Corporate Services Committee Agenda

Thursday, December 7, 2017
Council Chambers
County Administration Centre, Walkerton

1. Declaration of Pecuniary Interest

2. Action Items

A. 2018 Property Tax Policy Review

3. Information Items

A. 2017 External Audit - BDO Planning Report

B. Integrated Energy Performance Project – Green House Gas (GHG) Challenge Fund Application

C. 2017 Grey Bruce Health Unit Budget Ministry of Health funding approval

D. 2018 Insurance Program

E. 2018 Ontario Municipal Partnership Fund (OMPF) Allocations

4. Next Meeting

5. Adjournment

Corporation of the County of Bruce
Corporate Services
brucecounty.on.ca

Committee Report

To: Warden
Members of the Corporate Services Committee

From: Bettyanne Cobean, C.M.O.
Director of Corporate Services

Date: December 7, 2017

Re: 2018 Property Tax Policy Review

Recommendation:

1. **That the 2018 County-wide tax ratios and class discounts be approved as set out in Table 1 and that staff be directed to prepare the necessary tax ratio by-law; and,**

2. **That the following parameters be established for the purposes of calculating the 2018 Capping Clawback rates in accordance with Section 329.1 of the Municipal Act:**

   i. **Annualized Tax Limit – Cap based on previous year's annualized tax**

      That the cap on annualized taxes be 10%.

   ii. **CVA Tax Limit – Cap based on previous year's CVA tax**

      That the cap on CVA taxes be 10%.

   iii. **CVA Tax Threshold for Protected Properties (Increasers) – Threshold is applied to move certain protected properties to full CVA taxes**

      That the threshold that applies to capped properties be set at the maximum allowable amount without creating a shortfall for each of the multi-residential, commercial and industrial property classes - $500

   iv. **CVA Tax Threshold for Claw Back Properties (Decreasers) – Threshold is applied to move certain clawed back properties to full CVA taxes**

v. **That the threshold that applies to clawed back properties be set at the maximum allowable amount without creating a shortfall for each of the multi-residential commercial and industrial property classes - $500Minimum Tax Level for New to Class / New Construction Propertie**

That the minimum tax level for new to class / new construction properties be 100%.

vi. **Stay at CVA Tax**
   a. **the "Stay at CVA Tax Option" excludes properties that were at CVA tax in 2017 from the capping and claw-back calculation in 2018;**
   b. **The "Cross CVA Tax Option" excludes properties that would move from being capped in 2017 to being clawed back in 2018 or from being clawed back in 2017 to being capped in 2018 as a result of the changes to the CVA tax caused by the 2018 reassessment;**

vii. **That paragraphs 1, 2 and 3, of Subsection 8.0.2 (2) of Ontario Regulation 73/03 shall apply whereby properties that meet any of the following conditions shall be exempt from the capping calculations set out under Part IX of *The Act* for the taxation year:**
   a. **The capped taxes for the property in the previous year were equal to its uncapped taxes for that year.**
   b. **The capped taxes for the property in the previous year were lower than the property's uncapped taxes for that year, and the current year's capped taxes would be higher than the current year's uncapped taxes if Part IX were applied.**
   c. **The capped taxes for the property in the previous year were higher than the property's uncapped taxes for that year, and the current year's capped taxes would be lower than the current year's uncapped taxes if Part IX were applied.**

viii. **That the vacant land properties be excluded from the capping phase out.**

ix. **That capping protection be limited only to reassessment related changes prior to 2018.**

x. **That the Industrial class be entered into the first year of the phase out of the application of Part IX of the Municipal Act.**

xi. That the Commercial class be entered into the first year of the phase out of the application of Part IX of the Municipal Act.

3. **That the tax relief program for charities and other similar organizations be continued for the 2018 taxation year; and,**
4. **That the Tax relief program for low income seniors and persons with disabilities be continued for the 2018 taxation year; and,**
5. **That all eligible Legion properties continue to be exempted from the payment of taxes for upper tier purposes for the taxation years 2018, 2019, 2020; and,**
6. **The Vacancy Rebate Program be continued for the 2018 taxation year; and,**
7. **That no Optional Property Classes are recommended**

Background:

The Municipal Act sets out the parameters to be followed by municipalities when setting property tax policies. These parameters include:

- capping options on multi residential, commercial and industrial properties
- levy restriction which prevents municipalities from passing on levy increases to capped classes which have tax ratios in excess of provincial averages
- graduated taxation and optional classes
- establishing tax ratios and discounts

The Ministry of Finance introduced new flexibility within the Property Tax System in 2016 through Bill 144, The Budget Measures Act, 2015 and Council adopted the additional enhancements. The enhancements increased municipal flexibility to accelerate progress to Current Value Assessment (CVA) level taxes and to exit or phase-out from the program under certain conditions.

The Government continues to provide municipalities with the tax ratio flexibility that has been provided in previous reassessment years. This will allow municipalities to avoid tax shifts that occur between property classes as a result of reassessment. In 2009, a streamlined approval process for regulating transition ratios was introduced. Municipalities were provided with the option of setting new transition ratios based on a prescribed formula regulated by the Province. The new streamlined process enabled municipalities to reset their own transition ratios in a more efficient manner. Table 2 provides a tax ratio comparison to other upper tier municipalities in Ontario.

The main reason for any shifts, is that residential assessment continues to grow at a much greater rate than all the other classes. As a result, even if you do nothing with the current tax ratios the commercial and industrial class will realize a broad class reduction for levy purposes.

As always, the impact to Payment in Lieu (PIL's) (loss of revenue) would be substantial for Northern Bruce Peninsula and the County if the commercial and industrial tax ratio were to be reduced resulting in lower commercial and industrial tax rates used to calculate PIL's.

The deadline for establishing an upper tier rating by-law is April 30th, 2018 and the recommendations contained herein form an essential component of the by-law.

Annual tax policy decisions establish the level of taxation for the various classes of properties. The following provides an overview of the tax policy decisions that must be made by County Council for the 2018 taxation year.

1. Tax Ratios, Class Discounts and Tax Rates

Overview / Description

- Legislative reference: Municipal Act 2001 Section 307
- Tax rates are measured as a percentage of the assessed value of a property
- Tax ratios show how a property class' tax rate compares with the residential rate – if a property class has ratio of 2, then it is taxed at twice the rate of the residential class
- 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 County Council, unless delegated to the member municipalities
- Table 2 provides a comparison of Upper Tier Tax Ratios.
- Changing ratios shifts the relative burden of property taxes between property classes

- The Province established "ranges of fairness" 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 ratio or move towards the range of fairness, but may not move further from the fairness range.
- Since 2004 the province has allowed municipalities to establish "revenue neutral" tax ratios – this allows municipalities to prevent shifts in taxes between classes of property as a result of a reassessment

- 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 classes which have ratios in excess of the threshold
- Provisions for the taxing of farmland awaiting development are as follows:
- 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 residential rate will apply (the rate can be adjusted up or down by up to 10 percentage points per year)
- When a building permit is issues, the tax rate may change from 25% to 100% of the rate that would apply to the property's zoned use.

Economic Impact

- Any adjustment to tax ratios involves shifting tax burden to the other property classes.
- The rate 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 shifted onto residential properties
- The farmland awaiting development properties are taxed at the maximum allowable rate, with discounts of 25% for sub class 1 and 0% for subclass 2

Equity / Fairness

- Higher tax ratios could be perceived as discriminatory by 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
- Nonresidential properties have historically been taxed at higher rates in most municipalities across the province
- Nonresidential 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

Administrative impact

None

2. Optional Property Classes

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 centres, office buildings, parking lots, large industrial, and new multi residential properties

- Allows for a redistribution of tax burden within the broad commercial and industrial classes based on surface area of buildings

- Allows for new multi residential properties to be taxed at the lower residential tax rate for a thirty-five year period (already the same as residential)

Details

1) Shopping Centres: 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: rentable 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

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 issues after date on which the by-law adopting the new class of property was approved

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 centres would result in a lower tax for shopping centres than for all other commercial properties.

Equity / Fairness

- Use of separate classes could be seen as discriminatory and moving away from fairness, and contrary to basic premise of reassessment

Administrative impact

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

3. Current Tax Relief Provisions for Low Income Seniors and Low Income Persons with Disabilities

Overview / Description

- o Taxes for 2018 will be in comparison to the 2017 annualized taxes
- o Tax relief is in the form of a deferral of taxes
- o The amount eligible for deferral is the portion of any increase greater than or equal to $500 annually.
- o Eligibility is as set out below

Eligibility Criteria (for receipt of property tax relief):

A) Low-Income Seniors
- Must have attained the age of 65 years and be in receipt of benefits under the Guaranteed Income Supplement (GIS) program

B) Low-Income Disabled Persons
- Must be in receipt of benefits under the Ontario Disability Support Program (ODSP)

Other Provisions

- To qualify for tax assistance, applicants must have been owners of real property within the County 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. Appropriate proof of residency establishing continuous (i.e. not part-time) residency must be provided. Verification of documentation provided in conjunction with an application may be carried out independently at the discretion of the County.

- Tax relief applies to current taxes only (not tax arrears)
- Tax relief amounts are only deferred after payment in full is received for any current or past year amounts payable
- Applicant responsible to refund any overpayment of 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

4. Tax Rebates for Charities and Other Similar Organizations

Overview / Description

- Legislative reference: Municipal Act 2001 Section 361(4) 1.
- 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 upper and single tier municipalities must have a rebate program in place
- An eligible charity is a registered charity in accordance with the Income Tax Act and that has a registration number issued by the Canada Customs and Revenue Agency
- A property is eligible if it is one of the commercial or industrial property classes
- Program requirements include:
    - The amount of the rebate must be at least 40% of tax paid (County currently at 40%)
    - 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

- Program options include:
    - Other similar organizations may also be provided with rebates
    - Rebates can be provided to properties in classes other than the commercial and industrial classes
    - The rebate % can vary for difference charities or other similar organizations and can be up to 100% of taxes paid

- Cost of the rebate is shared between the upper tier, lower tier 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 Charity if property assessment is reduced by the ARB or Municipal Property Assessment Corporation
- Taxes must be in good standing to the satisfaction of the local Treasurer

Economic impact

- This by-law provides relief for organizations which were previously exempt from paying the Business Occupancy Tax – results in similar treatment before and after reform
- There has been minimal activity on this program

Equity / Fairness

- The cost of rebates is built in to the County and member municipality budgets and paid for by other taxpayers

Administrative impact

- Results in some additional staff time to administer the rebates
- Additional efforts have been made to increase taxpayer awareness of the program

5. Tax Rebates for Legion Properties

Overview / Description

- Legislative reference: Section 361(4) 1 of the Municipal Act, 2001.
- The Act states that the council of a municipality "may pass by-laws exempting from taxation, other than school taxes and local improvement rates, land that is used and occupied as a memorial home, clubhouse or athletic grounds by persons who served in the armed forces of His or Her Majesty or an ally of His or Her Majesty in any war"

Any exemption under this section must not exceed 10 years but may be renewed at any time during the last year of the previous exemption. The County adopted By-law #2012-051 exempting Legion properties until 2020.

Economic impact

- Relatively minor in that there is a small number of properties generating a relatively small amount of taxes

Equity / Fairness

- The cost of rebates will be built in to the County and member municipality budgets and paid for by all other taxpayers
- Could be perceived as an inequitable and unnecessary exemption

Administrative impact:

- Minor

6. Vacancy Rebate

Overview / Description

- Legislative reference: Section 361 of the Municipal Act, 2001 and Ontario Regulation 325/01
- Currently property owners of vacant commercial and industrial buildings may apply for a property tax rebate under certain specifications
- To be eligible for a rebate, the building or section of building must have been vacant and unused for at least 90 days and the following conditions are met:
  - The entire commercial or industrial building has been unused for at least 90 days.
  - A suite(s) or unit(s) within a commercial building has been vacant for at least 90 consecutive days and is unused; and clearly delineated or physically separated from the used portions of the building; and capable of being leased for immediate occupation, or
  - not capable of being leased for immediate occupancy because it is undergoing or in need of repairs/renovations or is unfit for occupation.
  - A portion of an industrial building has been vacant for at least 90 consecutive days and is
    unused; and clearly delineated or physically separated from the used portions of the building

Policy Considerations

In response to municipal concerns regarding the appropriateness of the lower tax level provided through the vacancy rebate programs the Ministry of Finance reviewed the Vacant Unit Rebate and Vacant/Excess Land Subclasses in 2017.

Since the 1990s, these programs provided tax rebates and reductions to property owners who have vacancies in commercial and industrial buildings or land. In response to municipal requests, the Province introduced a legislative framework to facilitate potential program changes as a result of the ongoing review.

Effective in 2017 municipalities were given broader flexibility and authority to implement changes by notifying the Minister of Finance of their intent to utilize this flexibility and provide details of the proposed changes along with a council resolution. In two-tiered municipalities, any program changes to be implemented is an upper-tier decision.

It was reported to the Corporate Services on May 4, 2017 that the new flexibility was reviewed with the Lower Tier Treasurers and that there were a number of observations including the need for strict interpretation of the current eligibility requirement. The definition of unused needs to be strictly applied and requires physical inspection by the municipality and consistent follow up.

An application should not be considered approved until a full review is completed. It was agreed that there may be current applications that may not meet the criteria if it is strictly applied.

Other items to consider could include:

- a requirement for property to be advertised as available, including signage or a real estate listing
- a maximum consecutive period to be granted for the vacancy to insure the owner is actively seeking occupancy
- remove the eligibility for unfit for occupation

Economic impact

- The average cost of the program for the County is $14,000 with costs also impacting the lower tier municipalities.

Equity / Fairness

- If discontinued the County and member municipality budgets would experience a savings
- Could be perceived as an inequitable and unnecessary exemption

Administrative impact

- Results in additional staff time at the lower tier level to manage the program and insure strict adherence to the eligibility requirements
- To support any changes, the Ministry of Finance provided a check-list. The check-list includes considerations for making changes to the programs. The checklist refers to Business Community engagement and we would be required to provide details on how and when the local business community was engaged should we recommend exemption from or changes to the program.

Financial/Staffing/Legal/ITS Consideration:

There is no staffing, legal or ITS considerations associated with this report.

Interdepartmental Consultation:

In future it would be wise to partner with the Corporate Policy Division – Business Sector, to consider the Business Community engagement requirements should we recommend exemption from or changes to the Vacancy Rebate program.

Link to Strategic Goals and Elements:

Not applicable

Approved by:

Kelley Coulter
Chief Administrative Officer

Table One
2018 County of Bruce Tax Ratios, Discounts and Rates

Property Class / Subclass	Provincial Range of Fairness	Provincial Threshold Ratio	Revenue Neutral Ratio	2018 County Tax Ratio	2018 Discounts
CLASS					
Residential/farm (RT) 1.0	to 1.0			1.000	
Multi-residential (MT)	1.0 to 1.1	2.7400	2.1098	1.000	
Farmland (FT)	0.01 to 0.25			0.2500	
Commercial (CT)	0.6 to 1.1	1.9800	1.4043	1.2331	
Landfill (new in 2017)				1.2331	
Industrial (IT)	0.6 to 1.1	2.6300	2.4470	1.7477	
Large industrial (LT)	0.6 to 1.1	2.6300	2.4470	1.7477	
Pipeline (PT)	0.6 to 0.7		2.2218	1.0164	
Shopping centre (ST)	0.6 to 1.1	1.9800	1.4043		
Managed forests (TT)	0.25 to 0.25			0.2500	
Parking lot (GT)	0.6 to 1.1	1.9800	1.4043		
SUBCLASS					
Res/farm farmland class 1 (R1)	1.0 to 1.0	1.9800	1.4043		25%
Residential taxable share (RH)	1.0 to 1.0	1.9800	1.4043		0%
Commercial excess land (CU)	0.6 to 1.1	1.9800	1.0000		30%
Commercial vacant land (CX)	0.6 to 1.1	1.9800	1.4043		30%
Commercial farmland class 1 (C1)	0.6 to 1.1	1.9800	1.4043		25%
Commercial taxable shared (CH)	0.6 to 1.1	2.6300	2.4470		0%
Comm. Vacant land taxable shared (CJ)	0.6 to 1.1	2.6300	2.4470		30%
Industrial taxable shared (IH)	0.6 to 1.1	2.6300	2.4470		0%
Industrial excess land shared (IJ)	0.6 to 1.1	2.6300	2.4470		35%
Industrial excess land (IU)	0.6 to 1.1	2.6300	2.4470		35%
Large Ind excess land (LU)	0.6 to 1.1	2.6300	2.4470		35%
Industrial vacant land (IX)	0.6 to 1.1	2.6300	2.4470		35%
Industrial farmland class 1 (I1)	0.6 to 1.1	2.6300	1.0000		25%
Industrial farmland class II (I4)	0.6 to 1.1	2.6300	2.4470		0%
Shopping Centre excess land (SU)	0.6 to 1.1	2.6300	1.4043		30%

Table Two
Tax Ratio Comparison

	2017 Multi-Residential	2017 Commercial	2017 Industrial
Bruce County	1.00000	1.23310	1.747700
Grey County	1.44197	1.30694	1.858187
Huron County	1.10000	1.10000	1.100000
Lambton County	2.40000	1.71010	2.047572
Wellington County	1.89000	1.46000	2.400000
Middlesex County	1.76970	1.14490	1.745100
Oxford County	2.74000	1.90180	2.630000
Dufferin	2.68020	1.22000	2.198400
Elgin	2.34580	1.63760	2.225100
Essex	1.95540	1.08200	1.942500
Average	**1.9322**	**1.3796**	**1.9895**

Committee Report

To: Warden
Members of the Executive Committee

From: Bettyanne Cobean, C.M.O.
Director of Corporate Services

Date: December 7, 2017

Re: 2017 External Audit - BDO Planning Report

Recommendation:

The report from BDO Canada LLP, dated November 14, 2017 related to the County's 2017 External Audit is for information.

Background:

A report has been received from BDO Canada LLP who are required to communicate to the Members of Council certain aspects of the audit. Unfortunately, it is not in accessible format and cannot be attached for the purposes of public notice on the website. It has been circulated to Committee Members by email and hard copies can be made available for viewing.

The report presents the audit plan for the audit of the consolidated financial statements for the County of Bruce for the year ending December 31, 2017. The report highlights and explains key issues that they believe to be relevant to the audit including audit risks, the nature, extent and timing of the audit work and the terms of the engagement.

The audit process will conclude with the presentation of their final report to members of the Corporate Services Committee, tentatively scheduled for May 3rd, 2018. The partner responsibility for the County's 2017 audit, Traci Smith has met with senior staff and "the purpose of this letter is to summarize our approach, scope and delivery plan for the engagement."

Financial/Staffing/Legal/IT Considerations:

There are no financial, staffing, legal or IT considerations associated with this report.

Interdepartmental Consultation:

Senior Management have been advised of the dates and requirements for the 2017 external audit.

Committee Report

To: Warden
Members of the Corporate Services Committee

From: Bettyanne Cobean, C.M.O.
Director of Corporate Services

Date: December 7, 2017

Re: Integrated Energy Performance Project
– Green House Gas (GHG) Challenge Fund Application

Recommendation:

The Integrated Energy Performance Project – Green House Gas (GHG) Challenge Fund Application report is for information.

Background:

On July 3rd, 2016 Council adopted Bylaw 2016-058 authorizing the Warden and the Director of Corporate Services to execute the agreement with Ecosystem Energy Services Inc. to complete the Integrated Energy Performance Project at an estimated total cost of $3,400,000, in addition to the installation of an Electric Vehicle Charging Station at the Park Street Administration Centre.

The four County buildings involved are Brucelea and Gateway Haven Long Term Care Homes, the Bruce County Museum and Cultural Centre and the County's Administration Centre. These buildings account for 82% of the County's natural gas consumption and 82% of electricity usage, excluding our Housing units.

Earlier this year the Province announced the new Municipal GHG Challenge Fund, a program funded by the proceeds from Ontario's carbon market that aims to support community-led action on climate change. The Municipal GHG Challenge Fund is part of Ontario's Climate Change Action Plan, to fight climate change, reduce greenhouse gas emissions and transition to a low-carbon economy. The action plan and cap and trade program form the backbone of Ontario's strategy to cut greenhouse gas emissions to 15 per cent below 1990 levels by 2020, 37 per cent by 2030 and 80 per cent by 2050.

The competitive application-based program will fund up to 100% of the eligible costs for greenhouse gas emissions reduction projects proposed by municipalities. The deadline to apply was November 14th.

The Integrated Energy Project that the County is currently undertaking, in partnership with Ecosystem Energy Service Inc., meets the eligibility requirements and an application has been submitted. In order to maximize the opportunity, we met with the Ecosystem team and agreed that should the application for funding be successful it would be beneficial for the County to replace the planned cogeneration project at Gateway Haven (GWH) with a full boiler replacement project at Brucelea Haven and Gateway Haven. The original plan to install the Cogen at GWH was based on affordability and the payback period. Proceeding with the plan for full boiler replacement will serve two purposes, full equipment renewal, and cost avoidance which is significant given there are no reserves set aside for this purpose. This will also offer a simpler mode of operation than the cogeneration unit and the Environmental Service Managers at both Long Term Care Facilities support the plan to replace the boilers.

The GHG Challenge Fund application totals $668,000 and if successful would be applied to the increased project costs while maintaining the same payback period and more than doubling the GHG savings. Announcements of the funding are expected in February 2018.

Financial/Staffing/Legal/IT Considerations:

Based on the original Feasibility Study completed by Ecosystems, the annual savings and energy incentives will more than fund the debt repayment over a period of 10-15 years. If the application for funding is successful, the scope of work can be expanded to replace all boilers in the Long Term Care facilities within the same payback period.

Interdepartmental Consultation:

Health Services has been consulted and involved with the decision making related to the change in the project plan to replace the cogeneration unit with full boiler replacement.

Link to Strategic Goals and Elements:

Goal # 6- Explore alternate options to improve efficiency, service
Element # B- Develop system for measuring our processes and their successful desired outcome.

Approved by:

Kelley Coulter
Chief Administrative Officer

Committee Report

To: Warden
Members of the Corporate Services Committee

From: Bettyanne Cobean, C.M.O.
Director of Corporate Services

Date: December 7, 2017

Re: 2017 Grey Bruce Health Unit Budget
Approval Letter from the Ministry

Recommendation:

The 2017 Grey Bruce Health Unit Budget Approval Letter from the Ministry Report is for information.

Background:

Earlier this year we received communication that the Board of Health approved the 2017 budget.

The budget for Bruce County for Health Unit purposes was established at $1,167,222, the same as approved in 2016.

The Health Unit has now received its 2017 budget approval letter from the Ministry. The County's share of the operating programs totals $1,156,087, a surplus of $11,135 that will be absorbed in the year-end surplus/deficit position for the County.

Financial/Staffing/Legal/IT Considerations:

The $11,135 surplus at year-end will be allocated to the consolidated surplus/deficit. There is no staffing, legal or ITS considerations associated with this report.

Interdepartmental Consultation:

None required.

Link to Strategic Goals and Elements:

None.

Approved by:

Kelley Coulter
Chief Administrative Officer

Link to Strategic Goals and Elements:

None Identified

Approved by:

Kelley Coulter
Chief Administrative Officer

Corporation of the County of Bruce
Corporate Services

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Committee Report

To: Warden
Members of the Corporate Services Committee

From: Bettyanne Cobean, C.M.O.
Director of Corporate Services

Date: December 7, 2017

Re: 2018 Insurance Program

Recommendation:

The 2018 Insurance Program Report advising that the 2018 Program has been awarded to Aon Reed Stenhouse Inc. in the annual amount of $430,558 before taxes is for information.

Background:

In a report to Committee on June 1, 2017, it was agreed that the 2018 Insurance Program would be open for invitations for Request for Proposals for traditional insurance including an option for Cyber Insurance

The County last entertained a Request for Proposal for general insurance and risk management services for the 2015 program and the program was awarded to Jardine Lloyd Thompson Canada Incorporated in the annual amount of $621,159.04. The RFP offered a renewal of 2 additional years that were exercised by the County. The following table illustrates the general insurance program costs, excluding taxes, for the last 4 years.

Year	Annual Cost excluding taxes
2014	$719,159
2015	$621,159
2016	$621,334
2017	$650,654

The recent Request for Proposal closed on November 10th, 2017 and the Staff Evaluation Committee completed the two-step review.

The general insurance and risk management services rating requirements included the following:

1. Proponents experience and qualifications;
2. References;
3. Scope of Insurance Services;
4. Value Added services;
5. Ease of transition
6. Step Two Project Costs (financial component)

Four (4) submissions were received, three (3) of whom met the requirements of the Step One Evaluation which led to Step Two which is the financial component. AON Reed Stenhouse Inc. the highest ranked proposal, who is also the lowest cost has been awarded the 2018 program in the amount of $430,558.

The Request for Proposal allows for up to three, one-year renewal extensions. All coverages and deductibles meet the requirements set out in the Scope of Insurance Services and the References were more than satisfactory.

A preliminary premium for Cyber Insurance, based on a high level review, was received. Staff will further evaluate the need and costs and provide a recommendation at a future meeting.

Financial/Staffing/Legal/IT Considerations:

The 2018 approved budget included an annual insurance cost $683,000 based on the 2017 costs with a 5% increase projected. The RFP results will generate an estimated $250,000 surplus in 2018.

Interdepartmental Consultation:

The Senior Management Team have been advised of the RFP results and the departmental surplus that will be generated as a result. The transition to a new provider will be communicated to the Managers and Supervisors for proper administration of the policies and claims.

Link to Strategic Goals and Elements:

None.

Approved by:

Kelley Coulter
Chief Administrative Officer

Committee Report

To: Warden
Members of the Corporate Services Committee

From: Bettyanne Cobean, C.M.O.
Director of Corporate Services

Date: December 7, 2017

Re: 2018 Ontario Municipal Partnership Fund (OMPF) Allocations

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Recommendation:

The 2018 Ontario Municipal Partnership Fund (OMPF) Allocations report is for information.

Background:

The Ministry of Finance issued 2018 allocation notices from the Ontario Municipal Partnership Fund (OMPF) on November 20th, 2017. As announced in the 2017 Ontario Economic Outlook and Fiscal Review, the Province is increasing the total OMPF envelope by $5 million beginning in 2018 to further support northern municipalities. In 2018, the Province will provide a total of $510 million in unconditional funding through the OMPF to 389 municipalities across the province. Communications from the Ministry of Finance are attached.

The OMPF was designed to assist municipalities with their social program costs, offer equalization measures, address challenges faced by northern and rural communities and respond to policing costs in rural communities.

The OMPF replaced the Community Reinvestment Fund (CRF) in 2005 as the Province's main transfer payments to municipalities.

The County of Bruce received $620,000 annually up to and including 2008. Based on the grant parameters of the OMPF, the County was no longer eligible under the criteria. The Government continued to provide annual funding to municipalities through the combined benefit of the OMPF plus reduced municipal costs from the uploads of ODSP administration and the phased upload of the ODSP and OW benefits.

In a report to the Corporate Services Committee in February 5, 2015, I identified the challenges faced by the County to continue to deliver services to all taxpayers in the County of Bruce while managing the challenges of escalating costs of other services that were uploaded to the County in 2000 including Social Housing, Land Ambulance, the decline in Provincial Offences revenue, while managing the Highways and Housing infrastructure deficit as identified in the County's Asset

Management Plan. The report also outlined how the annual budget reflected the current needs of the Human Services Program and incorporated savings into the overall budget which resulted in an annual decrease in the County's tax rate in six of the last nine years.

The County argued, as early as 2008, that the presentation format provided by the Province is very misleading. The municipalities benefited from the decision to upload social assistance benefit programs but it is unfair for the province to continue to identify the estimated total benefit of the provincial uploads based on the current year expenditure which will include increases related to caseload in addition to inflationary increases. These costs were never part of the County's budget and therefore the County did not levy tax for them and therefore does not have the ability to lower its taxation requirements.

The Province have provided the estimated 2018 provincial uploads in the amount of $7,063,900. This is an accumulation of the upload since 2009. Once again in their calculation they include cost increases that have occurred since the costs were uploaded such as caseload and inflationary increases. The Province's commitment to upload social assistance benefit costs, as well as court security and prisoner transportation costs, the latter do not directly impact Bruce County, will be fully implemented in 2018.

Financial/Staffing/Legal/ITS Consideration:

The annual budget reflects the current needs of the Human Services Program. There is no staffing, legal or ITS considerations associated with this report.

Interdepartmental Consultation:

The Director of Human Services is aware of the 2018 Provincial Uploads related to the Social Services Grant.

Link to Strategic Goals and Elements:

None.

Approved by:

Kelley Coulter
Chief Administrative Officer

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Ontario

November 20, 2017

Dear Treasurer/Clerk-Treasurer:

We are writing to provide you with an estimate of the benefit of the 2018 provincial uploads.

In 2018, the Province will have fully implemented its commitment to upload social assistance benefit costs as well as court security and prisoner transportation costs from the property tax base, as agreed with municipalities in 2008. The benefit of the uploads will continue to grow for municipalities as the Province continues to assume future growth in the cost of the uploaded programs.

As a result of the provincial uploads, municipalities will benefit from more than $2 billion in reduced costs in 2018 alone, for a total benefit of over $13.5 billion since the uploads began in 2008. The uploads have ensured that more property tax dollars are available for important municipal priorities, such as investments in infrastructure and economic development.

Your municipality's 2018 benefit from the provincial uploads is identified in Box A of the enclosed *2018 Upload Notice*. The *2018 Upload Notice* will also be posted on the Ministry of Finance website:

http://www.fin.gov.on.ca/en/budget/ompf/2018/
http://www.fin.gov.on.ca/fr/budget/ompf/2018/

If you require additional information, you may e-mail your inquiries and contact information to: info.ompf@ontario.ca.

Sincerely,

Information copy
Original signed by

Allan Doheny
Assistant Deputy Minister
Provincial Local Finance Division

c. Kate Manson-Smith
Assistant Deputy Minister
Local Government and Planning Policy Division
Ministry of Municipal Affairs and Housing

Elizabeth Harding
Assistant Deputy Minister
Municipal Services Division
Ministry of Municipal Affairs and Housing

Ontario Municipal Partnership Fund (OMPF)
2018 Upload Notice

County of Bruce

4100

2018 Highlights for the County of Bruce

- **The estimated total benefit of the 2018 provincial uploads for the County of Bruce is $7,063,900.**
  - **This is the equivalent of 6% of all municipal property tax revenue in the County.**
  - **This exceeds the County's 2017 upload benefit by $657,200.**
  - **This also exceeds payments received in 2004 by $6,443,900.**
- **The removal of these costs off the property tax base benefits all taxpayers within the County of Bruce.**

A	**Estimated 2018 Provincial Uploads**		**$7,063,900**
	1. Ontario Drug Benefits	$974,300	
	2. Ontario Disability Support Program - Administration Component	$442,700	
	3. Ontario Disability Support Program - Benefits Component	$3,990,500	
	4. Ontario Works - Benefits Component	$1,151,500	
	5. Ontario Works - Administration Component (Additional Support)	$504,900	
B	**2017 Provincial Uploads**		**$6,406,700**
C	**Increase in Provincial Uploads Compared to 2017 (Line A - Line B)**		**$657,200**

Note: See line item descriptions on the following page.

Issued: November 2017

Ontario Municipal Partnership Fund (OMPF)
2018 Upload Notice

County of Bruce

4100

2018 Upload Notice - Line Item Descriptions

A	Estimated 2018 municipal benefit resulting from the provincial upload of social assistance benefit programs and court security and prisoner transportation (CSPT) costs.
B	2017 Social Programs Cost. Equal to Line A of the 2017 Upload Notice.

Note: Provincial funding and other ongoing provincial support initiatives rounded to multiples of $100.