the rear lot line and at least 1.2m (4ft) from any side lot line of the dwelling lot on which the hen coop is located (meeting the setback requirements as per the zoning bylaw);

   Pens (includes hen coop and hen run) must be located the furthest from any other dwelling, and must be 1.2m (4ft) away from any property line;

   Pens shall be located at least 7.5m (25ft) from the lot line to any religious institution or business or school;

   Pens shall be a minimum distance of 3m (10ft) from all windows and doors of dwellings that are located on an abutting property;

   Pens are not permitted in any front or side yard;

   That the maximum number of hens be limited to ten (10).

2. That as detailed in Public Services Report #PS-17-04 Animal Control By-law chicken amendments, that staff be directed to create an amendment to the Animal Control Bylaw (2016)-20122 requiring food for poultry be stored in an animal proof secured container.

3. That as detailed in Public Services Report #PS-17-04 Animal Control By-law chicken amendments, that staff be directed to create an amendment to the Animal Control By-law (2016)-20122 requiring that coop floors be lined with an appropriate material to absorb fecal matter and to facilitate cleaning.

4. That as detailed in Public Services Report #PS-17-04 Animal Control By-law chicken amendments, that staff be directed to create an amendment to the Animal Control By-law (2016)-20122 requiring that residents keeping backyard chickens shall provide each hen with food, water, shelter, light, ventilation, appropriate substrate flooring, and provide opportunities for essential behaviours such as scratching, nesting, including but not limited to dust-bathing, and roosting, to maintain each hen in good health and welfare.

5. That as detailed in Public Services Report #PS-17-04 Animal Control By-law chicken amendments, that staff be directed to create an amendment to the Animal Control By-law (2016)-20122 prohibiting persons from killing a domestic animal on their property, except by a licenced vet or otherwise authorized by the City of Guelph.

Executive Summary

Purpose of Report

This report is to provide an update to Council following the Council resolution on December 19, 2016 that directed staff to review in consultation with the Animal Control Working Group and the existing Backyard Poultry Group regulations regarding chickens within the Animal Control By-law (2016)-20122.

Key Findings

The Animal Control working group found that there were many suggestions that had been made to the Committee of the Whole that were already addressed in other bylaws and did not need to be repeated.

Key issues that were discussed included distances of hen coops and runs, maximum number of hens, food storage, cleanliness and health and welfare of the hens

Financial Implications

Staff anticipate the financial implications of changing the regulations related to backyard chickens will have an incidental impact on registration fees and will not affect enforcement costs.

Report

Following Council's direction, staff met with the Animal Control Working Group and representatives of the Backyard Poultry Group on January 13, 2017 and discussed regulations with respect to backyard chickens. The topics discussed by the working group and the recommendations are listed below:

Setbacks/distances:

The Animal Control Working Group discussed setbacks and distances and are recommending that poultry coops must be located 15 metres (50 feet) from any school, church or residence building (as per Sec. 13(b) By-law 2016-20122).

However, if residents cannot facilitate the 15m (50ft) distance, then the Animal Control Working Group recommends that the following regulations be applied:

- Hen coops and hen runs shall be a distance of at least 1.2m from the rear lot line and at least 1.2m (4ft) from any side lot line of the dwelling lot on which the hen coop is located (meeting the setback requirements as per the zoning bylaw).

- The pen (including hen coop and hen run) must be located the furthest from any other dwelling, and must be 1.2m (4ft) away from any property line.

- The pen shall be located at least 7.5m (25ft) from the lot line to any religious institution or business or school.

- Pens shall be a minimum distance of 3m (10ft) from all windows and doors of dwellings that are located on an abutting property.

- Pens are not permitted in any front or side yard.

- That the maximum number of hens be limited to ten (10).

The City of Guelph's Planning Division studied the impact this distance change would have on the number of residences eligible to have chickens in their backyards. It was determined that with the current 15 metres (50 feet) distance approximately 18,000 residents are potentially permitted to keep chickens. If the 1.2m (4ft) distance is passed, approximately 36,000 residents would be permitted to have chickens on their property.

Food Storage

The Animal Control Working Group recommended that an amendment be made to the Animal Control By-law requiring that food for poultry be stored in an animal proof secured container.

Cleanliness

The group also recommended that an amendment be made to the Animal Control By-law requiring that coop floors be lined with an appropriate material to absorb fecal matter and to facilitate cleaning.

Fencing

The group also reviewed comments regarding containment of poultry, and did recommend that all properties in which poultry is kept be enclosed by a fence to prevent poultry from traversing onto neighbours' properties. This being said, when staff considered this restriction it was decided that as long as chickens are kept in the required pen as currently regulated, fencing should not be needed. Therefore, while staff would recommend residents fence their backyard, fencing should not be a requirement within the by-law due to the fact that it may not be financially feasibility for some residents, and fencing may not be possible due to yard size.

Health and Welfare

The Animal Control Working Group discussed and reviewed the various health and welfare comments from the Backyard Poultry Group and from this review, the group recommends that the following regulation be added to the By-law; that residents keeping backyard chickens shall provide each hen with food, water, shelter, light, ventilation, appropriate substrate flooring, and provide opportunities for essential behaviours such as scratching, nesting, including but not limited to dust-bathing, and roosting, to maintain each hen in good health and welfare.

The Animal Control Working Group is also recommending that the Animal Control By-law be amended to prohibit persons from killing a domestic animal on their property, except by a licenced vet or otherwise authorized by the City of Guelph.

Financial Implications

Staff anticipate the financial implications of changing the regulations related to backyard chickens will have an incidental impact on registration fees and will not affect enforcement costs.

Communications

If approved by Council, staff will communicate the changes to the Animal Control Working Group and the Backyard Poultry Group.

Corporate Administrative Plan

Overarching Goals
Service Excellence
Innovation

Attachments

N/A

Departmental Approval

N/A

Report Author

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Staff Report

To	**Committee of the Whole**
Service Area	Corporate Services
Date	Monday, April 3, 2017
Subject	**Tax Ratios 2017-2020 Assessment Cycle**
Report Number	CS-2017-02

Recommendation

1. That the tax ratios for the 2017 year be adopted as set out in Table One of the "Tax Ratios 2017-2020 Assessment Cycle" Report CS-2017-02 dated Monday, April 3, 2017.

2. That the tax ratios for the remainder of the 2017-2020 assessment cycle be adopted based on start ratios for all tax classes except for the multi-residential ratio which will remain revenue neutral on an annual basis.

3. That the tax ratios be incorporated into the appropriate Tax Policy.

Executive Summary

Purpose of Report

To obtain Council direction related to tax ratios for the 2017-2020 assessment cycle; thereby ensuring that tax policy and tax rates can be brought forward each year of the assessment cycle. This ensures Council is able to pass the appropriate by-laws prior to the end of April in order to meet the legislated timelines for tax billing.

Key Findings

This year the Tax Ratio and Tax Policy reports are coming together on the same agenda as staff were waiting for release of Provincial regulations related to the multi-residential ratios which were released on March 9, 2017.

Tax ratio analysis and decisions are best made in conjunction with the assessment cycle. The current assessment cycle is from 2017-2020. For the multi-residential tax class the reassessment caused a tax shift that would increase the overall taxes to this class by 3.61% before factoring any levy increase. Thus going into the first year of that cycle staff recommends for the four years a steady and systematic approach that balances the increased tax impact from reassessment on the multi-residential classes with that of the corresponding impact in the residential sector.

The commercial and industrial sectors both see decreases in tax impact over these four years as a result of the reassessment. For the first year the decreases are -0.93% in the overall commercial sector and a -1.47% decrease in the overall industrial sector. The shift in taxation that is naturally occurring as a result of reassessment has a similar result to that of lowering the tax ratio on these classes in the absence of assessment changes. Therefore both the industrial and commercial sectors are benefiting from the reassessment thus no change is recommended in the corresponding tax ratios.

For the purpose of this report, the 2016 tax rate has been restated to remove the Stormwater component. Additionally the 1% infrastructure levy has not been factored in this report.

The impact of the recommended ratios has a combined effect resulting in an overall tax shift of 0.26% or $8.58 to the average residential property.

Financial Implications

There are no financial implications, tax ratios apportion the total tax to be levied among the different property tax classes.

Report

Council must make a number of annual tax policy decisions. One of those decisions is to set the tax ratios before the tax rates can be calculated and rating by-laws can be adopted. This report ideally would have come prior to the full Tax Policy report also on this April 3rd agenda but was delayed pending final release of regulations related to multi-residential ratios which occurred March 9, 2017.

Tax ratio decisions are best made in conjunction with reassessments. The current four year phase-in assessment cycle is 2017-2020.

Staff engaged the services of Municipal Tax Advisory Group (MTAG) for tax ratio analysis in conjunction with examination of comparators tax ratios and impact analysis. This analysis is the main focus the report and provides a basis for the recommendation.

For the purpose of this report the 2016 tax rate has been restated to remove the Stormwater component. Additionally the 1% infrastructure levy has not been factored in this report.

Tax Ratios

A study of tax ratios cannot be done in isolation, and includes a review of annual tax assessment changes and the impact of the aggregate changes that one tax class experiences in relation to the other tax classes. Thus it is best practice to look at these assessment changes in relation to reassessment cycles. The current reassessment cycle is 2017-2020, and as such we are entering the first year of that four year cycle. To set direction in tax ratio policy now for the four years is a prudent and responsible decision.

Tax ratios govern the relationship between the rates of taxation for each class verses the rate of tax for the residential property class. The tax ratio for the residential class is legislated at 1.0, while the farm and managed forest classes have a prescribed maximum tax ratio of 0.25. The new multi-residential ratio when approved by Council was established at 1.0 the same as the residential ratio.

For the other classes: pipeline, commercial, industrial, and multi-residential, Council may choose to adopt either the current tax ratios which were approved by Council in 2016, revenue natural tax ratios (which ensure the total tax contribution for all individual tax classes is kept at the same proportionate level from 2016 to 2017) or establish new tax ratios for the year that are closer to or within the Range of Fairness as set out in Table One.

Table One: City of Guelph Tax Ratio Summary

	2016 Actual	**Revenue Neutral**	**Range of Fairness**		**2017 Recommended**
Class			**Lower Limit**	**Upper Limit**	
Residential	1.000000	1.000000	1.000000	1.000000	1.000000
Multi-residential	1.997900	1.928666	1.000000	1.100000	1.928666
New Multi-res	1.000000	1.000000	1.000000	1.100000	1.000000
Commercial	1.840000	1.854031	0.600000	1.100000	1.840000
Industrial	2.204800	2.238037	0.600000	1.100000	2.204800
Pipeline	1.917500	1.982967	0.600000	0.700000	1.917500
Farm	0.250000	0.250000	0.000000	0.250000	0.250000
Managed Forest	0.250000	0.250000	0.250000	0.250000	0.250000

There has been movement in recent years to decrease the industrial and multi-residential ratios. This movement on the multi-residential ratio dropping it to 1.9979 for 2016 has ensured that in 2017 that class was not affected by the new legislation restricting tax increases to the class in municipalities with multi-residential ratios over 2.000000. The lowering of the industrial ratio over the last four years provides a slightly more competitive tax rate in that class and in conjunction with the natural occurring tax shifts from reassessment positions it well for the current four year cycle.

Even with those reductions the ratios still remain higher than the comparative median as identified in the 2016 BMA Study and shown as Table Two.

Table Two: 2016 Tax Ratios, BMA Municipal Study 2016

BMA Management Consulting Inc.

Municipal Study 2016

2016 Tax Ratios

Municipality	Multi-Residential	Commercial (Residual)	Industrial (Residual)
Barrie	1.0000	1.4331	1.5163
Belleville	2.5102	1.9191	2.4000
Brampton	1.7050	1.2971	1.4700
Brant County	1.7000	1.9100	2.5700
Brockville	1.7700	1.9482	2.6131
Bruce County	1.0000	1.2331	1.7477
Caledon	1.6843	1.3124	1.5805
Chatham-Kent	2.1488	1.9504	2.1610
Cornwall	2.3492	1.9407	2.6300
Dufferin	2.6802	1.2200	2.1984
Durham	1.8665	1.4500	2.2598
Elgin County	2.3458	1.6376	2.2251
Elliot Lake	2.0770	1.6790	1.6790
Espanola	2.0329	1.6846	2.0025
Essex	1.9554	1.0820	1.9425
Greater Sudbury	2.1574	2.1432	3.1412
Greenstone	2.2526	1.3298	2.0599
Grey	1.4412	1.3069	1.8582
Guelph	1.9979	1.8400	2.2048
Haldimand County	2.3274	1.6929	2.3274
Halton	2.2619	1.4565	2.3599
Hamilton	2.7400	1.9800	3.0900
Kenora	1.5248	1.9695	2.1859
Kingston	2.1639	1.9800	2.6300
Lambton	2.4000	1.6271	2.0476
London	1.8880	1.9500	1.9500
Middlesex	1.7697	1.1449	1.7451
Mississauga	1.7788	1.4098	1.5708
Muskoka	1.0000	1.1000	1.1000
Niagara	2.0440	1.7586	2.6300
Norfolk	1.6929	1.6929	1.6929
North Bay	2.2054	1.8822	1.4000
Orillia	1.5918	1.8901	1.8392
Ottawa	1.4245	1.9570	2.6625
Owen Sound	2.1000	1.8800	2.2433
Oxford	2.7400	1.9018	2.6300
Parry Sound	1.5145	1.6646	1.5162
Perth County	2.1505	1.2469	1.9692
Peterborough (City)	1.9472	1.6001	1.8430
Prince Edward County	1.4402	1.1125	1.3895
Quinte West	2.1300	1.5385	2.4460
Sault Ste. Marie	1.3048	2.2042	3.1030
Simcoe	1.5385	1.2521	1.5385
St. Marys	1.2042	1.5463	2.4812
St. Thomas	2.4987	1.9475	2.2281
Stratford	2.1539	1.9759	2.8389
Thunder Bay	2.6310	2.0677	2.4453
Timmins	1.8452	1.9413	2.4196
Toronto	2.9044	2.5042	2.9044
Waterloo	1.9500	1.9500	1.9500
Wellington County	1.8680	1.4790	2.4000
Windsor	2.5403	2.0020	2.3384
York	1.0000	1.1172	1.3124
Average	**1.9424**	**1.6743**	**2.1413**
Median	**1.9554**	**1.6929**	**2.1984**
Minimum	**1.0000**	**1.0820**	**1.1000**
Maximum	**2.9044**	**2.5042**	**3.1412**
Provincial Threshold	**2.7400**	**1.9800**	**2.6300**

Looking closer to home, a study of 2016 tax ratios along the 401 corridor in south western Ontario in Table Three highlights that Guelph is situated in the mid-range. The City of Guelph’s commercial ratio, while higher than the average in the BMA ratio survey, is situated between the median and the average relative to major comparators along the 401 corridor. Guelph’s industrial ratio is currently sitting just below the median and the average in comparison to other municipalities on the 401 corridor and as shown in the BMA ratio study.

Guelph's multi-residential ratio is placed in the middle of the group of comparators within the 401 corridor and now is only slightly higher the average and median in the BMA ratio study.

Table Three: 2016 Tax Ratios, 401 Corridor

Comparison of Tax Ratios for Municipalities on the 401 Corridor

(Sorted from Highest Ratio to the Lowest Ratio)

Municipality	Multi-Residential
Hamilton City*	2.74
Oxford County	2.74
Elgin County	2.35
Halton Region	2.26
Chatham-Kent	2.15
Guelph City	2.00
Waterloo Region	1.95
London City	1.89
Wellington County	1.87
Middlesex County	1.77
Median	2.08
Average	2.17

Municipality	Residual Commercial
Hamilton City*	1.98
Chatham-Kent	1.95
London City	1.95
Waterloo Region	1.95
Oxford County	1.9
Guelph City	1.84
Elgin County	1.64
Wellington County	1.48
Halton Region	1.46
Middlesex County	1.14
Median	1.87
Average	1.73

Municipality	Residual Industrial
Hamilton City*	3.10
Oxford County	2.63
Wellington County	2.40
Halton Region	2.36
Elgin County	2.23
Guelph City	2.20
Chatham-Kent	2.16
London City	1.95
Waterloo Region	1.95
Middlesex County	1.75
Median	2.22
Average	2.27

*Hamilton added due to proximity and economic relationship with Guelph and Highway 401 Corridor

Impact of reassessment and analysis

While there are some significant impacts on reassessment as shown in Table 7, page 16 of ATT 1 it is interesting that there is minimal impact on the residential sector. Overall the increase to the multi-residential class is offset by decreases in the commercial and industrial classes. Using 2016 tax ratios also known as 2017 start ratios the multi-residential sector experiences a 3.61% increase in property taxes or $561,665 overall. The other significant changes from a dollar perspective are decreases in the industrial class of 1.47% or $246,912 and to the commercial sector a decrease of 0.93% or a $360,542 to the commercial sector's overall taxes. These decreases in both the industrial and commercial sectors provide benefits to both of these classes over the four year assessment cycle.

There continues to be a significant gap between the multi-residential ratio at 1.997900 and the new multi-residential ratio at 1.0. Properties under the new multi-residential ratio will be transitioned over to the multi-residential ratio starting in 2034. We need to have narrowed the gap considerably between the multi-residential and the new multi-residential tax class to avoid a significant increase in property taxes to the affected properties, which may be passed along to the tenants. It is strongly recommended that a reduction to the ratio to at least reflect the revenue neutral tax level for the multi-residential be implemented. Proponents of affordable housing also are supportive of lowering the multi-residential ratio.

There is a direct relationship between all tax ratios. The change of a tax ratio for one tax class shifts the tax burden to the other tax classes. To assist Council in evaluating the impact of revenue neutral multi-residential ratio, staff has provided the following analysis:

Recommended Option:

(A) - Start Ratios - Moving only the Multi-Residential to Revenue Neutral

See ATT 1 - Page 36 & 37

This would use 2016 tax ratios with the exception of moving the multi-residential ratio to a revenue neutral ratio. This is the recommended option.

Table Four : Impact on Average Residential Property of $333,877– 2016 Ratios with 2017 Revenue Neutral Multi Res (A) Recommended

	$ Change
City of Guelph Portion	
Reassessment, Phase-in Tax Shift	$0.45
Budget Increase	$77.01
Ratio Change due to Multi-Res	$8.58
Total Change In City Portion	$86.04

Tax Impact

The combined effect of the recommended option for tax ratios, the 2017 approved budget levy, factoring in the reassessment phase-in and using the average residential property valued at $333,877, the average residential taxpayer would see an overall increase in taxes of $86.04 over 2016 or 2.61%.

The impact of a revenue neutral multi-residential ratio for 2017 is the net tax impact of the multi-residential increases only slightly by $42,485 compared to the $561,665 as outlined on page 16 of ATT 1.

As with any ratio change the remaining property classes will have to absorb this shift. The tax shift attributed to the change in assessment phase-in to residential is minimal at 0.01% and an addition 0.26% for the adoption of the revenue neutral multi-residential ratios from the 2016 ratios. This is illustrated on page 36 of ATT 1.

This 0.26% represents an increase of $8.58 to the average residential property for 2017 as outlined in Table Four above.

Alternative Options: While there are numerous alternative options for tax ratios we have provided four options and their impacts listed below:

(B) - Maintaining the same tax ratios as 2016 – (Start Ratios)

See ATT 1 - Page 16 & 24

This option keeps all tax ratios constant at their 2016 level, this option is not recommended as it does not address the need to lower the multi-residential ratio and mitigate the increased tax impact on the class due to reassessment.

Table Five: Impact on Average Residential Property of $333,877– 2016 Tax Ratios (B)

		$ Change
City of Guelph Portion		
	Reassessment, Phase-in Tax Shift	$0.45
	Budget Increase	$77.01
	Ratio Change – Start Ratios	N/A
Total Change In City Portion		$77.46

(C) – Using Revenue Neutral tax ratios

See ATT 1 - Page 21

One option for tax ratios is to use revenue neutral tax ratios as calculated by the Province. These ratios negate any tax shift or changes resulting from the overall assessment shifts from the 2016 phased-in assessment to the 2017 phased-in assessment. This choice is a permanent reset of ratios and would move the commercial and industrial ratios farther from the range of fairness. While the results of this analysis are set out below this option is strongly not recommended as the tax ratios for industrial and commercial tax classes would increase when compared to other municipalities, the ratios would move farther away from the Range of Fairness.

Table Six: Impact on Average Residential Property of $333,877- 2017 Revenue Neutral Ratios (C)

		$ Change
City of Guelph Portion		
	Reassessment, Phase-in Tax Shift	N/A
	Budget Increase	$77.01
	Ratio Change due to Rev Neutral	N/A
Total Change In City Portion		$77.01

(D) - Revenue Neutral Multi-Residential and a reduction in Commercial Tax Ratio

See ATT 1 - Page 38 & 39

This would move the multi-residential ratio to a revenue neutral ratio and systematically reduce the commercial ratio on an annual basis for the four year cycle.

As the natural tax shift is occurring due to reassessment reducing the overall tax burden of the commercial sector on an annual basis this option is not recommended.

Table Seven: Impact on Average Residential Property of $333,877– 2016 Ratios with 2016 Revenue Neutral Multi Res and Commercial Reduction (D)

		$ Change
City of Guelph Portion		
	Reassessment, Phase-in Tax Shift	$0.45
	Budget Increase	$77.01
	Ratio Change due to Multi-Res & Com	$12.08
Total Change In City Portion		$89.54

(E) - Revenue Neutral Multi-Residential and a reduction in Industrial Tax Ratio

See ATT 1 - Page 40 & 41

This would move the multi-residential ratio to a revenue neutral ratio and systematically reduce the industrial ratio on an annual basis for the four year cycle. As the natural tax shift is occurring due to reassessment reducing the overall tax burden of the industrial sector on an annual basis this option is not recommended.

Table Eight: Impact on Average Residential Property of $333,877– 2016 Ratios with 2016 Revenue Neutral Multi Res and Industrial Reduction (E)

		$ Change
City of Guelph Portion		
	Reassessment, Phase-in Tax Shift	$0.45
	Budget Increase	$77.01
	Ratio Change due to Multi-Res & Ind	$11.62
Total Change In City Portion		$89.08

(F) - Revenue Neutral Multi-Residential and a reduction in Commercial and Industrial Tax Ratio

See ATT 1 - Page 42 & 43

This would move the multi-residential ratio to a revenue neutral ratio and systematically reduce the commercial and industrial ratios on an annual basis for the four year cycle.

As the natural tax shift is occurring due to reassessment reducing the overall tax burden of the commercial and industrial sector on an annual basis this option is not recommended.

Table Nine: Impact on Average Residential Property of $333,877– 2016 Ratios with 2016 Revenue Neutral Multi Res and Commercial and Industrial Reduction (F)

		$ Change
City of Guelph Portion		
	Reassessment, Phase-in Tax Shift	$0.45
	Budget Increase	$77.01
	Ratio Change due to Multi-Res & Com & Ind	$15.13
Total Change In City Portion		$92.59

Financial Implications

There are no financial implications, tax ratios apportion the total tax to be levied among the different property tax classes.

Consultations

Once approved by Council, tax ratios and tax rates are posted on our website.

Corporate Administrative Plan

Overarching Goals
Financial Stability

Service Area Operational Work Plans
Our Resources - A solid foundation for a growing city

Attachments

ATT-1 2017 Tax Policy Study: Tax Ratio Analysis, March 17, 2017

Departmental Approval

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2017 TAX POLICY STUDY:
TAX RATIO ANALYSIS
CITY OF GUELPH

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March 17, 2017

DISCLAIMER

The information, views, data and discussions in this document and related material are provided for general reference purposes only. Any 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 reader is cautioned that 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 the Municipal Tax Advisory Group to establish the completeness or accuracy of the data prepared by the Municipal Property Assessment Corporation (MPAC) and the On-line Property Tax Analysis (OPTA) system, which have been relied upon for purposes of preparing this report. As a result, no warrantees or guarantees are provided that the source data is free of error or misstatement.

Finally, the Municipal Tax Advisory Group 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.

TABLE OF CONTENTS

PREFACE

The following report has been prepared to assist the City of Guelph in fulfilling its annual tax policy decisions.

To assist the 2017 tax policy development process, this report contains an overview of:

- **Annualized Assessment Growth** affecting overall 2017 taxation levels for the City;
- **Reassessment/Phase-in Changes in Current Value Assessment (CVA)** affecting the distribution of the tax burden between classes;
- **Tax Ratios**
  - Starting Ratios and Revenue Neutral Tax Ratios[1],
- **Four Year Predictions**
- **Municipal Comparison Statics**

The results of this exercise are respectfully offered to the City for consumption and consideration.

[1] *Sensitivity analysis to model tax ratio changes will be prepared on an ad hoc basis in consultation with the municipality.*

EXECUTIVE SUMMARY

Guelph City Council has the opportunity to formulate long term tax policy in 2017. The assessment is known over the next four years (excluding significant ARB decisions or assessment corrections). Council can determine the tax per class and carefully manage the tax responsibility to:

- Provide balancing between classes so that each class reflects a proportionate share of the historical tax burden as determined by Council,
- Alternatively, Council can revise the tax burden by class to meet economic development goals and objectives,
- Provide relief where City Council considers it appropriate,
- Despite Section 106 of the Municipal Act, the City can offer some tax relief for business and industry classes in support of continued economic support,
- In recognition of the Provincial policies in 2017 to limit tax increases on Multi-Residential Classes, the City can manage its multi-residential tax ratios to complement Provincial policies.

The Tax Policy Study of the City Guelph provides a detailed analysis of the growth (new builds) in 2016, the impact of the new assessment (valuation date January 1, 2016) and illustrates various options to consider during its policy setting consideration.

Guelph maintains a regular and steady growth in assessment. In 2016, its growth was 1.73% or $3,737,502. Historical review of the growth since 2012 clearly indicates that Guelph is regularly managing its assessment growth.

After market value update, the taxes between tax classes are redistributed. This report identifies and quantifies the redistribution. The residential class maintains reasonable stability in its share of the total tax bill at approximately 65.6%. However, due to reassessment, Commercial and Industrial classes would share in class reductions totalling $559,520 in 2017 (Table 7 of the report) almost all picked up by the Multi-residential Class increases in market value (not new assessment). A duality of impact is evident from the data: 1) growth in assessment occurs at a lower rate in commercial and industrial than in the residential and multi-residential classes, and 2) increased market value in the latter two classes compounds the shift in tax towards non-commercial and non-industrial properties and focused primarily on the highest increasing value, specifically multi-residential properties. These shifts can be mitigated by employing class neutral ratios discussed in detail in this report. The increase in value in both commercial and industrial classes is outpaced by increases at a greater rate in other classes, multi-residential in particular. These value changes create a systemic reduction in both commercial and industrial tax sharing relationship while shifting the tax burden to the higher valued properties (multi-residential). By maintaining tax class revenue neutrality in the Multi-residential class, most of the shifts are mitigated with slight increases in the residential class.

The Province of Ontario passed legislation that prescribed the Multi-Residential Class Ratio threshold from 2.74 down to 2.0. Any municipality with a multi-residential ratio above 2.0 will not be able to pass through any levy changes. Guelph is in the enviable position of being able to reduce the Multi-Residential Class Ratio from its current or start ratio of 1.9979 to 1.9287 (revenue neutral ratio). This reduced ratio maintains the same tax class burden and serves to deflect some of the redistribution effects of the increase in multi-residential value and the increase but of a lesser value in commercial and industrial values. Over the four-year phase in, due to market value increases within the class, Guelph is able to reduce the tax ratio each year to revenue neutral ratio to lessen impact on the class.

Every municipality in Ontario seeks to know how it compares with other municipalities. While difficult to compare due to a myriad of differences, valuations, spending and revenue nuances and more, several tables are produced in the report to illustrate the relationship of Guelph's average tax per unit compared to other municipalities on the "401 corridor". In all cases, Guelph is below the median of the ten municipalities selected in all three classes: multi-residential, commercial and industrial.

Tax comparison by unit between municipalities is also a reasonable method for measuring. The tax per unit is a function of market value and differences do not necessarily represent exact comparisons. None the less, tables are included in the report to demonstrate where Guelph sits in relation to several similar municipalities. The tables incorporate a comparison of the following: detached bungalow; two story home; multi-residential unit; high rise apartment; and by square footage tax, the commercial and industrial properties. It is reasonable to suggest from these tables that Guelph might consider reducing ratios in the commercial and industrial classes. Reducing tax ratios shifts taxes to other classes so caution is recommended to ensure that any reduction is reasonable and does not overburden any other class as a result of the reduction.

Several Scenarios are produced within the report to illustrate the reduction of ratios in the multi-residential class, the commercial and the industrial classes. Four year projections will enable City Council to determine its long term strategy over the next four years in respect to tax by class. The reduction of the Multi-Residential Class Ratio is almost a given, as the assessment changes over the reassessment cycle provides a steady reduction in revenue neutral class ratio to maintain class neutrality.

PART I – GROWTH IN ASSESSMENT AND TAXATION

Updates in Current Value Assessment (CVA) that result from changes in the state, use and condition of property affect the overall size and health of municipal revenue streams on an annual basis. Such changes occur on an on-going basis throughout the year and result from new construction, additions, improvements to and demolitions of property, changes in ownership and occupancy, etc. These changes typically are captured by the Municipal Property Assessment Corporation (MPAC) in the form of supplementary and omitted assessments or post roll assessment notices. They also are often triggered by the Assessment Review Board issuing notices of decision, local municipalities approving applications for tax relief under various provisions of the *Municipal Act, 2001*, and/or Minutes of Settlement being ratified by MPAC pursuant to the Request for Reconsideration process. Guelph's Assessment Base Management efforts also result in regular and consistent monitoring of assessment during the year to ensure all changes are recognized.

Regardless of the mechanism employed to update the assessment roll or respective tax account, the net result is the same in that these changes and updates occurring throughout the year impact the total pool of revenue available to taxing authorities for the next budget cycle. This phenomenon, which is defined as "growth in assessment", is measured by comparing the assessment roll as originally returned for the year prior against the most recently revised "year-end" assessment controls provided by MPAC.

In order to fully understand the impact of "growth" in assessment on the City's property tax base, it is necessary to isolate the effect of such changes from updates in value that are due to reassessment and the application of the 4-year phase-in of increases (assessment stabilization program). This serves as a starting point for both the budget and tax policy process because of the insight it provides as to whether a municipality has ended the previous reporting cycle in a revenue deficit or surplus position when compared to the budget amount that was originally approved as the total tax levy for the year by Council. Where the assessment base is increasing overall (positive growth) the new revenue that results should be appropriately accounted for in the budget process.

The following tables highlight the overall net impact of assessment "growth", both in terms of actual current value assessment change and municipal tax dollars in the City of Guelph.

Table 1:
2016 Assessment Growth

Realty Tax Class	Phased CVA		Change in Assessment	
	2016 Returned	2016 Year End (As Revised)	$	%
Taxable				
Residential	13,446,240,744	13,719,093,879	272,853,135	2.03%
Farm	4,132,200	4,545,400	413,200	10.00%
Managed Forest	893,300	1,026,500	133,200	14.91%
Multi-Residential	744,090,300	740,890,300	-3,200,000	-0.43%
New Multi-Residential	58,445,000	61,847,000	3,402,000	5.82%
Commercial	1,988,915,824	2,018,800,624	29,884,800	1.50%
Industrial	737,615,860	747,973,360	10,357,500	1.40%
Pipeline	28,392,000	28,798,000	406,000	1.43%
Sub-Total Taxable	**17,008,725,228**	**17,322,975,063**	**314,249,835**	**1.85%**
Payment In Lieu				
Residential	2,540,200	2,540,200	0	0.00%
Commercial	172,307,330	172,078,900	-228,430	-0.13%
Industrial	1,018,000	1,521,000	503,000	49.41%
Sub-Total PIL	**175,865,530**	**176,140,100**	**274,570**	**0.16%**
Total Taxable and PIL	**17,184,590,758**	**17,499,115,163**	**314,524,405**	**1.83%**
Exempt	1,066,219,540	1,064,432,870	-1,786,670	-0.17%
Total	**18,250,810,298**	**18,563,548,033**	**312,737,735**	**1.71%**

Table 2:
Change in 2016 Weighted Assessment

Realty Tax Class	Weighted CVA		Change in Weighted CVA	
	2016 Returned	2016 Year End (As Revised)	$	%
Taxable				
Residential	13,446,102,744	13,718,842,979	272,740,235	2.03%
Farm	1,033,050	1,136,350	103,300	10.00%
Managed Forest	223,325	256,625	33,300	14.91%
Multi-Residential	1,485,274,022	1,478,880,742	-6,393,280	-0.43%
New Multi-Residential	51,388,000	54,790,000	3,402,000	6.62%
Commercial	3,622,584,291	3,679,949,825	57,365,535	1.58%
Industrial	1,570,778,713	1,596,976,290	26,197,577	1.67%
Pipeline	54,441,660	55,220,165	778,505	1.43%
Sub-Total Taxable	**20,231,825,805**	**20,586,052,976**	**354,227,172**	**1.75%**
Payment In Lieu				
Residential	2,540,200	2,540,200	0	0.00%
Commercial	316,929,015	316,508,704	-420,311	-0.13%
Industrial	2,244,486	3,353,501	1,109,014	49.41%
Sub-Total PIL	**321,713,702**	**322,402,405**	**688,703**	**0.21%**
Total Taxable and PIL	**20,553,539,506**	**20,908,455,381**	**354,915,875**	**1.73%**
Exempt	0	0	0	0.00%
Total	**20,553,539,506**	**20,908,455,381**	**354,915,875**	**1.73%**

Table 3:
2016 Tax Growth

Realty Tax Class	CVA Tax		Change in Tax	
	2016 Returned	2016 Year End (As Revised)	$	%
Taxable				
Residential	$141,596,471	$144,468,608	$2,872,137	2.03%
Farm	$10,879	$11,967	$1,088	10.00%
Managed Forest	$2,352	$2,702	$351	14.91%
Multi-Residential	$15,640,934	$15,573,608	-$67,326	-0.43%
New Multi-Residential	$541,150	$576,975	$35,825	6.62%
Commercial	$38,148,254	$38,752,352	$604,098	1.58%
Industrial	$16,541,359	$16,817,237	$275,878	1.67%
Pipeline	$573,307	$581,506	$8,198	1.43%
Sub-Total Taxable	**$213,054,705**	**$216,784,955**	**$3,730,250**	**1.75%**
Payment In Lieu				
Residential	$26,750	$26,750	$0	0.00%
Commercial	$3,337,476	$3,333,050	-$4,426	-0.13%
Industrial	$23,636	$35,315	$11,679	49.41%
Sub-Total PIL	**$3,387,862**	**$3,395,115**	**$7,253**	**0.21%**
Total Taxable and PIL	**$216,442,567**	**$220,180,070**	**$3,737,502**	**1.73%**
Exempt	$0	$0	$0	0.00%
Total	**$216,442,567**	**$220,180,070**	**$3,737,502**	**1.73%**

PART II – REASSESSMENT AND PHASE-IN CHANGES

The Impacts of Reassessment and the 4-year Phase-in of Assessment Increases on Taxation

Regular reassessments of all property are mandated by the Province every four years across Ontario to ensure that assessments relied upon for property tax purposes are reflective of current market conditions. The last comprehensive Province-wide reassessment was undertaken for 2017 taxation based on an effective valuation date of January 1, 2016; the next update is scheduled for 2021 taxation based on an effective valuation date of January 1, 2020.

Operating concurrently with Ontario's 4-year reassessment cycle is an assessment stabilization program that provides for the gradual phase-in of increases in CVA resulting from the general reassessment over that same 4-year cycle. In terms of program mechanics, very simply put, where an increase in current value materializes, the amount of the increase is divided by four and an amount equivalent to 25% of the total increase is added to the property's "phased" CVA in twenty-five percent (25%) increments each year over the four-year period until such time as the new destination CVA is reached. As such, affected taxpayers are not taxed on their January 1st, 2016 full market value until 2020, which is the last year of the current assessment cycle. Where a property realizes a decrease in assessment, the full reduction is granted in 2017; there is no phase-in of the reduction. This may appear to skew the 2017 change in assessment compared to the next succeeding 3 years.

General reassessment impacts and the application of the four-year assessment increase phase-in program affect the overall distribution of the tax burden. Consequently, as part of their 2017 budget and tax policy processes, municipalities need to understand the full impact of the current assessment phase-in cycle on the apportionment of the tax burden both within and between tax classes.

The following tables have been produced to quantify net changes in assessment related to updates in CVA manifest on the assessment roll. The tax shifts resulting from these updates in Phased CVA are further documented at the property class level. Revenue neutral tax rates, which include the impacts of growth in assessment reported in Part I of the report, are also included for the municipality with a purposes to inform the 2017 tax policy processes.

Table 4:
Changes in Destination CVA (Market Change)

Realty Tax Class	Destination CVA		Change in Assessment	
	2016 Year End (As Revised)	2017 Returned (2020 Assessment)	$	%
Taxable				
Residential	13,719,093,879	16,785,632,853	3,066,538,974	22.35%
Farm	4,545,400	7,765,200	3,219,800	70.84%
Managed Forest	1,026,500	1,272,400	245,900	23.96%
Multi-Residential	740,890,300	1,018,065,400	277,175,100	37.41%
New Multi-Residential	61,847,000	75,258,434	13,411,434	21.68%
Commercial	2,018,800,624	2,431,206,466	412,405,842	20.43%
Industrial	747,973,360	884,607,380	136,634,020	18.27%
Pipeline	28,798,000	31,159,000	2,361,000	8.20%
Sub-Total Taxable	**17,322,975,063**	**21,234,967,133**	**3,911,992,070**	**22.58%**
Payment In Lieu				
Residential	2,540,200	3,080,400	540,200	21.27%
Commercial	172,078,900	222,312,200	50,233,300	29.19%
Industrial	1,521,000	1,642,000	121,000	7.96%
Sub-Total PIL	**176,140,100**	**227,034,600**	**50,894,500**	**28.89%**
Total Taxable and PIL	**17,499,115,163**	**21,462,001,733**	**3,962,886,570**	**22.65%**
Exempt	1,064,432,870	1,210,552,600	146,119,730	13.73%
Total	**18,563,548,033**	**22,672,554,333**	**4,109,006,300**	**22.13%**

Table 5:
Changes in Phased CVA (Market Change)

Realty Tax Class	Phased CVA		Change in Assessment	
	2016 Year End (As Revised)	2017 Returned (2017 Assessment)	$	%
Taxable				
Residential	13,719,093,879	14,478,231,025	759,137,146	5.53%
Farm	4,545,400	5,350,350	804,950	17.71%
Managed Forest	1,026,500	982,225	-44,275	-4.31%
Multi-Residential	740,890,300	810,022,375	69,132,075	9.33%
New Multi-Residential	61,847,000	65,166,859	3,319,859	5.37%
Commercial	2,018,800,624	2,110,886,882	92,086,258	4.56%
Industrial	747,973,360	779,565,441	31,592,081	4.22%
Pipeline	28,798,000	29,388,250	590,250	2.05%
Sub-Total Taxable	**17,322,975,063**	**18,279,593,407**	**956,618,344**	**5.52%**
Payment In Lieu				
Residential	2,540,200	2,675,250	135,050	5.32%
Commercial	172,078,900	184,189,776	12,110,876	7.04%
Industrial	1,521,000	3,353,501	1,832,501	120.48%
Sub-Total PIL	**176,140,100**	**190,218,527**	**14,078,427**	**7.99%**
Total Taxable and PIL	**17,499,115,163**	**18,469,811,934**	**970,696,771**	**5.55%**
Exempt	1,064,432,870	1,060,760,703	-3,672,167	-0.34%
Total	**18,563,548,033**	**19,530,572,637**	**967,024,604**	**5.21%**

Table 6:
Changes in Weighted CVA (2016 vs 2017)

Realty Tax Class	Weighted CVA (Phased)		Change in Weighted CVA	
	2016 Year End (As Revised)	2017 Returned	$	%
Taxable				
Residential	13,718,842,979	14,477,973,900	759,130,921	5.53%
Farm	1,136,350	1,337,588	201,238	17.71%
Managed Forest	256,625	245,556	-11,069	-4.31%
Multi-Residential	1,478,880,742	1,616,793,499	137,912,757	9.33%
New Multi-Residential	54,790,000	57,653,109	2,863,109	5.23%
Commercial	3,679,949,825	3,846,952,264	167,002,438	4.54%
Industrial	1,596,976,290	1,660,386,714	63,410,424	3.97%
Pipeline	55,220,165	56,351,969	1,131,804	2.05%
Sub-Total Taxable	**20,586,052,976**	**21,717,694,599**	**1,131,641,622**	**5.50%**
Payment In Lieu				
Residential	2,540,200	2,675,250	135,050	5.32%
Commercial	316,508,704	338,782,752	22,274,048	7.04%
Industrial	3,353,501	3,420,196	66,695	1.99%
Sub-Total PIL	**322,402,405**	**344,878,198**	**22,475,793**	**6.97%**
Total Taxable and PIL	**20,908,455,381**	**22,062,572,797**	**1,154,117,416**	**5.52%**
Exempt	0	0	0	0.00%
Total	**20,908,455,381**	**22,062,572,797**	**1,154,117,416**	**5.52%**

Table 7:
Changes in CVA Tax (Start Ratios)

Realty Tax Class	CVA Tax		Change in Tax	
	2016 Year End (As Revised)	2017 Returned	$	%
Taxable				
Residential	$144,468,608	$144,487,284	$18,676	0.01%
Farm	$11,967	$13,349	$1,382	11.55%
Managed Forest	$2,702	$2,451	-$252	-9.32%
Multi-Residential	$15,573,608	$16,135,274	$561,665	3.61%
New Multi-Residential	$576,975	$575,366	-$1,609	-0.28%
Commercial	$38,752,352	$38,391,810	-$360,542	-0.93%
Industrial	$16,817,237	$16,570,325	-$246,912	-1.47%
Pipeline	$581,506	$562,381	-$19,124	-3.29%
Sub-Total Taxable	**$216,784,955**	**$216,738,240**	**-$46,715**	**-0.02%**
Payment In Lieu				
Residential	$26,750	$26,698	-$52	-0.19%
Commercial	$3,333,050	$3,380,984	$47,934	1.44%
Industrial	$35,315	$34,133	-$1,182	-3.35%
Sub-Total PIL	**$3,395,115**	**$3,441,815**	**$46,700**	**1.38%**
Total Taxable and PIL	**$220,180,070**	**$220,180,055**	**-$14**	**0.00%**
Exempt	$0	$0	$0	0.00%
Total	**$220,180,070**	**$220,180,055**	**-$14**	**0.00%**

PART III – TAX RATIOS

The Rationale, Rules and Restrictions on Tax Ratios

Seven main classes of property were created by the Harris Government in 1998 to improve the simplicity and transparency of Ontario's property tax regime: residential, multi-residential, commercial, industrial, managed forest, farm and pipeline, together with the option to further employ a new multi-residential, shopping centre, office building, parking lot and large industrial class where desirable.

Since that time, each property class has remained eligible to be treated at a distinct rate of taxation for municipal purposes at the discretion of individual upper and single tier municipal governments. This variable tax rate scheme is governed by the setting of "tax ratios"; tax ratios dictate the relationship of each class's tax rate to the rate applied to residential property.

Municipalities are granted a certain degree of autonomy to establish tax rate and burden relationships for different property types to reflect local priorities on an annual basis. It should, however, be noted that the municipal community does not have unfettered authority to arbitrarily set variable tax rates at completely discretionary levels.

These limitations on tax ratio setting flexibility must be respected by municipalities as part of their annual tax ratio setting exercise. As a consequence, the City is charged with the responsibility of making decisions affecting the apportionment of the tax burden which must be cognizant of the rules and regulations. The following table has been prepared to illustrate the Province's tax ratio scheme in relation to the City of Guelph's 2017 starting tax ratios for the various property classes.

Table 8:
Start Ratios

Class	2017 Start Ratio	Range of Fairness		Provincial Threshold Ratio	
		Lower Limit	Upper Limit		Applicable
Residential	**1.0000**	1.0000	1.0000		
Farm	**0.2500**	0.0000	0.2500		
Managed Forest	**0.2500**	0.2500	0.2500		
Multi-Residential	**1.9979**	1.0000	1.1000	2.00[2]	No
New Multi-Residential	**1.0000**				
Commercial	**1.8400**	0.6000	1.1000	1.98	No
Industrial	**2.2048**	0.6000	1.1000	2.63	No
Pipeline	**1.9175**	0.6000	0.7000		

On the basis of these Provincial guidelines, The City of Guelph's Council in satisfying its 2017 tax ratio setting responsibility may choose to do one of the following for each class of property:

1. Adopt the previous year's actual tax ratio for the class for the current tax cycle in order to maintain the "status quo" (2017 Start Ratio Column); or
2. Establish a new tax ratio for any class that is closer to or within the Range of Fairness; or
3. Employ a revised "class neutral tax ratio" to limit the impact of reassessment related tax shifts that might occur between class in accordance with the regulated formula.

By changing the tax ratio for any class of property, Council has the ability to influence the overall apportionment of the tax burden between property classes. Consequently, before any final decisions regarding tax ratios are made, comprehensive sensitivity analysis should be undertaken to quantify the scope and magnitude of tax shifts that result if the status quo is maintained. This analysis is contained in Part II of the body of this report quantifying shifts in taxation due to reassessment and the application of the 4-year phase-in of assessment increases, which reflects the municipalities status quo or starting tax ratios for 2017 taxation.

A schedule of "revenue/class neutral tax ratios" has been developed based on the applicable formula to assist the municipality with evaluating this option; the net tax impact of this alternative on the various tax classes is provided on the tables in this section.

Alternatively, if any other changes in tax ratios are being contemplated, the consequential impact on taxpayers throughout the City must be analyzed.

[2] New Threshold Ratio for 2017. Note special levy change rules and ratio movement apply where threshold ratio is exceeded.

To augment this quantitative analysis, Council should also carefully consider the following qualitative factors as part of the decision-making process affecting tax ratio treatment.

- Tax shifts will inevitably result each year based on the return of a newly revised assessment roll reflecting changes in property state, use, condition and assessed value; depending on the magnitude of such updates, the tax burden will shift both within and between property classes regardless of any tax ratio adjustments. Tax ratio changes may either exacerbate or offset tax shifts related to market updates and physical changes to property.
- Tax ratio changes approved by Council *only* affect the distribution of the municipal levy; tax rates for education purposes, which are annually regulated by the Province, are not subject to municipal tax ratio decisions.
- Tax ratio reductions may be *permanent* where an approved tax ratio falls outside of the Range of Fairness. The rules affecting tax ratio movement apply to any and all revised tax ratios.
- Tax ratio reductions for any class of property will trigger increases in tax rates/taxation for all other taxpayers within the same jurisdiction. The cost to other classes of property and the impact on payments-in-lieu of tax must be quantified and understood.
- Approved tax ratio decreases for any one class of property may result in additional requests for preferential tax ratio treatment from other classes of ratepayers. It is not uncommon once a reduction in a tax ratio for one class is approved for other classes to demand similar consideration.
- The existence of other compelling evidence, if any, to support tax ratio changes and the demands of special interests or specific stakeholder groups pertaining to the setting of tax rates must be carefully weighed.
- The competitiveness of each class of property's tax ratio relative to the treatment of that same class in neighbouring jurisdictions should be considered in determining if tax ratio adjustments are warranted.

Table 9:
Class Neutral Ratios

Realty Tax Class	2017 Start Ratio	2017 Class Neutral Tax Ratio	Change in Ratio	2017 Start Ratio Tax Rate	2017 Class Neutral Tax Rate	Change in Tax Rate
Residential	1.000000	**1.000000**	0.00%	0.00997980	0.00997848	-0.01%
Farm	0.250000	**0.250000**	0.00%	0.00249495	0.00249462	-0.01%
Managed Forest	0.250000	**0.250000**	0.00%	0.00249495	0.00249462	-0.01%
Multi-Residential	1.997900	**1.928666**	-3.47%	0.01993864	0.01924516	-3.48%
New Multi-Residential	1.000000	**1.000000**	0.00%	0.00997980	0.00997848	-0.01%
Commercial	1.840000	**1.854031**	0.76%	0.01836283	0.01850041	0.75%
Industrial	2.204800	**2.238037**	1.51%	0.02200346	0.02233221	1.49%
Pipeline	1.917500	**1.982967**	3.41%	0.01913626	0.01978700	3.40%

Table 10:
Class Neutral Ratios Tax Impact

Realty Tax Class	CVA Tax		Change in Tax
	2016 Year End (As Revised)	2017 Returned Class Neutral Ratio	$
Taxable			
Residential	$144,468,608	$144,468,175	-$433
Farm	$11,967	$13,347	$1,381
Managed Forest	$2,702	$2,450	-$252
Multi-Residential	$15,573,608	$15,574,396	$788
New Multi-Residential	$576,975	$575,290	-$1,685
Commercial	$38,752,352	$38,679,307	-$73,045
Industrial	$16,817,237	$16,817,898	$661
Pipeline	$581,506	$581,505	$0
Sub-Total Taxable	**$216,784,955**	**$216,712,368**	**-$72,587**
Payment In Lieu			
Residential	$26,750	$26,695	-$55
Commercial	$3,333,050	$3,406,315	$73,265
Industrial	$35,315	$34,643	-$672
Sub-Total PIL	**$3,395,115**	**$3,467,653**	**$72,539**
Total Taxable and PIL	**$220,180,070**	**$220,180,021**	**-$48**
Exempt	$0	$0	$0
Total	**$220,180,070**	**$220,180,021**	**-$48**

PART IV – FOUR YEAR ANALYSIS

The assessment phase-in, commencing in 2017 and concluding in 2020 (destination assessment), provides the cyclical opportunity for municipal tax policy decision makers to establish their longer term strategy to improve the management of taxes by property class. While the City has the assessment phase-in data in hand and can reasonably model ratio impacts over the next four years, there are always adjustments to the roll as a result of assessment corrections and revisions (ARB's, PRAN's, SAN's, ANA's, RECON's and TIA's) all of which have an impact on ratio allocations between classes. Nevertheless, municipalities can realistically calculate the impact upon and make major tax policy decisions in spite of those assessment corrections and adjustments. Guelph can subsequently make long term strategy plans over the next four years by understanding and modelling the impact of ratio decisions and class discounts for each of the ensuing years.

The Municipal Tax Advisory Group has produced four tables of information in respect of the decision making in 2017 and its impact on 2018, 2019 and 2020. These analyses are based on 2017 start ratios, essentially the 2016 adopted ratios, new assessment (growth through supplementary or omitted assessment) will not impact the tax distribution between classes.

The four tables produced comprise the following;

1. Table 11 identifies the assessment for each of the 2017 through 2020 tax years. These assessments include all phase-in assessment provided to the municipality at the return of the December 2016 roll.
2. The rates determined from Table 11 are applied to the phased assessment for each year to determine class tax in Table 12.
3. Table 13 demonstrates the shift in assessment due to phase-in as a result of reassessment for each of the following three years during the 2017 to 2020 assessment cycle (market value as at January 1, 2016), and
4. The resulting tax distribution between classes using start ratios is illustrated in Table 14. It should form the basis for policy consideration in respect of ratio decisions and consideration of variations in discounts (for vacant land and vacant units). This table can be used to identify opportunities for potential economic development policies.

Table 11:
Four Year Assessment Distribution

Realty Tax Class	CVA				
	2016 Year End (As Revised)	2017	2018	2019	2020
Taxable					
Residential	13,719,093,879	14,478,231,025	15,247,364,968	16,016,498,912	16,785,632,853
Farm	4,545,400	5,350,350	6,155,300	6,960,250	7,765,200
Managed Forest	1,026,500	982,225	1,078,950	1,175,675	1,272,400
Multi-Residential	740,890,300	810,022,375	879,370,050	948,717,725	1,018,065,400
New Multi-Residential	61,847,000	65,166,859	68,530,717	71,894,576	75,258,434
Commercial	2,018,800,624	2,110,886,882	2,217,660,077	2,324,433,276	2,431,206,466
Industrial	747,973,360	779,565,441	814,579,422	849,593,400	884,607,380
Pipeline	28,798,000	29,388,250	29,978,500	30,568,750	31,159,000
Sub-Total Taxable	**17,322,975,063**	**18,279,593,407**	**19,264,717,984**	**20,249,842,564**	**21,234,967,133**
Payment In Lieu					
Residential	2,540,200	2,675,250	2,810,300	2,945,350	3,080,400
Commercial	172,078,900	184,189,776	196,897,250	209,604,726	222,312,200
Industrial	1,521,000	1,551,250	1,581,500	1,611,750	1,642,000
Sub-Total PIL	**176,140,100**	**188,416,276**	**201,289,050**	**214,161,826**	**227,034,600**
Total Taxable and PIL	**17,499,115,163**	**18,468,009,683**	**19,466,007,034**	**20,464,004,390**	**21,462,001,733**
Exempt	1,064,432,870	1,060,760,703	1,110,691,335	1,160,621,968	1,210,552,600
Total	**18,563,548,033**	**19,528,770,386**	**20,576,698,369**	**21,624,626,358**	**22,672,554,333**

Table 12:
Tax Distribution Based on Start Ratios

Realty Tax Class	CVA Tax				
	2016 Year End (As Revised)	2017	2018	2019	2020
Taxable					
Residential	$144,468,608	$144,487,284	$144,315,646	$144,160,799	$144,020,546
Farm	$11,967	$13,349	$14,565	$15,662	$16,657
Managed Forest	$2,702	$2,451	$2,553	$2,646	$2,729
Multi-Residential	$15,573,608	$16,135,274	$16,612,580	$17,043,068	$17,433,312
New Multi-Residential	$576,975	$575,366	$573,210	$571,264	$569,501
Commercial	$38,752,352	$38,391,810	$38,247,437	$38,117,230	$37,999,173
Industrial	$16,817,237	$16,570,325	$16,382,552	$16,213,187	$16,059,661
Pipeline	$581,506	$562,381	$544,091	$527,594	$512,640
Sub-Total Taxable	**$216,784,955**	**$216,738,240**	**$216,692,634**	**$216,651,451**	**$216,614,219**
Payment In Lieu					
Residential	$26,750	$26,698	$26,600	$26,511	$26,430
Commercial	$3,333,050	$3,380,984	$3,427,836	$3,470,093	$3,508,397
Industrial	$35,315	$34,133	$33,004	$31,986	$31,062
Sub-Total PIL	**$3,395,115**	**$3,441,815**	**$3,487,440**	**$3,528,590**	**$3,565,890**
Total Taxable and PIL	**$220,180,070**	**$220,180,055**	**$220,180,074**	**$220,180,040**	**$220,180,108**
Exempt	$0	$0	$0	$0	$0
Total	**$220,180,070**	**$220,180,055**	**$220,180,074**	**$220,180,040**	**$220,180,108**

Table 13:
Percent of Assessment Distribution

Realty Tax Class	CVA				
	2016 Year End (As Revised)	2017	2018	2019	2020
Taxable					
Residential	73.90%	74.14%	74.10%	74.07%	74.04%
Farm	0.02%	0.03%	0.03%	0.03%	0.03%
Managed Forest	0.01%	0.01%	0.01%	0.01%	0.01%
Multi-Residential	3.99%	4.15%	4.27%	4.39%	4.49%
New Multi-Residential	0.33%	0.33%	0.33%	0.33%	0.33%
Commercial	10.88%	10.81%	10.78%	10.75%	10.72%
Industrial	4.03%	3.99%	3.96%	3.93%	3.90%
Pipeline	0.16%	0.15%	0.15%	0.14%	0.14%
Sub-Total Taxable	**93.32%**	**93.60%**	**93.62%**	**93.64%**	**93.66%**
Payment In Lieu					
Residential	0.01%	0.01%	0.01%	0.01%	0.01%
Commercial	0.93%	0.94%	0.96%	0.97%	0.98%
Industrial	0.01%	0.01%	0.01%	0.01%	0.01%
Sub-Total PIL	**0.95%**	**0.96%**	**0.98%**	**0.99%**	**1.00%**
Total Taxable and PIL	**94.27%**	**94.57%**	**94.60%**	**94.63%**	**94.66%**
Exempt	**5.73%**	**5.43%**	**5.40%**	**5.37%**	**5.34%**
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Table 14:
Percent of Tax Distribution

Realty Tax Class	CVA Tax				
	2016 Year End (As Revised)	2017	2018	2019	2020
Taxable					
Residential	65.61%	65.62%	65.54%	65.47%	65.41%
Farm	0.01%	0.01%	0.01%	0.01%	0.01%
Managed Forest	0.00%	0.00%	0.00%	0.00%	0.00%
Multi-Residential	7.07%	7.33%	7.54%	7.74%	7.92%
New Multi-Residential	0.26%	0.26%	0.26%	0.26%	0.26%
Commercial	17.60%	17.44%	17.37%	17.31%	17.26%
Industrial	7.64%	7.53%	7.44%	7.36%	7.29%
Pipeline	0.26%	0.26%	0.25%	0.24%	0.23%
Sub-Total Taxable	**98.46%**	**98.44%**	**98.42%**	**98.40%**	**98.38%**
Payment In Lieu					
Residential	0.01%	0.01%	0.01%	0.01%	0.01%
Commercial	1.51%	1.54%	1.56%	1.58%	1.59%
Industrial	0.02%	0.02%	0.01%	0.01%	0.01%
Sub-Total PIL	**1.54%**	**1.56%**	**1.58%**	**1.60%**	**1.62%**
Total Taxable and PIL	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Exempt	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

PART V – MUNICIPAL COMPARISON

City Council has the difficult task of not only balancing and managing the competing demands and tax burdens of various property classes, it must also look at its competitive advantage or disadvantage in Ontario's market. In this section of the report, we have created some comparison tables that will allow Council to compare its municipality with others found in economic proximity. The basis of comparison is done on ratios, tax rates, and on how different types of property are taxed.

Tax Ratio Survey

Appendix 1 illustrates an alphabetical list of a large sample of municipalities. One important fact about ratio comparison is that there are several municipalities in Ontario (and contained within Appendix 1) where all classes are taxed at the same or similar level to their residential property. Those ratios are around 1.0. Historically, some of those municipalities opted for market value tax for all properties prior to the 1998 tax regime. These values tend to skew averages and readers are cautioned to be aware of the significant differences among Ontario's municipalities in this regard.

In an attempt to compare municipalities within economic proximity and market influences, Municipal Tax Advisory Group has produced a ratio summary table to illustrate how Guelph compares to others along the 401 corridor.

Table 15:
Comparison of Tax Ratios for Municipalities on the 401 Corridor
(Sorted from Highest Ratio to the Lowest Ratio)

Municipality	Multi-Residential
Hamilton City*	2.74
Oxford County	2.74
Elgin County	2.35
Halton Region	2.26
Chatham-Kent	2.15
Guelph City	2.00
Waterloo Region	1.95
London City	1.89
Wellington County	1.87
Middlesex County	1.77
Median	2.08
Average	2.17

Municipality	Residual Commercial
Hamilton City*	1.98
Chatham-Kent	1.95
London City	1.95
Waterloo Region	1.95
Oxford County	1.9
Guelph City	1.84
Elgin County	1.64
Wellington County	1.48
Halton Region	1.46
Middlesex County	1.14
Median	1.87
Average	1.73

Municipality	Residual Industrial
Hamilton City*	3.10
Oxford County	2.63
Wellington County	2.40
Halton Region	2.36
Elgin County	2.23
Guelph City	2.20
Chatham-Kent	2.16
London City	1.95
Waterloo Region	1.95
Middlesex County	1.75
Median	2.22
Average	2.27

*Hamilton added due to proximity and economic relationship with Guelph and Highway 401 Corridor

Tax Rate Comparisons

The data in the following tables has largely been gleaned from past reports and other readily available sources of formation.[3]

Tax rates, levies and budgets vary considerably between jurisdictions making it extremely difficult to easily draw comparisons. Tax rate comparison must be undertaken with knowledge that rate variations are governed by both systemic municipal responsibilities and limitations, as well as local municipal directed policies and priorities combined. As a result, caution must be exercised in interpreting the results of direct tax rate comparison knowing that there are these variations. Comparing tax rates between municipalities do not in themselves provide an indication that ratios should or should not be adjusted.

Municipal tax rates are difficult if not next to impossible to compare. As an example, and to simplify the discussion, assume there are two municipalities with identical properties. Due to location of the properties (one located on highway 401 corridor and the other in rural Ontario in this example), the market value of the two identical properties can be significantly different. If the same property was

[3] Municipal Tax Advisory Group has not undertaken any detailed analysis to verify the correctness of the data produced by other firms or companies.

assessed at $500,000 in one municipality and $400,000 in rural Ontario municipality, the tax rates to raise the same amount of tax would be different.

Illustration of Tax Rate Differences

Municipality	Value	Tax Rate	Tax Levy
401 Corridor Property	500,000	1.0000%	$ 5,000.00
Rural Ontario Property	400,000	1.2500%	$ 5,000.00

In this illustration, to raise $5,000, the tax rate for the $500,000 property would be 1.0%. However, to raise the same tax probably for the same purposes (gasoline, supplies, operating costs, capital, etc.) the tax rate for the rural Ontario property would be 1.25% (higher) to raise the same tax. The rates cannot be compared. They raise the same tax for the same purpose, but the assessment value is different. Consequently, the tax and not the tax rates is the more appropriate tool to compare. Stir in assessment mix (greater industrial CVA in one municipality or high concentration of farm property in another municipality) and the comparing of tax rates becomes even more complex and difficult. This simple "Illustration of Tax Rate Differences" table demonstrates the difficulty in comparing tax rates.

The reader must keep in mind that Education tax rates are prescribed by the Province of Ontario. Ratio changes (reductions) and adjustments by City Council cannot affect those rates.

Comparison of Taxes by Property Type

Table 16:
Residential Property Comparison

Detached Bungalow		
Municipality	**2016 Property Taxes**	**2016 Relative Taxes**
Guelph City	$3,363	Mid
Halton Hills	$3,378	Mid
Waterloo	$3,345	Mid
Kitchener	$3,213	Mid
London	$3,254	Mid
Summary results following are for all municipalities included in the 2016 BMA Municipal Study.		
Average	$3,213	
Median	$3,195	
Minimum	$1,402	
Maximum	$5,305	

Two Storey Home		
Municipality	**2016 Property Taxes**	**2016 Relative Taxes**
Guelph City	$4,836	High
Halton Hills	$4,429	Mid
Waterloo	$4,605	Mid
Kitchener	$4,607	Mid
London	$4,326	Mid
Summary results following are for all municipalities included in the 2016 BMA Municipal Study.		
Average	$4,395	
Median	$4,429	
Minimum	$2,522	
Maximum	$6,967	

Source: 2016 BMA Municipal Study

Table 17:
Multi-Residential Property Comparison

Walk-up Apartment (per unit)		
Municipality	**2016 Property Taxes**	**2016 Relative Taxes**
Guelph City	$1,603	Mid
Halton Hills	$1,790	High
Waterloo	$1,728	High
Kitchener	$1,489	Mid
London	$1,848	High
Summary results following are for all municipalities included in the 2016 BMA Municipal Study.		
Average	$1,445	
Median	$1,472	
Minimum	$535	
Maximum	$2,698	

High-Rise Apartment (per unit)		
Municipality	**2016 Property Taxes**	**2016 Relative Taxes**
Guelph City	$1,968	Mid
Halton Hills	$1,722	Mid
Waterloo	$1,950	Mid
Kitchener	$1,987	Mid
London	$1,694	Mid
Summary results following are for all municipalities included in the 2016 BMA Municipal Study.		
Average	$1,770	
Median	$1,803	
Minimum	$869	
Maximum	$3,151	

Source: 2016 BMA Municipal Study

Table 18:
Commercial Property Comparison

Office Buildings (Taxes per sq. ft.)				
Municipality	**2016 Municipal Taxes**	**2016 Education Taxes**	**2016 Total Taxes**	**2016 Relative Taxes**
Guelph City	$2.00	$1.38	$3.38	High
Halton Hills	$1.30	$1.11	$2.32	Low
Waterloo	$1.55	$1.16	$2.70	Mid
Kitchener	$1.40	$1.02	$2.42	Low
London	$1.48	$0.90	$2.38	Low
Summary results following are for all municipalities included in the 2016 BMA Municipal Study.				
Average	$1.75	$1.21	$2.96	
Median	$1.68	$1.11	$2.85	
Minimum	$0.77	$0.56	$1.33	
Maximum	$3.25	$2.24	$5.48	

Neighbourhood Shopping (Taxes per sq. ft.)				
Municipality	**2016 Municipal Taxes**	**2016 Education Taxes**	**2016 Total Taxes**	**2016 Relative Taxes**
Guelph City	$2.65	$1.82	$4.47	High
Halton Hills	$1.91	$1.65	$3.56	Mid
Waterloo	$2.11	$1.58	$3.69	Mid
Kitchener	$2.27	$1.66	$3.93	High
London	$2.74	$1.67	$4.41	High
Summary results following are for all municipalities included in the 2016 BMA Municipal Study.				
Average	$1.93	$1.38	$3.31	
Median	$1.93	$1.29	$3.33	
Minimum	$0.51	$0.54	$1.05	
Maximum	$3.45	$2.42	$5.87	

Source: 2016 BMA Municipal Study

Table 19:
Industrial Property Comparison

Standard Industrial (Taxes per sq. ft.)				
Municipality	**2016 Municipal Taxes**	**2016 Education Taxes**	**2016 Total Taxes**	**2016 Relative Taxes**
Guelph City	$1.28	$0.83	$2.11	High
Halton Hills	$0.76	$0.66	$1.42	Low
Waterloo	$1.11	$0.89	$2.00	High
Kitchener	$0.81	$0.64	$1.45	Low
London	$0.79	$0.51	$1.30	Low
Summary results following are for all municipalities included in the 2016 BMA Municipal Study.				
Average	$1.00	$0.68	$1.68	
Median	$0.95	$0.61	$1.68	
Minimum	$0.22	$0.17	$0.39	
Maximum	$1.79	$1.17	$2.96	

Large Industrial (Taxes per sq. ft.)				
Municipality	**2016 Municipal Taxes**	**2016 Education Taxes**	**2016 Total Taxes**	**2016 Relative Taxes**
Guelph City	$0.77	$0.50	$1.27	Mid
Halton Hills	$0.82	$0.72	$1.54	High
Waterloo	$0.67	$0.53	$1.20	Mid
Kitchener	$0.34	$0.27	$0.61	Low
London	$0.65	$0.42	$1.07	Mid
Summary results following are for all municipalities included in the 2016 BMA Municipal Study.				
Average	$0.72	$0.47	$1.20	
Median	$0.70	$0.41	$1.14	
Minimum	$0.13	$0.11	$0.24	
Maximum	$1.22	$1.34	$2.56	

Source: 2016 BMA Municipal Study

Real Growth in Assessment

Assessment growth is the change in CVA from the returned roll to the value that appears on the end of the year. It occurs through new builds and additions or mid-year assessment corrections. Real growth also means loss in assessment generally through Section 357 applications. MPAC provides the City with the changes in assessment due to real growth at the end of each year.

Growth does not reflect valuation or equity changes due to market value. Municipalities are required to restate tax rates where assessment has changed due to market or equity adjustments. Simply put, if the value of assessment increases by 50%, then the tax rate would be decreased by 50%. To compound the difficulty to interpret the change, the restatement of CVA due to market or equity will reflect differently between classes; for example, residential value may increase at a greater rate than industrial assessment.

The following tables report the "real growth" for the City of Guelph during the last four years. Clearly it is evident that Guelph has maintained a steady and reliable growth in its assessment base with little fluctuation. This is due in large part to regular Assessment Base Management: following up with MPAC; monitoring building permits to ensure they are picked up through Section 33 and 34 of the Assessment Act; and managing assessment reductions through Section 357; investigating anomalous assessment and reviewing any potential errors with the assessment corporation, essentially exercising due diligence in assessment management for the City.

Table 20:
Historical Growth Tables

Municipality	2012 Tax Year		Percent Change
	Returned 2008 CVA	Year End 2008 CVA	
Guelph City	14,928,619,267	15,225,625,385	1.99%
Halton Hills	8,889,954,695	8,966,799,095	0.86%
Waterloo City	13,742,240,800	13,980,471,220	1.73%
Kitchener City	21,893,266,617	22,292,908,149	1.83%
London	36,434,128,902	36,977,558,969	1.49%
Provincial	1,806,143,603,532	1,833,011,404,023	1.49%

Source: 2012 Market Change Profile

Municipality	2013 Tax Year		Percent Change
	Returned 2012 CVA	Year End 2012 CVA	
Guelph City	17,348,664,325	17,661,537,579	1.80%
Halton Hills	10,748,642,295	11,089,069,504	3.17%
Waterloo City	16,227,025,120	16,573,514,674	2.14%
Kitchener City	25,839,609,728	26,208,597,634	1.43%
London	40,831,534,634	41,301,004,273	1.15%
Provincial	2,178,178,085,900	2,204,054,858,110	1.19%

Source: 2013 Market Change Profile

Municipality	2014 Tax Year		Percent Change
	Returned 2012 CVA	Year End 2012 CVA	
Guelph City	17,661,537,579	17,986,360,898	1.84%
Halton Hills	11,089,069,504	11,247,315,013	1.43%
Waterloo City	16,573,514,674	17,016,332,886	2.67%
Kitchener City	26,208,597,634	26,821,056,343	2.34%
London	41,301,004,273	41,922,517,906	1.50%
Provincial	2,204,056,592,710	2,237,694,334,448	1.53%

Source: 2014 Market Change Profile

Table 20 (continued): Historical Growth Tables

Municipality	2016 Tax Year		Percent Change
	Returned 2012 CVA	Year End 2012 CVA	
Guelph City	18,250,810,298	18,563,548,033	1.71%
Halton Hills	11,328,447,013	11,472,698,592	1.27%
Waterloo City	17,364,049,025	17,739,640,525	2.16%
Kitchener City	27,342,441,301	27,926,879,025	2.14%
London	42,720,473,933	43,555,430,391	1.95%
Provincial	2,271,245,094,597	2,301,246,552,807	1.32%

Source: 2016 Market Change Profile

Part VI: Optional Policy Considerations for 2017: Tax Ratio Analyses

Guelph's 2017 Tax Policy Study is the base report with which to measure various changes in property tax distribution among tax classes. The adjustment of any tax ratio or discounts impacts the sharing relationships between property classes within the City. This Part models four scenarios:

Scenario 1:
Reduce the Multi-Residential Ratio from its start ratio of 1.9979 to its class neutral ratio of 1.9287 in 2017 and then progressively adjusting the ratio to the class neutral ratio over the next three years:

- 1.9287 for 2017
- 1.8711 in 2018;
- 1.8219 in 2019;
- 1.7798 in 2020.

Scenario 2:
Cumulatively with the reduction in Multi-Residential Class Ratio described in Scenario 1, reduce the Commercial Class ratio annual as follows:

- 1.84 to 1.83 for 2017
- 1.82 for 2018,
- 1.81 for 2019, and in
- 2020 set the ratio at 1.8.

Scenario 3:
Cumulatively with the reduction in Multi-Residential Class Ratio as described in Scenario 1, reduce the Industrial Class ratio staged from 2.2048 (2017 start ratio) down to 2.1 in 2020;

- 2.2048 to 2.1786 in 2017,
- in 2018 reduce to 2.1524,
- 2.1262 in 2019, and
- 2.1 for 2020.

Scenario 4:
Cumulatively summarize the reduction of the ratios for Multi-Residential, Commercial and Industrial Classes to demonstrate the full impact over the next four years.

Scenario 1: Table 1:
2017 Inter-Class Tax Shifts

Impact in 2017 of Reducing Multi-Residential Ratio to Class Neutral Ratio of 1.9287

Realty Tax Class	CVA Tax		Change in Tax	
	2016 Year End (As Revised)	2017 Returned Class Neutral Ratio	$	%
Taxable				
Residential	$144,468,608	$144,854,880	$386,271	0.27%
Farm	$11,967	$13,383	$1,416	11.84%
Managed Forest	$2,702	$2,457	-$246	-9.09%
Multi-Residential	$15,573,608	$15,616,093	$42,485	0.27%
New Multi-Residential	$576,975	$576,830	-$145	-0.03%
Commercial	$38,752,352	$38,489,510	-$262,842	-0.68%
Industrial	$16,817,237	$16,612,490	-$204,747	-1.22%
Pipeline	$581,506	$563,812	-$17,693	-3.04%
Sub-Total Taxable	**$216,784,955**	**$216,729,455**	**-$55,500**	**-0.03%**
Payment In Lieu				
Residential	$26,750	$26,766	$16	0.06%
Commercial	$3,333,050	$3,389,588	$56,538	1.70%
Industrial	$35,315	$34,220	-$1,095	-3.10%
Sub-Total PIL	**$3,395,115**	**$3,450,574**	**$55,459**	**1.63%**
Total Taxable and PIL	**$220,180,070**	**$220,180,029**	**-$41**	**0.00%**
Exempt	$0	$0	$0	0.00%
Total	**$220,180,070**	**$220,180,029**	**-$41**	**0.00%**

Scenario 1: Table 2:
Four Year Inter-Class Tax Shifts

Impact of Reducing Multi-Residential Ratio annually: 1.9287; 1.8711; 1.8219; 1.7794

Realty Tax Class	CVA Tax			
	2017 Returned MT Ratio @ 1.9287	**2018 Returned MT Ratio @ 1.8711**	**2019 Returned MT Ratio @ 1.8219**	**2020 Returned MT Ratio @ 1.7794**
Taxable				
Residential	$144,854,880	$145,009,695	$145,149,961	$145,277,433
Farm	$13,383	$14,635	$15,770	$16,802
Managed Forest	$2,457	$2,565	$2,664	$2,753
Multi-Residential	$15,616,093	$15,633,559	$15,649,380	$15,663,781
New Multi-Residential	$576,830	$575,966	$575,184	$574,471
Commercial	$38,489,510	$38,431,386	$38,378,730	$38,330,823
Industrial	$16,612,490	$16,461,338	$16,324,427	$16,199,828
Pipeline	$563,812	$546,707	$531,214	$517,114
Sub-Total Taxable	**$216,729,455**	**$216,675,852**	**$216,627,329**	**$216,583,006**
Payment In Lieu				
Residential	$26,766	$26,728	$26,693	$26,661
Commercial	$3,389,588	$3,444,322	$3,493,899	$3,539,018
Industrial	$34,220	$33,163	$32,205	$31,334
Sub-Total PIL	**$3,450,574**	**$3,504,212**	**$3,552,797**	**$3,597,012**
Total Taxable and PIL	**$220,180,029**	**$220,180,064**	**$220,180,127**	**$220,180,019**
Exempt	$0	$0	$0	$0
Total	**$220,180,029**	**$220,180,064**	**$220,180,127**	**$220,180,019**

Scenario 2: Table 1:
2017 Inter-Class Tax Shifts

Impact in 2017 of Reducing Multi-Residential Ratio to 1.9287 plus Reducing Commercial Ratio down to 1.83.

Realty Tax Class	CVA Tax		Change in Tax	
	2016 Year End (As Revised)	2017 MT Ratio @ 1.9287, Commercial Ratio @ 1.83	$	%
Taxable				
Residential	$144,468,608	$145,004,727	$536,119	0.37%
Farm	$11,967	$13,397	$1,430	11.95%
Managed Forest	$2,702	$2,459	-$243	-8.99%
Multi-Residential	$15,573,608	$15,632,238	$58,629	0.38%
New Multi-Residential	$576,975	$577,427	$452	0.08%
Commercial	$38,752,352	$38,320,017	-$432,335	-1.12%
Industrial	$16,817,237	$16,629,675	-$187,562	-1.12%
Pipeline	$581,506	$564,395	-$17,110	-2.94%
Sub-Total Taxable	**$216,784,955**	**$216,744,335**	**-$40,620**	**-0.02%**
Payment In Lieu				
Residential	$26,750	$26,794	$44	0.16%
Commercial	$3,333,050	$3,374,652	$41,602	1.25%
Industrial	$35,315	$34,255	-$1,060	-3.00%
Sub-Total PIL	**$3,395,115**	**$3,435,701**	**$40,586**	**1.20%**
Total Taxable and PIL	**$220,180,070**	**$220,180,036**	**-$34**	**0.00%**
Exempt	$0	$0	$0	0.00%
Total	**$220,180,070**	**$220,180,036**	**-$34**	**0.00%**

Scenario 2: Table 2:
Four Year Inter-Class Tax Shifts

Impact of Reducing Multi-Residential Ratio annually: 1.9287; 1.8711; 1.8219; 1.7794 plus Commercial Class Ratio Reduction annually: 1.83; 1.82; 1.81; 1.80

Realty Tax Class	CVA Tax			
	2017 Returned MT Ratio @ 1.9287, CT Ratio @ 1.83	2018 Returned MT Ratio @ 1.8711, CT Ratio @ 1.82	2019 Returned MT Ratio @ 1.8219, CT Ratio @ 1.81	2020 Returned MT Ratio @ 1.7794, CT Ratio @ 1.80
Taxable				
Residential	$145,004,727	$145,309,910	$145,601,138	$145,880,195
Farm	$13,397	$14,665	$15,819	$16,872
Managed Forest	$2,459	$2,571	$2,672	$2,765
Multi-Residential	$15,632,238	$15,665,933	$15,698,030	$15,728,771
New Multi-Residential	$577,427	$577,159	$576,972	$576,855
Commercial	$38,320,017	$38,092,585	$37,870,698	$37,653,573
Industrial	$16,629,675	$16,495,424	$16,375,178	$16,267,047
Pipeline	$564,395	$547,839	$532,865	$519,260
Sub-Total Taxable	**$216,744,335**	**$216,706,086**	**$216,673,372**	**$216,645,337**
Payment In Lieu				
Residential	$26,794	$26,783	$26,776	$26,772
Commercial	$3,374,652	$3,413,938	$3,447,620	$3,476,447
Industrial	$34,255	$33,231	$32,305	$31,464
Sub-Total PIL	**$3,435,701**	**$3,473,953**	**$3,506,700**	**$3,534,682**
Total Taxable and PIL	**$220,180,036**	**$220,180,039**	**$220,180,072**	**$220,180,019**
Exempt	$0	$0	$0	$0
Total	**$220,180,036**	**$220,180,039**	**$220,180,072**	**$220,180,019**

Scenario 3: Table 1:
2017 Inter-Class Tax Shifts

Impact in 2017 of Reducing Multi-Residential Ratio to 1.9287 plus Reducing Industrial Ratio down to 2.1786

Realty Tax Class	CVA Tax		Change in Tax	
	2016 Year End (As Revised)	2017 Returned MT Ratio @ 1.9287, IT Ratio @ 2.1786	$	%
Taxable				
Residential	$144,468,608	$144,985,181	$516,573	0.36%
Farm	$11,967	$13,395	$1,428	11.94%
Managed Forest	$2,702	$2,459	-$243	-9.01%
Multi-Residential	$15,573,608	$15,630,134	$56,525	0.36%
New Multi-Residential	$576,975	$577,349	$374	0.06%
Commercial	$38,752,352	$38,524,112	-$228,240	-0.59%
Industrial	$16,817,237	$16,429,846	-$387,391	-2.30%
Pipeline	$581,506	$564,319	-$17,186	-2.96%
Sub-Total Taxable	**$216,784,955**	**$216,726,795**	**-$58,159**	**-0.03%**
Payment In Lieu				
Residential	$26,750	$26,790	$40	0.15%
Commercial	$3,333,050	$3,392,635	$59,585	1.79%
Industrial	$35,315	$33,843	-$1,471	-4.17%
Sub-Total PIL	**$3,395,115**	**$3,453,269**	**$58,154**	**1.71%**
Total Taxable and PIL	**$220,180,070**	**$220,180,064**	**-$5**	**0.00%**
Exempt	$0	$0	$0	0.00%
Total	**$220,180,070**	**$220,180,064**	**-$5**	**0.00%**

Scenario 3: Table 2:
Four Year Inter-Class Tax Shifts

Impact of Reducing Multi-Residential Ratio annually: 1.9287; 1.8711; 1.8219; 1.7794 plus Industrial Class Ratio Reduction annually: 2.1786, 2.1524, 2.1262, 2.1

Realty Tax Class	CVA Tax			
	2017 Returned MT Ratio @ 1.9287, IT Ratio @ 2.1786	2018 Returned MT Ratio @ 1.8711, IT Ratio @ 2.1524	2019 Returned MT Ratio @ 1.8219, IT Ratio @ 2.1262	2020 Returned MT Ratio @ 1.7794, IT Ratio @ 2.1
Taxable				
Residential	$144,985,181	$145,268,285	$145,535,312	$145,788,379
Farm	$13,395	$14,661	$15,812	$16,861
Managed Forest	$2,459	$2,570	$2,671	$2,763
Multi-Residential	$15,630,134	$15,661,443	$15,690,940	$15,718,865
New Multi-Residential	$577,349	$576,994	$576,711	$576,492
Commercial	$38,524,112	$38,499,927	$38,480,642	$38,465,610
Industrial	$16,429,846	$16,098,772	$15,784,272	$15,484,067
Pipeline	$564,319	$547,683	$532,624	$518,933
Sub-Total Taxable	**$216,726,795**	**$216,670,335**	**$216,618,983**	**$216,571,969**
Payment In Lieu				
Residential	$26,790	$26,775	$26,764	$26,755
Commercial	$3,392,635	$3,450,465	$3,503,177	$3,551,462
Industrial	$33,843	$32,432	$31,139	$29,949
Sub-Total PIL	**$3,453,269**	**$3,509,672**	**$3,561,080**	**$3,608,166**
Total Taxable and PIL	**$220,180,064**	**$220,180,007**	**$220,180,063**	**$220,180,136**
Exempt	$0	$0	$0	$0
Total	**$220,180,064**	**$220,180,007**	**$220,180,063**	**$220,180,136**

Scenario 4: Table 1:
City of Guelph – 2017 Inter-Class Tax Shifts

Impact of Reducing Multi-Residential Class Ratio to 1.9287; Commercial Class Ratio to 1.83 and Industrial Class Ratio to 2.1786 in 2017

Realty Tax Class	CVA Tax		Change in Tax	
	2016 Year End (As Revised)	2017 Returned MT Ratio @ 1.9287, CT Ratio @ 1.83, IT Ratio @ 2.1786	$	%
Taxable				
Residential	$144,468,608	$145,135,318	$666,710	0.46%
Farm	$11,967	$13,409	$1,442	12.05%
Managed Forest	$2,702	$2,462	-$241	-8.91%
Multi-Residential	$15,573,608	$15,646,311	$72,703	0.47%
New Multi-Residential	$576,975	$577,947	$972	0.17%
Commercial	$38,752,352	$38,354,514	-$397,838	-1.03%
Industrial	$16,817,237	$16,446,851	-$370,386	-2.20%
Pipeline	$581,506	$564,904	-$16,602	-2.86%
Sub-Total Taxable	**$216,784,955**	**$216,741,715**	**-$43,240**	**-0.02%**
Payment In Lieu				
Residential	$26,750	$26,818	$68	0.25%
Commercial	$3,333,050	$3,377,690	$44,640	1.34%
Industrial	$35,315	$33,879	-$1,436	-4.07%
Sub-Total PIL	**$3,395,115**	**$3,438,387**	**$43,272**	**1.27%**
Total Taxable and PIL	**$220,180,070**	**$220,180,101**	**$32**	**0.00%**
Exempt	$0	$0	$0	0.00%
Total	**$220,180,070**	**$220,180,101**	**$32**	**0.00%**

Scenario 4: Table 2:
City of Guelph – Four Year Inter-Class Tax Shifts

Cumulative Impact of Reducing Multi-Residential Ratio annually: 1.9287; 1.8711; 1.8219; 1.7794; plus
Commercial Class Ratio Reduction annually: 1.83; 1.82; 1.81; 1.80; plus
Industrial Class Ratio Reduction annually: 2.1786, 2.1524, 2.1262, 2.1

Realty Tax Class	CVA Tax			
	2017 Returned MT Ratio @ 1.9287, CT Ratio @ 1.83, IT Ratio @ 2.1786	2018 Returned MT Ratio @ 1.8711, CT Ratio @ 1.82, IT Ratio @ 2.1524	2019 Returned MT Ratio @ 1.8219, CT Ratio @ 1.81, IT Ratio @ 2.1262	2020 Returned MT Ratio @ 1.7794, CT Ratio @ 1.80, IT Ratio @ 2.1
Taxable				
Residential	$145,135,318	$145,569,721	$145,988,891	$146,395,338
Farm	$13,409	$14,692	$15,861	$16,931
Managed Forest	$2,462	$2,575	$2,679	$2,774
Multi-Residential	$15,646,311	$15,693,931	$15,739,846	$15,784,313
New Multi-Residential	$577,947	$578,191	$578,508	$578,892
Commercial	$38,354,514	$38,160,666	$37,971,575	$37,786,533
Industrial	$16,446,851	$16,132,167	$15,833,470	$15,548,535
Pipeline	$564,904	$548,819	$534,285	$521,093
Sub-Total Taxable	**$216,741,715**	**$216,700,762**	**$216,665,116**	**$216,634,410**
Payment In Lieu				
Residential	$26,818	$26,831	$26,847	$26,866
Commercial	$3,377,690	$3,420,040	$3,456,803	$3,488,723
Industrial	$33,879	$32,499	$31,236	$30,074
Sub-Total PIL	**$3,438,387**	**$3,479,370**	**$3,514,886**	**$3,545,663**
Total Taxable and PIL	**$220,180,101**	**$220,180,132**	**$220,180,002**	**$220,180,073**
Exempt	$0	$0	$0	$0
Total	**$220,180,101**	**$220,180,132**	**$220,180,002**	**$220,180,073**

APPENDIX 1

2016 Tax Ratio Survey

Municipality	Multi-Residential	Commercial					Industrial	
		Residual Commercial	Office Building	Shopping Centre	Parking Lot	Resort Condominium	Residual Industrial	Large Industrial
Brant County	1.70	1.92					2.57	
Bruce County	1.00	1.23					1.75	
Chatham-Kent Municipality	2.15	1.95	1.57	2.25	1.31		2.16	2.16
Dufferin County	2.68	1.22					2.20	
Durham Region	1.87	1.45	1.45	1.45			2.26	2.26
Elgin County	2.35	1.64					2.23	2.83
Essex County	1.96	1.08	1.16		0.56		1.94	2.69
Frontenac County	1.00	1.00					1.00	
Grey County	1.44	1.31				1.00	1.86	
Guelph City	2.00	1.84					2.20	
Haliburton County	1.39	1.48					1.72	
Halton Region	2.26	1.46					2.36	
Hamilton City	2.74	1.98			1.98		3.10	3.62
Hastings County	1.15	1.10					1.13	
Huron County	1.10	1.10					1.10	
Kawartha Lakes City	1.98	1.28					1.28	
Lambton County	2.40	1.63	1.54	2.08	1.09		2.05	3.00
Lanark County	2.30	1.71					2.61	
Middlesex County	1.77	1.14					1.75	
Muskoka District	1.00	1.10					1.10	
Niagara Region	2.04	1.76					2.63	
Norfolk County	1.69	1.69					1.69	
North Bay City	2.21	1.88					1.40	
Northumberland County	2.22	1.52					2.63	
Oxford County	2.74	1.90					2.63	2.63
Perth County	2.15	1.25					1.97	
Peterborough County	1.78	1.10					1.54	
Prescott and Russell	2.04	1.44					3.08	4.14
Prince Edward County	1.44	1.11					1.39	
Renfrew County	1.94	1.81					2.87	3.58
Simcoe County	1.54	1.25					1.54	
Toronto	2.92	2.93					2.92	
Waterloo Region	1.95	1.95					1.95	
Wellington County	1.87	1.48					2.40	
York Region	1.00	1.12					1.31	
Average Ratio	**1.88**	**1.51**	**1.43**	**1.93**	**1.24**	**1.00**	**2.01**	**2.99**
Median Ratio	**1.95**	**1.46**	**1.49**	**2.08**	**1.20**	**1.00**	**1.97**	**2.83**

Staff Report

CITY OF Guelph
Making a Difference

To	**Committee of the Whole**
Service Area	Corporate Services
Date	Monday, April 3, 2017
Subject	**2017 Tax Policy Report**
Report Number	CS-2017-07

Recommendation

1. That the 2017 City of Guelph Property Tax Policies set out in Schedule 1 to the "2017 Tax Policy" CS-2017-07 report dated April 3, 2017, be approved.

2. That the tax policies be incorporated into tax ratio, tax rate, and capping by-laws to be adopted on April 24, 2017.

3. That a tax rate related to the dedicated infrastructure levy be calculated for the required amount and identified separately on the 2017 and future years' City tax bills replacing the previously separated Public Health levy.

4. That the maximum allowed capping parameters be used for 2017, allowing the City of Guelph to exit the capping program in the shortest time frame available.

Executive Summary

Purpose of Report

To recommend the 2017 Property Tax Policy be approved and incorporated into tax rates and by-laws for the April 24, 2017 Council meetings. This provides sufficient time to prepare the final tax bills to meet the legislative mailing date for the June 30, 2017 instalment.

Key Findings

Municipal Councils are required to make a number of tax policy decisions and pass the related by-laws annually.

Earlier this meeting, Council was provided different scenarios for setting the 2017 tax ratios. Tax rates have been calculated based on the recommendation in that report. If the recommendation is changed, staff will revise the 2017 Tax Policy Report accordingly before the April 24, 2017 Council meeting. The attached tax policy is an administrative consolidation of all applicable previous Council decisions and calculated rates.

With the addition of the dedicated infrastructure levy in 2017, staff now deems it prudent to report this levy separately to property owners on the City tax bill. Staff will calculate a tax rate related to the dedicated infrastructure levy and identify it separately on the 2017 tax bill. In order to accomplish this within the City's billing system, the previously separated Public Health levy must be consolidated into the general municipal levy line on the tax bill.

Council must also adopt the capping parameters to be used for the multi-residential, commercial and industrial property classes as mandated by the province.

As in previous years, the overall principle for tax policy is to promote and adopt positions that shorten the time frame to achieve full Current Value Assessment (CVA) taxation and thus simplify the tax system. In 2016, new options were introduced to allow municipalities greater flexibility in moving to CVA taxation sooner. Utilizing all of the capping options to their maximum will provide the City with the necessary tools to move capped classes closer to CVA taxation. As such, properties in the same tax class with the same CVA will pay the same tax. Fair tax policies and a balanced tax ratio form an integral part of the City's strategic goals.

Staff is therefore recommending Council utilize all options under the capping program to maximize the transparency of property tax in the business sectors and ensure CVA taxation on all properties as soon as possible.

Financial Implications

There are no financial implications related directly with tax policy. Tax rates just allocate the set budget over the different tax classes.

There are no financial implications related to capping options as the capping impact is revenue neutral within the broad tax class itself.

Report

On December 7, 2016 Council approved the 2017 budget of $222,887,077 and a dedicated 1% infrastructure levy of $2,228,871 to be raised from taxation and payment in lieu.

Municipal Councils are required to make a number of tax policy decisions annually. The Municipal Act sets out the parameters to be followed by municipalities when setting property tax policies. These parameters include establishing tax ratios and discounts; use of graduated taxation and optional classes; capping options on multi-residential, commercial and industrial properties; and various tax mitigation measures. Annual tax policy decisions determine how the property tax levy approved in the annual budget will be distributed across the various classes of properties.

Earlier this meeting, Council was provided a report with different scenarios for setting the 2017 tax ratios. A summary and impact of the recommended scenario is as follows:

Reducing the multi-residential tax ratio from 1.9979 to 1.9287. This results in a 2.61% tax increase to the average residential tax payer plus the 1.00% dedicated infrastructure levy.

The attached 2017 Property Tax Policy (Schedule 1) provides an overview of the tax policy to be approved by City Council with the appropriate background and is broken down into the following sections:

- Staff recommendation by policy area
- Overview/description of the policy
- Policy considerations: factors such as economic impact, equity/fairness and administrative impact.

The following summarizes the 2017 tax policy to be approved in this report:

- Establishing 2017 discounts and tax rates based on tax ratio scenarios and previously approved tax ratios
- No changes to the optional new multi-residential property class
- Continuing the low-income seniors and low-income disabled tax relief program
- Continuing the current charitable tax rebate program
- Setting the 2017 capping parameters utilizing all options to bring all taxation to CVA tax as soon as possible
- No recommendations for graduated commercial/industrial tax rates or additional optional property classes or municipal tax reduction.

Dedicated Infrastructure Levy on 2017 City Tax Bills

Ontario Regulation 75/01 requires the City to report on each tax bill the property assessment, municipal levy and education levy. The municipal levy can be broken out to show the cost of separate funding requirements as necessary. On December 7, 2011, the following resolution was passed City Council:

> Moved by Councillor Laidlaw
> Seconded by Councillor Hofland
>
> THAT a tax rate related to all Public Health costs be calculated for the required amount and identified separately on the 2012 City tax bills.

The design of the City's tax system allows for only three separate billing columns to be reported on the City's tax bill. Three of the four columns are required by Ontario Regulation 75/01. The fourth column is optional and is where the Public Health levy is currently shown.

With the addition of the dedicated infrastructure levy in 2017, staff now deems it prudent to report this levy separately to property owners on the City tax bill. However, this cannot be accommodated with also showing the Public Health levy. The Council resolution to include the Public Health levy spoke to 2012 only but this levy has continued to be reported on the tax bill each year since. In 2017, the Public Health levy will be included in the municipal levy as it was prior to 2012 and a separate tax rate related to the dedicated infrastructure levy will show on the tax bill instead.

The by-laws for approval of the 2017 tax policies and tax rates are set for the April 24, 2017 Council meeting to allow sufficient time to prepare the final tax bills and mail within the legislative time frame for the June 30, 2017 instalment.

Mandatory Capping Parameters

Province-wide there is a mandatory capping program introduced in 1998 to mitigate assessment related property tax changes on multi-residential, commercial and industrial properties. This program required that Council limit the assessment related tax increases by a mandatory cap of up to 5% of the previous year's current value assessment (CVA) taxes. Since 1998, the legislation has changed numerous times providing municipalities with additional, optional capping parameters to assist them to move towards current value assessment much quicker. CVA tax is transparent, equitable and easier to explain to business owners.

As in previous years, the overall principle for tax policy is to promote and adopt positions that shorten the time frame to achieve full Current Value Assessment (CVA) taxation and thus simplify the tax system. In 2016 the Province introduced new options to allow municipalities greater flexibility in moving to CVA taxation sooner. Utilizing all of the capping options to their maximum would provide the City with the necessary tools to move those capped classes closer to CVA taxation. As such, properties in the same tax class with the same CVA will pay the same tax. Fair tax policies and a balanced tax ratio form an integral part of the City's strategic goals.

Council must pass a by-law indicating the parameters they wish to implement for each taxation year. The by-law will follow an information report for Council in June.

As in previous years, the overall principle for tax policy is to promote and adopt positions that shorten the time frame to achieve full CVA taxation and that simplify the complexities of the tax system.

Financial Implications

There are no financial implications related directly with tax policy. Tax rates just allocate the set budget over the different tax classes.

There are no financial implications related to capping options as the capping impact is revenue neutral within the broad tax class itself.

Consultations

Once adopted by by-law, tax rates will be posted on the City's website.

Corporate Administrative Plan

Overarching Goals
Financial Stability

Service Area Operational Work Plans
Our Resources - A solid foundation for a growing city

Attachments

ATT-1 Schedule 1: 2017 Property Tax Policy

Departmental Approval

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Schedule 1 to Report CS-2017-07 dated April 3, 2017

CORPORATION OF THE CITY OF GUELPH

2017 PROPERTY TAX POLICY

Prepared by
Corporate Services
Finance
Taxation and Revenue

TABLE OF CONTENTS

INTRODUCTION

The Municipal Act sets out the parameters to be followed by municipalities when setting property tax policies. These parameters include: Establishing tax ratios and discounts; Graduated taxation and optional classes; Capping options on multi-residential, commercial and industrial properties; Levy restrictions which prevents municipalities from passing on levy increases to capped classes which have tax ratios in excess of provincial averages.

Annual tax policy decisions establish the level of taxation for the various property classes. This policy provides an overview of the tax policy decisions by Guelph City Council for the 2017 taxation year.

Each policy area is broken down into the following sections:

- Staff recommendation
- Overview / description of the policy
- Analysis and/or additional background information
- Policy considerations: in order to provide a basis for evaluating each policy decision, staff has considered factors such as economic impact, equity/fairness, and administrative impact.

In accordance with Section 308(4) of the Municipal Act, 2001 tax ratios must be established each year. A by-law must be passed in the year to establish the municipality's tax ratios for that year.

2017 CITY OF GUELPH PROPERTY TAX POLICIES
SUMMARY OF RECOMMENDATIONS

POLICY	STAFF RECOMMENDATION
Tax Class Discounts and Tax Rates	THAT the 2017 City tax rates corresponding to tax ratios approved by Council be approved as set out in Appendix 1; and THAT staff be directed to prepare the necessary tax ratio and tax rating by-laws; and THAT a tax rate related to the Infrastructure Levy be calculated for the required amount and identified separately on the City tax bills, in place of where the Public Health Levy had been shown since 2012.
Optional New Multi-Residential Property Class	THAT the New Multi-residential property class continue as per By-law (2002)-16852. Refer to Appendix 2.
Mandatory Capping	THAT the following parameters be established for the purposes of calculating the 2017 capping and clawback rates in accordance with the revisions to Municipal Act: 1.Cap limit of 10% of 2016 annualized taxes or limit tax increase to 10% of 2016 CVA taxes, whichever is greater 2. Move capped/clawbacked properties to CVA tax if the capped taxes/clawback taxes are within a maximum of $500 of CVA taxes without creating a shortfall 3. Exclude properties previously at CVA tax 4. Exclude properties that cross CVA tax in the year 5. Set a tax level of 100% of CVA tax for new construction & new to class business properties (multi-res, commercial & industrial) 6. Opt in to any program to exit or phase-out of the capping program. THAT staff be directed to prepare the necessary by-law.
Tax relief for low-income seniors and persons with disabilities	THAT the tax relief program for low-income seniors and low-income persons with disabilities be continued as adopted by By-law (2015)-19988. Refer to Appendix 3.
Tax relief for charities and other similar organizations	THAT the current tax relief program for charities be continued for the 2017 taxation year in accordance with By-law (2002)- 16851. Refer to Appendix 4.

TAX RATIOS, CLASS DISCOUNTS and TAX RATES

STAFF RECOMMENDATION

THAT the 2017 City tax rates corresponding to tax ratio approved by Council be approved as set out in Appendix 1; and

THAT staff be directed to prepare the necessary tax ratio and tax rating by-laws; and

THAT a tax rate related to the Infrastructure Levy be calculated for the required amount and identified separately on the City tax bills, in place of where the Public Health Levy had been shown since 2012.

OVERVIEW / DESCRIPTION

- Legislative reference: Municipal Act 2001, Section 308
- Most significant tax policy decision is that of tax ratios
- Tax ratios show how the tax rate for a property class compares with the residential rate. If a property class has a ratio of 2, then it is taxed at twice the rate of the residential class
- Municipalities can set different tax ratios for different classes of property
- Transition ratios were calculated initially in 1998 by the Province and reflected the level of taxation by class at that time
- Tax ratios must be approved annually by City Council. The issue is whether the tax ratios for each class should be changed
- Changing ratios shifts the relative burden of property taxes between property classes
- The City's ability to adjust tax ratios and redistribute the tax burden between property classes is limited by the "ranges of fairness" established by the Province (see Appendix 1 attached) which help protect property classes that are taxed at higher rates
- If the ratio for a property class is outside the "range of fairness" a municipality can either maintain the existing ratio or move towards the "range of fairness" but may not move further from the fairness range unless revenue neutral ratios are adopted
- If a tax ratio is above the provincial threshold average a levy increase cannot be passed on to that class. However, since 2004 the province has allowed municipalities to pass along up to 50% of a levy increase to those restricted classes (classes which have ratios in excess of the threshold)
- The City of Guelph ratios are currently below the provincial threshold and therefore are not levy restricted
- The Municipal Act also sets out the provisions for taxing farmland pending development which are as follows:
    1. On registration of the plan of subdivision, property assessment changes from being based on farm use to zoned use and a tax rate of between 25% and 75% of the relevant rate will apply. Guelph is currently at the maximum of 75%
    2. When a building permit is issued the tax rate may change from 25% to 100% of the rate that would apply to the property's zoned use. Guelph currently

charges the maximum of 100%.

POLICY CONSIDERATIONS

Economic impact:

- Any adjustment to the tax ratios involves shifting the tax burden to the other property classes. A tax ratio change would result in a shift of taxation onto the residential class and increase the municipal taxes paid by the residential taxpayer.
- The range of fairness and levy restriction rules are a clear indication that the province wishes to see taxes on commercial, industrial and multi-residential properties reduced and that portion shifted onto residential properties. The fact that the low end of the fairness ranges for commercial/industrial classes is below the residential tax ratio indicates the former government felt the property taxes for businesses should be less than property taxes for residential properties.
- The farmland awaiting development properties are taxed at the maximum allowable rate with discounts of 25% for subclass 1 and 0% for subclass 2

Equity/fairness:

- Higher tax ratios could be perceived as discriminatory by multi-residential, commercial and industrial property owners who may feel that they are overtaxed relative to residential properties
- The disparity between the commercial and industrial tax ratios is difficult to justify
- Non residential and multi-residential properties have historically been taxed at higher rates in most municipalities across the province
- Multi-residential properties are assessed on a different basis than residential properties and most often will attract a lesser amount of assessment per unit
- Non residential properties pay property taxes using pre-tax income which is not the case for residential property owners and therefore supports the concept of differential tax rates

Communicated on the City Tax Bill

- Tax bill content prescribed by Ontario Regulation 75/01
- The design of the City's tax system allows for only four separate columns to be reported on the City's tax bill. Three of the four columns are required by Ontario Regulation 75/01. The fourth column is optional.
- On December 7, 2011, the following resolution was passed City Council to include the public health levy in the optional fourth column:

  Moved by Councillor Laidlaw
  Seconded by Councillor Hofland
  THAT a tax rate related to all Public Health costs be calculated for the required amount and identified separately on the 2012 City tax bills.
- The Council Resolution to include the public health levy spoke to 2012 only but this levy has continued to be reported on the tax bill each year since.
- With the addition of the dedicated infrastructure levy in 2017, staff now deems it prudent to report this levy separately to property owners on the City tax bill. However, this cannot be accommodated without removing the public health levy. In 2017, the public health levy will be included in the municipal levy and a separate tax rate related to the dedicated infrastructure levy will show on the tax bill instead.

Administrative impact: None

GRADUATED COMMERCIAL / INDUSTRIAL TAX RATES
STAFF RECOMMENDATION Not recommended for 2017

OVERVIEW / DESCRIPTION

- Legislative reference: Municipal Act 2001 Section 314
- Municipality establishes bands of assessment and then taxes the portion of each commercial/industrial property's assessed value within each band at a different rate – the rate applied to the lower band(s) will be the lower rate
- Banding must apply to all commercial/industrial properties
- Either two or three bands of assessment are allowed for this purpose
- Must be self-financing within the class – i.e. no tax impact on other property classes
- The intention of this policy would be to benefit small businesses in lower-valued commercial/industrial properties

SAMPLE GRADUATED COMMERCIAL TAX SCENARIO			
Class	**Band 1** **$0 to $1,000,000 of CVA**	**Band 2** **$1,000,001 to $2,500,000 of CVA**	**Band 3** **Greater than $2,500,000 of CVA**
Commercial occupied	50% of full commercial rate	75% of full commercial rate	Full commercial rates

SAMPLE TAX BILL CALCULATION Commercial occupied CVA of $5,000,000, full tax rate = 3%			
	Assessment	Tax rate	Taxes
Band 1	$1,000,000	1.5%	$15,000
Band 2	$1,500,000	2.25%	$33,750
Band 3	$2,500,000	3%	$75,000

POLICY CONSIDERATIONS

Economic impact:

- Tax reduction for lower valued properties
- Tax increase for higher valued properties

Equity/fairness:

- Could be perceived as moving away from "fairness", as each commercial/industrial property would have a different effective tax rate
- Higher valued commercial/industrial property owners would subsidize lower valued properties by paying a higher effective tax rate
- Graduated tax rates would in some cases adversely affect smaller tenants, since graduation applies to the entire property
- Difficult to target assistance for specific types of properties or geographic areas
- Results in competitive advantages/disadvantages
- Designed for the commercial/industrial property classes. These classes already receive preferential treatment relative to tax ratios and the continued capping of tax increases.
- Another level of complexity that has no real benefit.

Administrative impact:

- Minor impact on layout of tax bill for commercial/industrial properties
- Can become very confusing when layered with the capping parameter options

OPTIONAL PROPERTY CLASSES / NEW MULTI-RESIDENTAIL CLASS

STAFF RECOMMENDATION:

THAT the City of Guelph only adopt the optional New Multi-residential property class and continue as per By-law (2002)-16852 Refer to Appendix 2.

OVERVIEW / DESCRIPTION

- Legislative reference: Municipal Act 2001 Section 308 and O.Reg 282/98
- Council may by by-law establish new property classes for shopping centers, office buildings, parking lots, large industrial properties and new multi-residential properties

DETAILS

1. Shopping centers: rentable area of a shopping Centre (at least three units) that exceeds 25,000 square feet – the first 25,000 square feet remains in the commercial class
2. Office buildings: rental area of an office building that exceeds 25,000 square feet – the first 25,000 square feet remains in the commercial class
3. Parking Lots: entire assessment of such properties is included in this class
4. Large industrial properties: buildings in excess of 125,000 square feet – entire assessment is included in this class
5. New multi-residential applies to new multi-residential construction (7 or more rental units) or the conversion from a non-residential use pursuant to a building permit issued after the date on which the by-law adopting the new class of property was approved. This allows for new multi-residential properties to be taxed at a lower rate for a thirty five year period

POLICY CONSIDERATIONS

Economic impact:

- Establishing separate classes of commercial and industrial property will result in some properties subsidizing others, as the tax rates for these classes would be different from the main class. For example, establishing a separate class for shopping centers would result in different tax rate for shopping centers than for all other commercial properties
- The New Multi-Residential tax class may assist in promoting an adequate supply of affordable rental housing units by attracting new developments.
- The New Multi-Residential tax class may assist with infill and higher density requirements within the City

Equity / fairness:

- Use of separate classes could be seen as discriminatory and moving away from fairness, and contrary to the basic premise of reassessment
- Lends support to often raised arguments that the tax ratio for multi-residential class should not be significantly different than that of the residential class on the basis that tenants do not consume more services than homeowners nor are they better able to pay the taxes.

Administrative impact:

- Adopting an optional class requires a by-law to be prepared and notification to the Municipal Property Assessment Corporation
- Minimal staff time and costs

MANDATORY CAPPING/OPTIONS

STAFF RECOMMENDATION:

THAT the following parameters be established for the purposes of calculating the 2017 capping and clawback rates in accordance with the revision to the Municipal Act:

1. Cap limit of 10% of 2016 annualized taxes or limit tax increase to 10% of 2016 CVA taxes, whichever is greater
2. Move capped/clawbacked properties to CVA tax if the capped taxes/clawback taxes are within a maximum of $500 of CVA taxes without creating a shortfall
3. Exclude properties previously at CVA tax
4. Exclude properties that cross CVA tax in the year
5. Set a tax level of 100% of CVA tax for new construction & new to class business properties (multi-res, commercial & industrial)
6. Opt in to any program to exit or phase-out of the capping program.

THAT staff be directed to prepare the necessary by-law.

OVERVIEW / DESCRIPTION

- Legislative reference: Municipal Act 2001 Part IX
- Council must limit the assessment related tax increases on multi-residential, commercial and industrial properties
- Council must decide how to finance the cap, which can be done by capping decreases as well as, by using general revenues or reserves, or a combination of the two.
- Shortfalls cannot be shared with the school boards
- The Province provided increased flexibility for municipalities commencing in 2016, with the following options available:
  - Increasing the cap to 10%, or selecting 10% of CVA tax whichever is higher
  - If an increasing/decreasing property is within $500 of CVA taxation, then it may be billed the full amount
  - Allowing an Exit or phase-out of the capping program.
  - Exclude properties previously at CVA tax or exclude properties that cross CVA tax. If significant reassessment increases occur on a property this option will eliminate the capping protection amount which would otherwise be subsidized by all properties within that class experiencing a reassessment decrease (clawback)
  - New construction is taxed at 100% of CVA tax

2017 CAPPING PARAMETERS	MULTI-	COMMERCIAL	INDUSTRIAL
ANNUALIZED TAX LIMIT	N/A	10.00%	10.00%
PRIOR YEAR CVA TAX LIMIT	N/A	10.00%	10.00%
CVA TAX THRESHOLD – INCREASERS	N/A	500	500
CVA TAX THRESHOLD – DECREASERS	N/A	500	500
EXCLUDE PROPERTIES PREVIOUSLY AT CVA TAX	N/A	Yes	Yes
EXCLUDE PROPERTIES THAT GO FROM CAPPED TO CLAWED BACK	N/A	Yes	Yes
EXCLUDE PROPERTIES THAT GO FROM CLAWED BACK TO CAPPED	N/A	Yes	Yes
EXIT CAPPING INDEFINATELY	Already exited	Not eligible	Yes
CAPPING PHASE OUT	N/A	Year 2 of 4	N/A

POLICY CONSIDERATIONS

Economic impact:

- The mandatory capping (without any minimum $ amount) means that some properties will not reach their full taxation levels for many, many years, if ever
- Shortfalls cannot be shared with school boards; therefore 100% responsibility of the Municipality
- Capping options enable` the City to move capped classes closer to CVA taxation more quickly resulting in greater stability and predictability in property taxation
- Having properties at or close to their CVA taxes can reduce the tax capping impacts resulting from reassessment
- The best method to avoid capping shortfalls requires the use of the highest allowable percentage for capped tax increases

Equity/fairness:

- Funding the cap through means other than capping decreases results in either a long term drain on reserve balances (as the cap is now indefinite) or subsidization of tax increases by other classes
- Adopting these capping options is perceived to be fair and equitable to taxpayers because properties in the same class with the same CVA should pay the same tax.

Administrative Impact:

- Considerable staff time, software provided Provincially through OPTA

MUNICIPAL TAX REDUCTION
STAFF RECOMMENDATION: **Not recommended for 2017**

OVERVIEW / DESCRIPTION

- Legislative reference: Municipal Act 2001 Section 362
- Permits the City to reduce the taxes of a property which is subject to capping limitations by the amount that would otherwise have been a capping adjustment
- This reduction would be applied as a tax rate reduction and not an after the fact rebate
- Has limited usefulness – essentially a means of removing a property requiring a large capping adjustment from the capping calculation in order to make the capping work
- Cost of the program is not shared with the school boards

POLICY CONSIDERATIONS

Economic impact:

- This can be a very costly tool to the City's operating budget to fund the total cost of the tax reduction since the province has excluded school boards from participating in this policy

Equity/fairness:

- Provides specific preferential treatment to an individual property or properties, and therefore goes against the overriding principle of fairness
- If used as a tool to eliminate properties from paying more than CVA tax, it does allow municipalities to fund all remaining capped properties from the general levy

Administrative impact:

- Additional staff time to administer

TAX RELIEF FOR LOW-INCOME SENIORS AND LOW-INCOME DISABLED PERSONS

STAFF RECOMMENDATION :

THAT the tax relief program for low-income seniors and low-income persons with disabilities be continued as adopted by By-law (2015)-19988. Refer to Appendix 3.

OVERVIEW / DESCRIPTION

- Legislative reference: Municipal Act 2001 Section 319
- Upper tier and single tier municipalities must provide a program of tax relief for the purposes of "relieving financial hardship" caused by tax increases related to reassessment
- Relief can be in the form of a deferral or cancellation of tax increases
- The tax increase to be deferred or cancelled is calculated as the difference between the current year's taxes levied and the previous year's taxes levied on a property (subject to provincial regulation)
- The by-law also applies to tax increases for education purposes
- The amount deferred or cancelled is withheld from amounts levied for school board purposes
- A tax certificate must show any deferrals and the priority lien status of real property taxes in accordance with Section 349 of the Municipal Act
- The intent of this policy is to provide a mechanism to assist those least able to pay a significant increase in taxes
- The program was updated after review in 2015

POLICY CONSIDERATIONS

Economic impact:

- Taxes are deferred and recovered when the property is sold or the eligible applicant ceases to be eligible
- Interest may not be charged on deferred taxes
- Each year the potential deferral must be paid for by other taxpayers. This results in a levy increase to fund the shortfall

Equity/fairness:

- Cancellation of taxes does result in some minor taxpayer subsidization, and effectively reduces the province's obligation under the Property Tax Credit program

Administrative impact:

- Additional staff time to administer the rebates

CURRENT TAX RELIEF FOR LOW-INCOME SENIORS AND LOW-INCOME DISABLED PERSONS

GENERAL PARAMETERS

- Tax relief is in the form of a deferral of taxes
- The amount eligible for deferral is the total increase given that the increase is greater than or equal to $200 annually. No tax relief applies if the amount of the tax increase is less than $200.
- Eligibility is as set out below

ELIGIBILITY CRITERIA (for receipt of property tax relief):

A) LOW-INCOME SENIORS

- Means a person who on December 31st of the year of application has attained the age of 65 years and is in receipt of benefits under Guaranteed Income supplement (GIS) program or has attained the age of 65 years and is in receipt of benefits under the Guaranteed Annual Income system (GAINS) program for Ontario Senior Citizens.

B) LOW-INCOME DISABLED PERSONS

- Means a person who is in receipt of benefits under the Ontario Disability Support Program (ODSP) or in receipt or in receipt of benefits under the Guaranteed Annual Income System (GAINS) for the Disabled and be eligible to claim a disability amount as defined under the Income Tax Act.

OTHER PROVISIONS

- To qualify for tax assistance, applicants must have been owners of real property within the City for a period of one (or more) year(s) preceding the application.
- Tax assistance is only allowed on one principal residence of the qualified individual or the qualifying spouse.
- Application for tax deferral must be made annually to the City to establish eligibility or continued eligibility. Applications must include documentation in support thereof to establish that the applicant is an eligible person and that the property with respect which the application is made is eligible property. Applications must be submitted to the City on or before the last day of December in the year for which the application applies on a form prescribed by the City for this purpose.
- Tax relief applies to current taxes only and is only deferred after payment in full is received for any current or past year amounts payable.
- Applicant is responsible to refund any overpayment of a tax rebate granted if property assessment is reduced by the Assessment Review Board or Municipal Property Assessment Corporation
- For properties that are jointly held or co-owned by persons other than spouses, both or all co-owners must qualify under applicable eligibility criteria in order to receive tax relief.
- Tax relief begins in the month in which the low income senior attains the age of 65 or in which the low income disabled person becomes disabled

TAX REBATES FOR CHARITIES

STAFF RECOMMENDATION :

THAT the current tax relief program for charities be continued for the 2017 taxation year in accordance with By-law (2002)- 16851. Refer to Appendix 4.

OVERVIEW / DESCRIPTION

- Legislative reference: Municipal Act 2001 Section 361
- The original intent of the program was to address certain tax impacts relating to the elimination of the Business Occupancy Tax (BOT) – registered charities that previously did not pay the BOT on leased commercial/industrial properties were put in a position of paying a higher (blended) rate on such properties
- All municipalities must have a rebate program in place
- An eligible charity is a registered charity as defined in subsection 248(1) of the Income Tax Act (Canada) that has a registration number issued by the Canada Customs and Revenue Agency
- A property is eligible if it is in one of the commercial or industrial property classes within the meaning of subsection 308(1) of the Municipal Act

Program requirements include:

- The amount of rebate must be at least 40% of tax paid
- One half of the rebate must be paid within 60 days of receipt of the application and the balance paid within 120 days of receipt of the application
- Applications for a rebate must be made between January 1 of the taxation year and the last day of February of the following taxation year
- The program must permit the eligible charity to make application based on an estimate of the taxes payable
- The program must provide for final adjustments to be made after the taxes have been set

Program options include:

- Other similar organizations may also be provided with rebates
- Rebates may be provided to properties in classes other than the commercial and industrial classes
- The rebate % can vary for different charities or other similar organizations and can be up to 100% of taxes paid
- Cost of the rebate is shared between City and school boards
- The organization receiving the rebate shall also be provided with a written statement showing the proportion of costs shared by the school boards
- Any overpayment of rebated amount to be refunded by the Charity if property assessment is reduced by the Assessment Review Board (ARB) or Municipal Property Assessment Corporation (MPAC)

POLICY CONSIDERATIONS

Economic impact:

- This by-law provides relief for organizations which were previously exempt from paying the Business Occupancy Tax - results in similar tax treatment before and after reform

Equity/fairness:

- The cost of rebates is built in to the City budget

Administrative impact:

- Results in some additional staff time to administer the rebates

CURRENT TAX RELIEF PROVISIONS FOR REGISTERED CHARITIES

The City’s by-law includes all mandated provisions as well as the following optional provisions:

- Rebates set at 40% of taxes paid for Registered Charitable organizations, such as but not limited to, Family & Children Service, Canadian Mental Health, Second Chance, St. John’s Ambulance, Salvation Army, etc.
- Rebate set at 100% for those properties that are used and occupied as a memorial home, clubhouse or athletic grounds by those organizations whose persons served in the armed forces of Her Majesty or Her Majesty’s allies in any war (i.e.- Legion, Army & Navy)
- In 2016 the City processed approximately 37 applications for a total dollar amount of $289,093.09 of which the City‘s share was $174,696.90.

APPENDIX 1

2017 CITY OF GUELPH - TAX RATIOS, DISCOUNTS AND RATES

PROPERTY CLASS	2017 TAX RATIOS	2017 TAX RATE REDUCTION	2017 GENERAL LEVY TAX RATES*	2017 INF. LEVY RATES	2017 TOTAL TAX RATES
Residential	1.0000		1.012819%	0.010128%	1.022947%
Residential - Farmland 1	1.0000	25%	0.759614%	0.007596%	0.767210%
Residential - Farmland 4	1.0000		1.012819%	0.010128%	1.022947%
New Multi-residential	1.0000		1.012819%	0.010128%	1.022947%
Multi-residential	1.9287		1.953424%	0.019534%	1.972958%
Multi-residential - Farmland 1	1.0000	25%	0.759614%	0.007596%	0.767210%
Multi-residential - Farmland 4	1.9287		1.953424%	0.019534%	1.972958%
Commercial	1.8400		1.863587%	0.018636%	1.882223%
Commercial - Farmland 1	1.0000	25%	0.759614%	0.007596%	0.767210%
Commercial - Farmland 4	1.8400		1.863587%	0.018636%	1.882223%
Commercial - Excess Land	1.8400	30%	1.304511%	0.013045%	1.317556%
Commercial - Vacant Land	1.8400	30%	1.304511%	0.013045%	1.317556%
Commercial - New Construction Full	1.8400		1.863587%	0.018636%	1.882223%
Commercial - New Construction - Excess	1.8400	30%	1.304511%	0.013045%	1.317556%
Industrial	2.2048		2.233063%	0.022330%	2.255393%
Industrial - Farmland 1	1.0000	25%	0.759614%	0.007596%	0.767210%
Industrial - Farmland 4	2.2048		2.233063%	0.022330%	2.255393%
Industrial - Excess Land	2.2048	35%	1.451491%	0.014515%	1.466006%
Industrial - Vacant Land	2.2048	35%	1.451491%	0.014515%	1.466006%
Industrial - New Construction Full	2.2048		2.233063%	0.022330%	2.255393%
Industrial - New Construction Excess	2.2048	35%	1.451491%	0.014515%	1.466006%
Pipelines	1.9175		1.942080%	0.019420%	1.961500%
Farmlands	0.2500		0.253205%	0.002532%	0.255737%
Managed Forests	0.2500		0.253205%	0.002532%	0.255737%
BIA					
Occupied	0.3956817				
Vacant	0.2769772				

***** General Levy includes Public Health Levy

Appendix 2

THE CORPORATION OF THE CITY OF GUELPH

By-law Number (2002) - 16852

A by-law to amend By-Law (1998)-15832, being a by-law to establish a separate property class for new multi-residential properties.

WHEREAS By-law (1998)-15832 provides for the establishment of a separate property class for new multi-residential properties;

AND WHEREAS, it is deemed desirable that property in the new multi-residential class be taxed at the lower residential/farm rate for the first 35 years.

NOW THEREFORE the Council of the Corporation of the City of Guelph enacts as follows:

1. That Section 2 of By-Law (1998)-15832 be amended by deleting the words "for the first eight years" and inserting the words "for the first thirty five years"

PASSED this 6th day of May, 2002

KAREN FARBRIDGE-MAYOR

LOIS GILES - CITY CLERK

THE CORPORATION OF THE CITY OF GUELPH

By-law Number (2015) – 19988

A by-law to provide for deferrals of tax increases on property in the residential property class for low-income seniors and low-income persons with disabilities and to repeal By-law Number (2005)-17727.

WHEREAS the Council of the Corporation of the City of Guelph, pursuant to Section 319 of the *Municipal Act, 2001, S.O.2001, c.25*, as amended, shall pass a by-law providing for deferrals or cancellation of, or other relief in respect of, all or part of a tax increase on property in the residential property class for low-income seniors and low-income persons with disabilities;

AND WHEREAS By-law Number (2005)-17727 was passed May 2nd, 2005 being a by-law to provide for deferrals of tax increases on property in the residential property class for low-income seniors and low-income persons with disabilities;

AND WHEREAS Council deems it necessary and expedient to pass the subject by-law to provide for deferrals of tax increases on property in the residential property class for low-income seniors and low-income persons with disabilities and to repeal By-law Number (2005)-17727;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF GUELPH ENACTS AS FOLLOWS:

1. In this by-law:

   a) *"Eligible amount"* means the total tax increase related to assessment increase over the previous year which is equal to or greater than $200 annually.

   b) *"Eligible person"* means a low-income person with disabilities or a low-income senior or the spouse of such eligible person.

   c) *"Low-income person with disabilities"* means a person who is in receipt of benefits under the *Ontario Disability Support Program (ODSP)* or in receipt of benefits under the *Guaranteed Annual Income System (GAINS)* for the Disabled and be eligible to claim a disability amount as defined under the *Income Tax Act*.

   d) *"Low-income senior"* means a person who on December 31st of the year of application has attained the age of 65 years and is in receipt of benefits under the *Guaranteed Income Supplement (GIS)* program or has attained the age of 65 years and is in receipt of benefits under the *Guaranteed Annual Income System (GAINS)* program for Ontario Senior Citizens.

2. Tax Relief granted pursuant to this by-law shall be in the form of a deferral of the annual eligible amount provided that:

   a) Either the owner or spouse of the owner has been assessed as the owner of, and has occupied the property for a period of one or more years preceding the date of application.

b) For properties which are jointly held or co-owned by a person other than spouses, all co-owners must qualify under applicable eligibility criteria in order to receive tax relief.

c) Both the owner and the owners spouse must be an Eligible Person.

3. Deferred amounts shall continue until the property is sold or until the eligible applicant ceases to be eligible, at which time the total deferred amounts become a debt payable to the Corporation of the City of Guelph.

4. Tax relief amounts provided pursuant to this by-law are not transferable to the estates of deceased owners.

5. The amount of tax relief granted pursuant to this by-law shall represent a lien against the property. The cost to register the lien may also be deferred under this program.

6. Tax relief is only allowed on one principal residence of the qualified individual or the qualifying spouse.

7. Application for tax relief must be made annually to the City to establish eligibility or continued eligibility. Applications must include documentation in support thereof to establish that the applicant is an eligible person and that the property with respect which the application is made is eligible property. Applications must be submitted to the City on or before the last day December in the year for which the application applies, on a form prescribed by the City for this purpose.

8. Tax relief applies to current taxes only and are only deferred after payment in full is received for any current or past year amounts payable.

9. That By-law Number (2005)-17727 is here by repealed.

10. This by-law shall come into force and take place immediately.

PASSED this TWENTY-THIRD day of NOVEMBER, 2015.

CAM GUTHRIE - MAYOR

STEPHEN O'BRIEN - CITY CLERK

APPENDIX 4

THE CORPORATION OF THE CITY OF GUELPH

By-law Number (2002) - 16851

A By-law to provide for relief from taxes for charitable organizations and to repeal by-law number (1998)-15834.

WHEREAS Section 442.1 of the *Municipal Act* as amended provides that every municipality shall have a tax rebate program for eligible charities for the purpose of giving them relief from taxes on eligible property they occupy;

THEREFORE THE CORPORATION OF THE CITY OF GUELPH ENACTS AS FOLLOWS:

1. In this by-law, eligible charity means a registered charity as defined in subsection 248(1) of the *Income Tax Act (Canada)* that has a registered number issued by the Canada Customs and Revenue Agency.

2. A property is eligible if it is in one of the commercial classes or industrial classes, within the meaning of subsection 363(20) of the *Municipal Act* as amended.

3. A property is eligible if it is actually used and occupied as a memorial home, clubhouse or athletic grounds by those organizations whose persons served in the armed forces of *Her Majesty* or *Her Majesty's* allies in any war.

4. The rebate shall be 40% of the taxes payable by the eligible charity on the eligible property it occupies for those properties in one of the commercial or industrial classes.

5. The rebate shall be 100% of the taxes payable by those organizations whose persons served in the armed forces on the eligible property it occupies .

6. An eligible charity shall make application to the municipality each year for which a rebate of taxes is requested, such application to be made on the prescribed form after January 1 of the year and no later than the last day of February of the following year.

7. This By-law shall come into force and take effect immediately.

8. By-law Number (1998) -15834 is hereby repealed.

PASSED this 6th day of May, 2002.

KAREN FARBRIDGE-MAYOR

LOIS A GILES-CITY CLERK

2018 Municipal Election Voting Methods

Committee of the Whole
Monday April 3, 2017

Municipal Elections Act

Bylaws re: voting and vote counting equipment, alternative voting methods

- Section 42 – Council may pass bylaws:
  - Authorizing the use of voting and vote-counting equipment such as voting machines, voting recorders or optical scanning vote tabulators, and;
  - Authorizing electors to use an alternative voting method, such as voting by mail or by telephone, that does not require electors to attend at a voting place in order to vote.

Application of bylaw

- Bylaw must be passed on or before May 1 the year before the year of the regular election
  - May 1, 2017 for the 2018 election
- Significant date change from 2014 election
  - As a result of changes to *Municipal Elections Act*
  - Previously was June 1 the year of the regular election

Implications for securing Election equipment

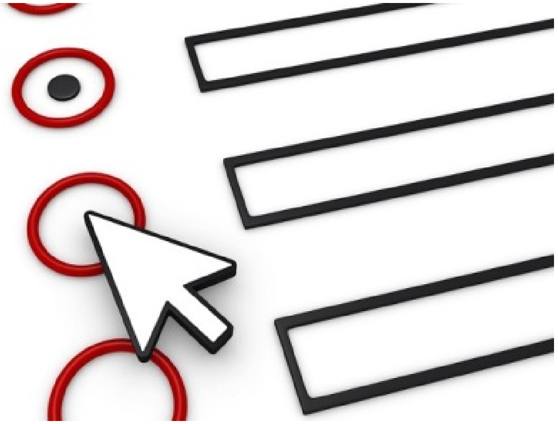
- RFP's across the province are being released earlier
- City's RFP is, at the time of printing, set to be out by end of March/early April
- Many municipalities considering additional/alternative voting methods in light of legislative changes

Tabulators

- Used in the past three elections since 2006 in all advance and Election Day voting locations
- Vote anywhere at advance and vote anywhere in ward on Election Day allowed electors more voting options in 2014
- High degree of security and accuracy
- Fast election night and recount reporting

Internet

- Used for the first time in 2014 during advance voting period only
- Voting lasted 24/7 over a 18 day voting period
- 33 per cent of electors who voted used internet voting
- Electors voted at their convenience (many different hours throughout the day) and from around the world

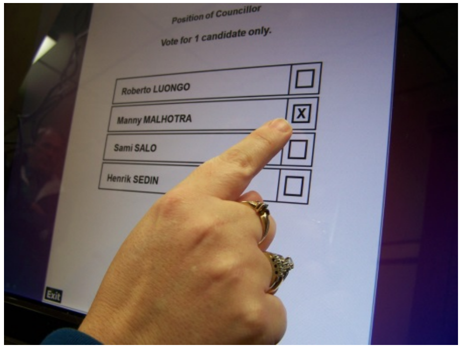


In-person, paperless

- Proposed in 2018 for advance voting locations only

Why add in-person, paperless to advance voting locations?

- Better captures voter intent - no over votes or unintentional spoiled ballots
- Bridges the gap between paper ballot and fully digital processes
- Facilitates possible future transition to ranked balloting



What is in-person, paperless?

- Voting using an fully electronic method at the voting locations
- No paper ballot
- Touchscreen, mouse or keyboard enabled

Steps

- Elector would attend physical voting location
- Present voter information and be “struck-off” the list
- Instead of being presented with a paper ballot, elector would be provided access to an electronic ballot similar to that of an internet voting process
- Elector would mark and cast electronic ballot

Summary of City-wide Survey

- Generally, survey supports use of tabulator, internet and in-person paperless methods of casting a ballot.
- Phone survey conducted over one week in March with 800 respondents divided equally across the City's six wards.
- Intent of the survey was to gauge opinions of voting age residents on issues related casting ballots and voting methodologies in future elections.

Summary of survey results

- 68 per cent of respondents would be likely to use an in-person, paperless voting option. Most popular amongst 18 to 34 year olds.
  - In relation to internet voting, the results were 63 per cent of respondents would be likely to use such a method/voting option.
  - 79 per cent for paper-tabulator method/voting option.
- In response to the question, *“would you consider voting on line in the 2018 election?”*
  - 67 per cent of respondents answered in the affirmative
  - Of those 67 per cent, who responded in the affirmative, these included :
    - 100 per cent of those who voted using internet in 2014.
    - 52 per cent of those who cast a paper ballot in 2014.
    - 67 per cent who did not vote at all in 2014.

Questions

Stephen O'Brien
City Clerk and Returning Officer

Staff Report

To	**Committee of the Whole**
Service Area	Corporate Services
Date	Monday, April 3, 2017
Subject	**2018 Municipal Election: Methods of Voting**
Report Number	CS-2017.51

Recommendation

1. That a by-law be adopted to support the use of vote scanners/tabulators and internet voting in the 2018 Municipal Election.

2. That a by-law be adopted to support the optional use of an in-person, paperless method of voting in the 2018 Municipal Election as a complementary voting channel for the advance voting period.

Executive Summary

Purpose of Report

To provide information with respect to recommended methods of alternative voting for the 2018 Municipal Election.

Key Findings

- Staff supports the continued use of poll count tabulators using paper ballots for the election.
- The use of internet voting as a voting channel strengthens a principal tenet of the *Municipal Elections Act* by making an election accessible to more electors and meets the principles of the City's Open Government Framework specifically in relation to embracing innovation and leveraging technology to further enhance civic participation and to modernize service delivery.
- Internet voting will be available throughout the advance voting period and on Voting Day.
- An in-person and paperless method of voting as a complementary option during the advance voting period can serve as a natural transition to internet voting and would support future elections should ranked balloting be introduced in future election cycles.

Financial Implications

- Staff is conducting a Request for Proposals (RFP) to determine the availability and costs of relevant voting and tabulating technology. Staff will include the in-person paperless method as an optional item in the RFP.

- The rental costs of vote scanners/tabulators for an election period are estimated to be $2,000 per tabulator. The projected costs to implement internet voting for the entire voting period including Voting Day are estimated to be $75,000. The cost of in–person paperless method of voting, per machine, is still to be determined.
- All costs for the election are funded through the existing election reserve - no additional funds will be required.

Report

The City started using poll based optical scanners/tabulators in 2006 for all voting places. In 2014, the City introduced internet voting for the advance voting period lasting 18 days. In 2014, the City of Guelph had a 43 per cent turnout of voters casting their ballots, which was up 11 per cent from 2010. Of the total 38,933 ballots cast, 12,768 or 33 per cent were cast online.

The move from manually counting paper ballots to using a fully electronic automated system of tabulation has grown rapidly within municipal elections in Ontario over the past decade. The development of technology and subsequent implementation of this technology within the marketplace has given jurisdictions numerous options through which they can deliver a reliable and secure voting system. In the Ontario municipal context, this has made voting more efficient for the voter and election administrators alike.

Over the past four Ontario municipal election cycles, more municipalities are using internet voting as an option or solely using internet voting. In 2014, 97 municipalities in Ontario used internet voting as a method of voting. Based on responses to the Internet Voting Project survey that were specific to the City of Guelph and issued following the casting of internet ballots, 76 per cent of respondents chose internet voting as their method of casting a ballot because of the convenience of doing so and 75 per cent of respondents were very satisfied with the internet voting process. Ninety-five per cent of respondents responded “very likely” to the questions “if internet voting were available in all elections, how likely is it that you would vote online in future municipal elections.”

In order to continue to offer convenient, reliable and secure methods of voting, to promote the modernization of City services and to support the migration of voting from the use of paper to fully digital processes, an in-person paperless method of voting would provide a natural transition towards such digital voting processes. It is for this reason, that staff also wish to explore the potential of offering an in-person, paperless voting option during the advance voting period. In addition, with changes to the *Municipal Elections Act* that allow for ranked balloting, a digital voting process would better facilitate this form of vote counting by allowing for the provision of detailed step-by-step instructions and better confirming voter intent.

An in-person paperless method of voting allows the elector to attend a traditional voting place and cast his/her vote by the method permitted by the technology, such as touchscreen or mouse. This method of voting would lead to fewer spoiled ballots and fewer disenfranchised electors, as it does not allow for over votes and does not allow the ballot to be spoiled unintentionally.

City staff surveyed the community via a telephone survey conducted over a one week period in March 2017. There were 800 responses to the survey spread equally across the City's six wards. In general, the results support the use of tabulators, internet and in-person paperless methods of voting that are being proposed for use in the 2018 election. The results of this survey indicate that 68 per cent of respondents would be likely to use an in–person, paperless method of voting in the 2018 election. 63 per cent of respondents indicated that they were likely to vote using the internet while 79 per cent indicated they would be likely to use paper/tabulators. The in-person, paperless method was most popular among electors aged 18 to 34 (over 80 per cent).

In relation to internet voting and in response to a question regarding if respondents would consider voting online in 2018, 67 per cent responded in the affirmative. Of those that responded in the affirmative to this question, the responses included 100 per cent of those who voted online, 52 per cent of those who cast a paper ballot, and 67 per cent who did not vote at all in 2014. As it relates to internet voting, 63 per cent of those surveyed are confident in the security surrounding the internet process. Confidence was highest in the 18 to 34 age group and lowest in those 65 years of age or older and those who voted via paper ballot in 2014.

In anticipation of election events following the 2018 municipal election, questions were asked in relation to ranked balloting so as to establish a baseline for a future surveys.

Proposed Voting Methods for the 2018 Election:

1. Vote Scanners/Tabulators
   The City's historical use of vote scanners/tabulators has significantly increased the efficiency of election administration. It has also enhanced the verification of voter intent as well as elevated the accuracy and security associated with ballot tabulation. For these reasons, vote scanners/tabulators are now commonly used to support municipal elections in Ontario. Due to enhancements made to hardware between election periods, most municipalities choose to rent or lease vote scanners/tabulators. Similar to the past three (3) election cycles in Guelph, it is recommended that vote scanners/tabulators be deployed in 2018 to all voting places in the City of Guelph during both the advance voting period and on Voting Day.

2. Internet Voting
   Based on the use and success of internet voting during the advance voting period of the 2014 municipal election, it is further recommended that internet voting be used throughout the entire advance voting period, up to and including Voting Day. This use of online voting will present the elector with an option to cast an electronic ballot online from his/her personal computer, tablet or smart phone anywhere in the world for the entire voting period.

3. In-Person, Paperless
   It is proposed that the in-person, paperless method of voting be used to modernize the delivery of election services by attempting to bridge the gap between paper ballot processes and fully digital processes. This method is being proposed for 2018 and for use only during the advance voting period. Doing so will offer electors an opportunity to use paperless technology in-person while at a voting place and would support the potential for an eventual transition towards a digital voting process which would be more conducive to supporting the potential for future ranked ballot elections. Should ranked balloting be offered in future elections, an electronic paperless method of voting would offer detailed step-by-step instructions which would better validate and confirm elector intent. The in-person, paperless method of voting is currently optional in the RFP and will be evaluated based on the costing outlined in submissions received, funds available in the election reserve, the ability to integrate with the two above-mentioned voting methods and whether the City has the resourcing and capacity to offer such a solution.

Financial Implications

The City has issued a Request for Proposals to source the most competitive proposal for vote scanners/tabulators, internet voting and an optional in-person, paperless method of election. The total cost of vote scanners/tabulators is unknown currently as the voting places for 2018 have not yet been confirmed. Based on market approximations and past contracts, the cost to rent tabulators for an election period is approximately $2,000 per tabulator. Based on the 2014 election, the cost to support the use of internet voting is approximately $75,000. The cost for hardware and software for internet and tabulator voting for the 2014 election was $250,000. The use of an in-person, paperless method for the advance polling locations is dependent on proposals received through the formal RFP process and funds available in the election reserve. All related costs will be funded through the existing election reserve.

Consultations

A telephone survey was conducted in March 2017 over a one week period. 800 responses were received and were equally distributed across the City's six (6) wards.

Formal communications planning efforts will be supported by the Corporate Communications and Customer Service department. Tactics will include media relations strategies, online resources, targeted communications to stakeholders, traditional advertising, and social media promotion. A broad-based and robust election communications plan is being developed to support the 2018 Municipal Election.

Corporate Administrative Plan

Overarching Goals
Service Excellence
Innovation

Service Area Operational Work Plans
Our Services - Municipal services that make lives better
Our People- Building a great community together

Attachments

ATT-1 Bylaw to authorize use of vote scanners/tabulators, internet and in person paperless voting for 2018.

Departmental Approval

Bruce Banting, Acting City Solicitor

Report Author

Tina Agnello, Deputy City Clerk

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Approved By
Stephen O'Brien
City Clerk
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____

Recommended By
Colleen Clack
Interim Deputy CAO, Corporate Services
519 8221260 x 2588
colleen.clack@guelph.ca

ATT-1

THE CORPORATION OF THE CITY OF GUELPH

By-law Number (2017)-XXXXX

A By-law to authorize alternative methods of voting for the 2018 Municipal Election.

WHEREAS Section 42 of the *Municipal Elections Act,* S.O. 1996 provides that a municipal council may on or before May 1 in the year before the year of an election, pass a by-law authorizing the use of vote-counting equipment at Municipal Elections, such as optical scanning vote tabulators and authorizing the use of alternative voting methods that do not require electors to attend at a voting place in order to vote;

NOW THEREFORE, THE COUNCIL OF THE CORPORATION OF THE CITY OF GUELPH ENACTS AS FOLLOWS:

1. The use of vote scanners/tabulators is hereby authorized in respect of the 2018 Municipal Election.

2. The use of internet voting is hereby authorized in respect of the 2018 Municipal Election.

3. The use of in-person, paperless voting equipment at advance voting places in respect of the 2018 Municipal Election is hereby authorized, unless, in the opinion of the Clerk, the implementation cost would exceed the budgeted finances, the technology would not integrate with existing voting methods, or resourcing such an option would be prohibitive.

PASSED this TWENTY- FOURTH day of APRIL, 2017.

CAM GUTHRIE - MAYOR

STEPHEN O'BRIEN - CITY CLERK

Staff Report

City of Guelph — Making a Difference

To	**City Council**
Service Area	Mayor and Council Office
Date	Monday, April 3, 2017
Subject	**Councillors Mike Salisbury and Leanne Piper Request for Access to Additional Training Funding 2017**
Report Number	Mayor - 1701

Recommendation

1. That Councillor Mike Salisbury be authorized to exceed his 2017 training allocation of $3250 to an upset limit of $2000 in order to attend and complete the final two courses of the Directors College Certificate in 2017.

2. That Councillor Leanne Piper be authorized to exceed her 2017 training allocation of $3250 to an upset limit of $400 in order to attend the American Planning Association conference in May 2017.

Executive Summary

Purpose of Report

To request Council approval for allocation of additional training funding to Councillor Mike Salisbury so that he may attend the final two courses of the Directors College Certificate in 2017 and to Councillor Leanne Piper so that she can attend the American Planning Association conference in May 2017.

Key Findings

Each Councillor has an allocated amount from the Council Office training budget. According to Policy, Council approval is required in advance for a Councillor to expend monies beyond the yearly allocation.

Financial Implications

Councillor Salisbury's 2017 allocation is $3250 and he has spent $1748 and has a balance of $1502 remaining and would like $2000 over and above the annual allocation so as to pay for attendance at the final two courses of the certificate in 2017, at a total cost of $3496.

Councillor Piper's 2017 allocation is $3250 and she anticipates costs to attend the conference in New York City to amount to $3650, which will include currency exchange rates.

Report

Guelph City Council on May 25 2009 approved a Policy on Councillor Attendance at Municipal Government Events, which established procedures for City Councillor attendance at municipal government events and to provide details for the reimbursement of expenses incurred by those Councillors attending events.

According to the Policy on Councillor Attendance at Municipal Government Events, City Councillors will be permitted to exceed their allocation only with the prior approval of Guelph City Council.

Councillor Mike Salisbury is seeking permission to expend monies beyond his 2017 allocation to cover expenses of up to $2000 to enable attendance at the final two courses to complete the Directors College Certificate in 2017. The balance of the course tuition and attendance costs are considered and approved by the GHESI education account at Guelph Hydro.

Councillor Leanne Piper is seeking permission to expend monies beyond her 2017 allocation to cover expenses of up to $400 more than her training budget allocation to attend the American Planning Association conference in New York City.

Financial Implications

Councillor Mike Salisbury has been allocated training funding of $3250 for 2017. He has spent $1748 on one course. He has a training account balance of $1502. He is requesting up to an additional $2000 in funding in 2017 to pay for the final two courses of this Certificate, at a total cost of $3496.

Councillor Leanne Piper is requesting approval of up to $400 in funding to ensure all costs related to attending the conference are covered.

Consultations

Mayor's Office

Corporate Administrative Plan

N/A

Attachments

ATT-1 Attachment 1 - Policy on Councillor Attendance at Municipal Governance Events

Departmental Approval

Councillor Mike Salisbury
Councillor Leanne Piper

Report Author

Betsy Puthon

Approved By
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Email: mike.salisbury@guelph.ca

Approved By
Councillor Leanne Piper
Mobile: 519 835 1136
Email: leanne.piper@guelph.ca

Policy on Councillor Attendance at Municipal Government Events

CORPORATE POLICY AND PROCEDURE

POLICY NO.
PAGE
EFFECTIVE DATE
REVISION

POLICY STATEMENT

There is great value to be gained from City Councillors attending events of interest to municipal government. These events contribute to continuous learning and development, and better equip City Councillors to deal with the wide range and depth of governance issues facing municipalities. They also provide a forum to exchange ideas, best practices, and expertise on municipal government related issues. Expenses associated with attendance at such events must be reasonable and necessarily incurred by those attending.

PURPOSE

City Councillors who attend municipal government events benefit from learning about new approaches and the experiences of other municipalities that have had success in dealing with issues. By building on the success of other municipalities, it is possible to avoid a lengthy process involved in attempting to solve a problem in isolation, which may take longer and produce less effective results. The purpose of this policy is to ensure that there are established procedures in place with respect to City Councillor attendance at municipal government events, and to provide for the reimbursement of expenses incurred by those persons attending.

POLICY APPLICATION AND EXCLUSIONS

This policy applies to City Councillors who participate in municipal government events where the costs are funded from the approved Council budget.

The provisions of this policy with respect to limits and expenses apply to the Mayor's participation in municipal government events, or in events where the Mayor is representing the City as the head of Council, where such costs are funded from the approved budget for the Mayor's Office.

The annual allocation provisions of this policy do not apply to city councillors who serve on the board of either the Association of Municipalities of Ontario or the Federation of Canadian Municipalities, where such service and associated travel expenses have been pre-authorized by Guelph City Council. All other provisions with respect to limits and expenses do apply to members who serve on these boards.

The provisions of this policy with respect to the allocation of an equal share of the approved Council budget for attendance at municipal government events do not apply to the Mayor.

DEFINITIONS

- **Eligible Expenses –** Expenses that are eligible for reimbursement include:
  - transportation,
  - accommodation,
  - event registration fees,
  - meals and incidentals,
  - hospitality.
- **Event –**Includes an organized annual general meeting, conference, congress, convention, exposition, forum, program, session, summit, or workshop targeted to a municipal audience. In situations where it is not clear as to the municipal relationship to the event, it is the responsibility of the City Councillor to clearly establish this relationship.
- **Hospitality –** Includes reasonable costs which may be incurred by City Councillors in an economical, consistent, and appropriate way that will facilitate City business, or as a matter of courtesy, and consists of meals only.
- **Ineligible Expenses –** Expenses that are not eligible for reimbursement include:
  - alcohol
  - 1-900 premium-rate telephone calls,
  - claims for loss of personal effects,
  - companion registration fees and expenses,
  - entertainment,
  - gifts,
  - medical and hospital treatments in excess of City sponsored health care benefit limits
  - personal effects (luggage, clothing, magazines),
  - personal memberships,
  - personal messaging /download fees,
  - personal services (shoe shines, valet, spa treatments, hair styling, internet fees for access to for-fee sites),
  - personal vehicle costs (maintenance, repair costs, towing fees, car washes),
  - movie or cable/satellite television fees charged by hotels or airlines,
  - sporting events
  - side trips including stopover charges and additional accommodation costs for personal or other business reasons,
  - sightseeing tours,
  - traffic and parking fines.
- **Municipal Government Organization** – Includes such entities as the Canadian Urban Institute, the Institute on Governance, Municipal Government Institute, ICLEI-Municipal Governments for Sustainability, Ministry of Municipal Affairs & Housing, Community Heritage Ontario, etc.

- **Municipal Association –** Includes the Federation of Canadian Municipalities or the Association of Ontario Municipalities, and sub-groups of these associations.

ALLOCATION FOR ATTENDANCE AT MUNICIPAL GOVERNMENT EVENTS

Each City Councillor will be allocated an equal share of the approved budget for attendance at municipal government events. Allocations are not transferrable, and if not used during the calendar year, cannot be accumulated and carried over into subsequent budget years. City Councillors will be permitted to exceed their allocation only with the prior approval of Guelph City Council.

HOSPITALITY

City Councillors attending municipal government events, may offer hospitality on behalf of the City where necessary and reasonable. Such hospitality is limited to meals, and the maximum daily meal expense limit will apply. Receipts are required for reimbursement.

MEALS AND INCIDENTALS

Meal expenses will be reimbursed at actual costs upon submission of appropriate receipts. Councillors will be reimbursed for meal expenses up to a maximum of $70 per day, at the following rates:

$15.00 - Breakfast
$20.00 - Lunch
$35.00 - Dinner
$70.00

Individual meal limits may be exceeded, as long as the $70.00 daily total limit for meals is not exceeded.

A separate amount is available each day for incidental expenses in addition to the regular meal allowance. Such items would include parking meters, public transit, or Internet access connection and/or usage fees away from home, where Internet access is necessary for city business. The current rate is $10.00 per day. Where possible, original receipts should be obtained and submitted for reimbursement.

The above limits are in Canadian dollars for expenses incurred in Canada or the equivalent foreign currency for travel outside of Canada. Tips and gratuities would be in addition to the above rates.

Receipts are to be submitted within 30 days of return from the function for reimbursement. Claims for expenses must include receipts, and be submitted within 30 days of return from the event. Claims for expenses incurred in one year, but not submitted until the next budget year will only be paid upon the approval of the Director of Finance.

OVERNIGHT ACCOMMODATION

If an overnight stay is required, accommodation will be reimbursed at a rate in accordance with the single room rates charged for the function, or the hotel's rate for a standard single room whichever is less. Reimbursement of accommodation expenses for additional days may be approved. The reason for the approval (i.e. lower air fare, time change) must be documented on the expense claim form.

TRANSPORTATION

Transportation costs include:

- air, rail, bus fare or automobile at the most cost and time effective rate; e.g. mileage will not be reimbursed if air travel is less expensive
- parking
- travel cancellation insurance
- incidental travel by taxi, subway, bus
- departure taxes from transportation terminals
- travel to and from public transportation terminals, provided such transportation is actually used by the traveller
- toll highway charges
- expenses incurred when using a personal vehicle for travel to functions located outside the City of Guelph will be reimbursed at the standard car allowance rate established for City staff, currently $0.45 per km.
- expenses associated with the use of a rented automobile for travel to and from the function, provided the expense does not exceed the cost of taxi fares for the same purpose (use of the automobile for personal business is not an allowable expense)
- Long-term parking for air travel exceeding 24-hours.