# Corporate Services Committee Agenda

Thursday, February 2, 2017
Council Chambers
County Administration Centre, Walkerton

## 1. Declaration of Pecuniary Interest

## 2. Action Items

A. Council Chambers Rental Request

## 3. Information Items

A. Municipal Property Assessment Corporation

B. 2017 Insurance Program

C. Financial Indicator Review

D. 2017 Property Assessment, Notional Tax Rate and 2017 Tax Rates

## 4. Next Meeting

March 2, 2017

## 5. Adjournment

Corporation of the County of Bruce
Corporate Services

brucecounty.on.ca

# Committee Report

**To:** Warden Mitch Twolan
Members of the Corporate Services Committee

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

**Date:** February 2, 2017

**Re:** **Request from Brockton to use County Council Chambers**

---

## RECOMMENDATION:

Staff are seeking Committee's direction related to rental of the Administration Centre's meeting space to outside organizations before preparing a cost analysis to establish a reasonable fee to cover the costs to provide staffing and related services after regular hours.

## BACKGROUND:

The municipality of Brockton has inquired to the renting of the Council Chambers at the County's Administration Centre at 30 Park Street Walkerton. The request is to hold Brockton's Council meetings, held the 2nd and 4th Monday of the month beginning at 7 pm and generally ending by 11 pm, in the County Council Chambers. Occasionally the meetings may begin as early as 4 pm.

Brockton staff would be responsible for the administration of the meeting and would require the use the computer equipment to project the agenda on the large screen for viewing. Council Members would provide their own laptops and access the guest wifi. The use of the coffee station and water coolers would likely be utilized and the washroom facilities.

The Administration Centre does not have regular maintenance staff in the building after 4:30 pm, however there is a part time employee on site until 8 pm on Monday evenings, collecting garbage, dusting and vacuuming.

## FINANCIAL/STAFFING/LEGAL/IT CONSIDERATIONS:

We currently do not have a rental charge established for this purpose. It would be wise to have County staff on site if the facility is rented to an outside organization. There is no legal or ITS considerations at this time.

## INTERDEPARTMENTAL CONSULTATION:

None.

**LINK TO STRATEGIC GOALS AND ELEMENTS:**
Goal #6 Explore alternate options to improve efficiency and service

**Approved by:**

Kelley Coulter
Chief Administrative Officer

Corporation of the County of Bruce
Corporate Services

brucecounty.on.ca

# Committee Report

**To:** Warden Mitch Twolan
Members of the Corporate Services Committee

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

**Date:** February 2, 2017

**Re:** Municipal Property Assessment Corporation

---

## RECOMMENDATION:

The Municipal Property Assessment Corporation Report is for information.

## BACKGROUND:

We have received the details related to the Ontario Municipal Property Assessment Corporation's 2017 funding requirements. In a letter to Heads of Council on December 12th MPAC's Board of Directors announced a province wide municipal levy increase of 2.65%. The Board has determined that the organization needs to make additional investment in its core business to serve their stakeholders. The levy amount for each municipality is determined by the levy formula and has been finalized with the delivery of the 2016 Assessment Roll. The 2017 charge for the County is $1,565,597, with a budget of $1,570,344.

## FINANCIAL/STAFFING/LEGAL/IT CONSIDERATIONS:

There are no staffing, legal or IT considerations associated with this report. The surplus of $4,747 will be included in the 2017 yearend results.

## INTERDEPARTMENTAL CONSULTATION:

None identified.

## LINK TO STRATEGIC GOALS AND ELEMENTS:

None identified

**Approved by:**

Kelley Coulter
Chief Administrative Officer

**Ministry of Finance**
Provincial-Local
Finance Division
10th Floor
777 Bay Street
Toronto ON M5G 2C8
Tel (416) 327-0264
Fax (416) 325-7644

**Ministère des Finances**
Division des relations provinciales-municipales en matière de finances
10e étage
777, rue Bay
Toronto (Ontario) M5G 2C8
Tél. : 416 327-0264
Téléc. : 416 325-7644

Ontario

December 21, 2016

Dear Municipal Treasurer,

I am writing to advise you of a number of important decisions for the 2017 taxation year related to municipal flexibility in setting tax policy and to provide a property assessment update.

Please note that all of these decisions will be reflected in the Online Property Tax Analysis (OPTA) system to support municipal property tax analysis and policy implementation.

The Province will update municipalities when regulations implementing the property tax policy decisions are in place.

## Property Tax - *2016 Ontario Economic Outlook and Fiscal Review* Update

### Vacant Rebate and Reduction Programs

As you may know, the Province has been reviewing the Vacant Unit Rebate and Vacant/Excess Land Subclasses. The review was initiated in response to municipal concerns regarding the appropriateness of the lower tax level provided through these programs and any unintended implications this may have for local economies.

Since the 1990s, these programs have 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 through the *2016 Ontario Budget* to facilitate potential program changes as a result of the ongoing review.

The Province is now moving forward with providing municipalities broad flexibility for 2017 and future years to tailor the programs to reflect community needs and circumstances, while considering the interests of local businesses. Municipalities can implement changes by notifying the Minister of Finance of their intent to utilize this flexibility and providing details of the proposed changes along with a council resolution.

As you are aware, the Province has an interest in continuing to ensure tax competitiveness and consistency for taxpayers and as such, will be encouraging municipalities to engage with their local business community.

To accommodate different municipal budgeting schedules, an administrative process has been put in place to provide municipalities three opportunities to notify the Minister of their intent. The Minister can be notified by one of the following dates to ensure requested amendments are included in regulation in a timely fashion:

- March 1, 2017
- April 1, 2017
- July 1, 2017

To further support the municipal implementation of any changes, the Ministry of Finance will provide a check-list. The check-list will include considerations for making changes to the programs, including engaging with your local business sector. To request a copy of the check-list or if you have any questions, please email info.propertytax@ontario.ca.

## Business Property Tax Capping

The Province is providing municipalities with increased flexibility to manage business property taxes through the business property tax capping program. This builds on 2016 enhancements to the capping program that provided municipalities increased flexibility to accelerate progress to current value assessment (CVA) level taxes, as well as the option to exit or phase-out from the program.

Beginning in 2017, eligibility criteria to allow municipalities to phase out the capping program are more extensive. Municipalities may choose to exclude vacant land from the phase-out eligibility criteria where all properties must be within 50% of CVA level taxes. Municipalities will also have the option to limit capping protection only to reassessment-related changes prior to 2017. For municipalities that select this option, reassessment-related increases, beginning in 2017, would not be subject to the cap.

The adoption of any flexibility measure is a municipal decision and would be enacted through a municipal by-law.

## Multi-Residential Properties

The Province has heard concerns about the significantly higher property tax burden for multi-residential apartment buildings and its potential implications for housing affordability in the rental market. In response to these concerns, the Province has announced it will review the property taxation of multi-residential apartment buildings. The review will involve extensive consultations with municipalities, as well as other affected stakeholders, including renters and apartment building owners. Consultations are anticipated to begin in early 2017.

Currently, the average municipal property tax burden on multi-residential apartment buildings is more than double that of residential properties. In many cases, multi-residential properties are taxed by municipalities at nearly three times the rate of residential properties. The inequity resulting from this higher property tax burden is especially concerning given the lower average incomes of tenants in multi-residential apartment buildings. In fact, the average income of apartment renters is less than half of other residential households.

While the review is under way, the Province will take steps to ensure that high municipal tax burdens on multi-residential properties do not increase. For these municipalities, this means that the municipal property tax burden for multi-residential properties will be no higher in 2017 than it was in 2016.

For the 2017 tax year, municipalities with a multi-residential tax rate that is double the residential rate or higher will be restricted from increasing this burden. This means, where the multi-residential tax ratio is greater than 2.0, a full levy restriction will be implemented and reassessment related shifts onto the multi-residential class will be prevented.

Since 1998, the Province has treated all forms of housing similarly by prescribing a uniform province-wide education tax rate for the residential and multi-residential property classes. To ensure equitable taxation for education purposes, the Province will continue to treat all forms of housing equally.

## Other Property Tax Decisions

### Property Tax Rate Calculation Adjustment

In response to municipal requests, a technical adjustment to the provincially prescribed notional property tax rate calculation was announced in the *2016 Ontario Budget*. This adjustment ensures that when calculating notional tax rates, municipalities and the Province are able to address any unintended effects due to specific in-year property assessment changes, such as assessment appeal losses.

Municipalities have the option to adjust the year-end assessment used in the notional property tax rate calculation to offset changes resulting from certain in-year reassessment related changes, including:

- Assessment Review Board decisions;
- Request for Reconsiderations;
- Post Roll Amended Notices; and
- Special Advisory Notices.

Applying the technical adjustment is an annual municipal decision and requires a council resolution.

In 2016, regulations were enacted for each municipality that adopted the adjustment. For 2017 and future years, the Ministry has taken steps to ensure a more streamlined process, which will not require further regulations. Adoption of the adjustment can be implemented for any municipality by selecting the adjustment through the OPTA system. Municipalities that do not use OPTA are required to send information including their calculations supporting their adjustment to the Ministry via email to info.propertytax@ontario.ca.

To ensure the ongoing integrity of education property tax revenues, the property tax rate calculation adjustment is also applied to education property tax rates.

### Tax Ratio Flexibility

Municipalities will continue to be provided with tax ratio flexibility to avoid most tax shifts that may occur between property classes as a result of phased-in reassessment impacts. For the 2017 tax year, municipalities that tax multi-residential properties at more than double the rate of residential properties will continue to have tax ratio flexibility, but will not be able to increase the multi-residential tax ratio. These municipalities will still be able to choose whether to use tax flexibility in response to reassessment-related tax shifts among other property classes.

### Modified Levy Restriction

Municipalities with property classes subject to the levy restriction will continue to have the flexibility to apply a municipal tax increase to those classes of up to 50 per cent of any increase applied to the residential class. For instance, a municipality levying a 2 per cent increase in residential taxes could raise taxes on any restricted class by up to 1 per cent. As noted above, a full levy restriction will apply to multi-residential properties with a tax ratio greater than 2.0 in 2017.

## Property Assessment Update

### Landfills Assessment Review

Earlier this year, the Ministry engaged former Cabinet Minister John Wilkinson to lead a review on the assessment methodology for landfills and make recommendations for the 2016 reassessment. Mr. Wilkinson delivered a report which recommended using an historic valuation approach for 2017 to 2020, implementing a new income approach for 2021 and future years, creating a new landfill property class, and excluding the value of environmental protection features from the assessed value of landfills. The Minister of Finance accepted these recommendations in June 2016.

In November 2016, Mr. Wilkinson submitted a second report advising on the technical implementation of his recommendations regarding the definition of the new landfill property class and the proposed tax ratio framework. Both reports on Landfills Assessment Review can be accessed from the Ministry's website at: http://www.fin.gov.on.ca/en/consultations/par/.

On December 13, 2016, an amendment to *Ontario Regulation 282/98* under the *Assessment Act* was filed, which implements several of the Landfills Assessment Review recommendations. The regulation:

- prescribes the use of the historic valuation methodology to assess landfills for the 2016 reassessment. The historic methodology values landfills as vacant industrial land, with structures assessed based on the replacement cost approach;
- prescribes the exclusion of environmental protection features from the assessed value of landfills; and
- establishes a new landfill property class, which is defined as recommended by Mr. Wilkinson.

The Minister's decisions regarding the tax ratio framework for the new landfill property class for 2017-2020 are anticipated in the near future.

Special Purpose Business Property Assessment Review

The Ministry worked in partnership with municipalities, the Municipal Property Assessment Corporation (MPAC) and stakeholders to complete the implementation of the recommendations of the Assessment Review (Special Purpose Business Property Assessment Review) to improve the property assessment system for the 2016 reassessment.

One of the key recommendations from the Assessment Review was the introduction of an advance disclosure process for special purpose business properties that involve complex assessment methodologies. MPAC completed the implementation of this process for the 2016 reassessment, which enabled affected municipalities and businesses to contribute to the determination of assessed values before the assessment roll was finalized.

The Ministry has published a final progress update bulletin which will summarize how each of the Assessment Review recommendations were implemented

The implementation plans for the Assessment Review recommendations were guided by the Assessment Review Reference Committee, which included municipal staff representatives. The insights and contributions from the Reference Committee were a crucial factor for the successful implementation of the Assessment Review recommendations.

Property Tax and Assessment Municipal Advisory Committee

The Ministry is committed to ongoing collaboration with municipalities to strengthen Ontario's property tax and assessment system.

Following the implementation of the Assessment Review recommendations, the Ministry will continue to engage with municipalities on assessment and tax policy matters. To further support this work, the Ministry established a Property Tax and Assessment Municipal Advisory Committee in spring 2016, which provides a collaborative environment for municipalities and the Province to discuss property tax and assessment policy issues.

## Contact Information

If you have any questions related to property tax policy decisions, please contact Andrea Chow, Manager, Property Tax Policy Unit at 416-327-0252 or Andrea.Chow@ontario.ca.

For questions related to the property assessment update, please contact Carolina Torres, Manager, Assessment Policy Unit at 416-325-4754 or Carolina.Torres@ontario.ca.

Sincerely,

*original signed by*

Allan Doheny
Assistant Deputy Minister

*Municipality*___________________________

*Certified Correct*________________________

*Date Certified*__________________________

## *County of Bruce*

### *2017 Assessment compared to 2016 Assessment for Taxation Purposes*

January 19, 2017

| MUNICIPALITY | | Total Residential | Total Multi-Residential | Commercial Includes Shopping Centres | Total Pipeline | Total Industrial | Total Farm | Managed Forests | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| **Municipality of Arran Elderslie** | **2016** | 480,848,148 | 11,407,500 | 28,572,720 | 2,148,000 | 7,694,232 | 270,811,900 | 1,113,800 | 802,596,300 |
| | **2017** | 481,049,692 | 11,004,475 | 27,923,141 | 2,178,250 | 7,592,238 | 329,532,775 | 1,164,475 | 860,445,046 |
| | **% +/-** | 0.04% | -3.53% | -2.27% | 1.41% | -1.33% | 21.68% | 4.55% | 7.21% |
| **Municipality of Brockton** | **2016** | 756,397,226 | 22,094,500 | 68,282,039 | 2,429,000 | 9,081,985 | 292,120,300 | 1,829,900 | 1,152,234,950 |
| | **2017** | 770,238,925 | 25,222,500 | 66,568,863 | 2,497,000 | 9,506,825 | 376,516,263 | 2,310,350 | 1,252,860,726 |
| | **% +/-** | 1.83% | 14.16% | -2.51% | 2.80% | 4.68% | 28.89% | 26.26% | 8.73% |
| **Township of Huron Kinloss** | **2016** | 1,071,426,750 | 7,386,000 | 25,725,142 | 0 | 7,401,793 | 407,304,000 | 1,539,100 | 1,520,782,785 |
| | **2017** | 1,057,088,950 | 7,039,000 | 24,412,584 | 0 | 7,898,586 | 487,678,475 | 1,768,600 | 1,585,886,195 |
| | **% +/-** | -1.34% | -4.70% | -5.10% | 0.00% | 6.71% | 19.73% | 14.91% | 4.28% |
| **Municipality of Kincardine** | **2016** | 1,469,211,210 | 16,969,000 | 238,762,523 | 0 | 95,678,147 | 349,139,575 | 2,478,200 | 2,172,238,655 |
| | **2017** | 1,436,144,750 | 17,226,425 | 232,224,175 | 0 | 106,137,425 | 421,622,700 | 2,963,800 | 2,216,319,275 |
| | **% +/-** | -2.25% | 1.52% | -2.74% | 0.00% | 10.93% | 20.76% | 19.59% | 2.03% |
| **Municipality of Northern Bruce Peninsula** | **2016** | 1,433,619,323 | 5,203,000 | 36,889,426 | 0 | 2,749,418 | 55,977,600 | 4,049,130 | 1,538,487,897 |
| | **2017** | 1,406,411,001 | 6,437,550 | 33,842,065 | 0 | 2,812,101 | 65,968,300 | 4,178,673 | 1,519,649,690 |
| | **% +/-** | -1.90% | 23.73% | -8.26% | 0.00% | 2.28% | 17.85% | 3.20% | -1.22% |
| **Town of Saugeen Shores** | **2016** | 2,250,466,839 | 41,515,510 | 150,593,368 | 4,780,000 | 2,628,275 | 71,921,400 | 1,689,150 | 2,523,594,542 |
| | **2017** | 2,244,339,914 | 40,083,058 | 145,220,619 | 4,890,000 | 2,548,037 | 89,218,319 | 2,283,063 | 2,528,583,010 |
| | **% +/-** | -0.27% | -3.45% | -3.57% | 2.30% | -3.05% | 24.05% | 35.16% | 0.20% |
| **Municipality of South Bruce** | **2016** | 391,035,490 | 5,721,000 | 19,141,405 | 2,896,000 | 5,624,005 | 442,738,500 | 769,300 | 867,925,700 |
| | **2017** | 395,908,264 | 5,543,750 | 18,252,450 | 2,950,250 | 5,638,286 | 515,007,825 | 785,050 | 944,085,875 |
| | **% +/-** | 1.25% | -3.10% | -4.64% | 1.87% | 0.25% | 16.32% | 2.05% | 8.77% |
| **Town of South Bruce Peninsula** | **2016** | 1,679,377,930 | 9,613,940 | 69,072,346 | 2,820,000 | 8,872,164 | 74,964,300 | 6,849,290 | 1,851,569,970 |
| | **2017** | 1,653,243,092 | 9,185,125 | 69,343,151 | 2,879,000 | 8,581,313 | 90,886,400 | 7,644,393 | 1,841,762,474 |
| | **% +/-** | -1.56% | -4.46% | 0.39% | 2.09% | -3.28% | 21.24% | 11.61% | -0.53% |
| **TOTALS** | **2016** | 9,532,382,916 | 119,910,450 | 637,038,969 | 15,073,000 | 139,730,019 | 1,964,977,575 | 20,317,870 | 12,429,430,799 |
| | **2017** | 9,444,424,588 | 121,741,883 | 617,787,048 | 15,394,500 | 150,714,811 | 2,376,431,057 | 23,098,404 | 12,749,592,291 |
| | **% +/-** | **-0.92%** | **1.53%** | **-3.02%** | **2.13%** | **7.86%** | **20.94%** | **13.69%** | **2.58%** |

Corporation of the County of Bruce
Corporate Services



# Committee Report

**To:** Warden Mitch Twolan
Members of the Corporate Services Committee

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

**Date:** February 2, 2017

**Re:** Insurance Program

---

## RECOMMENDATION:

The 2017 Insurance Program Report advising that the 2017 Program has been awarded to Jardine Lloyd Thompson Canada Incorporated in the annual amount of $610,55, an increase of 4.81% before taxes, is for information.

## BACKGROUND:

In a report to Committee on May 1, 2014, it was agreed that the 2015 Insurance Program would be open for invitations for Request for Proposals for traditional insurance.

The County last entertained a Request for Proposal for general insurance and risk management services for the 2010 program. This was at a time when the County, along with many upper tier and lower tier municipalities were experiencing increases upwards of 25%.

The Request for Proposal closed on August 12, 2014 and the Staff Evaluation Committee completed the two-step review.

Two submissions were received, both of whom met the requirements of the Step One Evaluation which led to Step Two which is the financial component. Based on the financial component, the highest ranked proposal, who was also the lowest cost was awarded the 2015 program in the amount of $585,089. The 2014 Program costs were $719,159.20.

The Request for Proposal allowed for up to three one-year renewal extensions and in 2016 the coverage was renewed at a cost of $582,551. We have been in consultation with Jardine Lloyd Thompson Canada Inc. who have advised that our renewal rate for 2017 will increase to $610,551 determined by claims and program additions and deletions as well as the overall industry experience. We believe that this is an acceptable increase.

2017 will be the final year for the one-year renewal extensions and so a decision will be reviewed in the coming months to consider a Request for Proposal for the County's general insurance and risk management services beginning January 1, 2018.

## FINANCIAL/STAFFING/LEGAL/IT CONSIDERATIONS:

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

## INTERDEPARTMENTAL CONSULTATION:

Directors have been advised of the average 4.81% increase, which may vary by Department. The 2017 budget included a 5% increase to the general insurance program.

## LINK TO STRATEGIC GOALS AND ELEMENTS:

None.

**Approved by:**

Kelley Coulter
Chief Administrative Officer

Corporation of the County of Bruce
Corporate Services



# Committee Report

**To:** Warden Mitch Twolan
Members of the Corporate Services Committee

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

**Date:** February 2, 2017

**Re:** Financial Indicator Review Report

---

**RECOMMENDATION:**
The Financial Indicator Review Report is for information.

**BACKGROUND:**
Annually the Ministry of Municipal Affairs and Housing prepare and release the Financial Indicator Review based on the prior years' Financial Information Return (FIR). Attached is the County of Bruce Financial Indicator Review based on the 2015 Financial Information Return.

It is important to note that in all but one indicator, the County's level of challenge is rated low. The County has been rated as having a moderate challenge with respect to Asset Consumption Ratio, a new indicator added in 2016. In 2016, the indicator Net Book Value of Capital Assets as a % of Cost of Capital Assets (NBV) was replaced by the indicator Asset Consumption Ratio. Asset Consumption Ratio is an indicator of asset consumption which is the reverse of the previous NBV indicator, which measured remaining life.

Asset Consumption Ratio measures the extent to which depreciable assets have been consumed by comparing the amount of the assets that have been used up and their cost. While rated moderate Bruce County is still below the comparable median and average.

**FINANCIAL/STAFFING/LEGAL/IT CONSIDERATIONS:**
There are no financial, staffing, legal or IT considerations associated with this report.

**INTERDEPARTMENTAL CONSULTATION:**
This report will be shared with the Senior Management Team.

**LINK TO STRATEGIC GOALS AND ELEMENTS:**

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

**Approved by:**

Kelley Coulter
Chief Administrative Officer

# FINANCIAL INDICATOR REVIEW

(Based on 2015 Financial Information Return)

## Bruce Co

| | | | |
|---|---|---|---|
| Date Prepared: | 16-Sep-16 | Tier: | Upper Tier |
| MSO Office: | Western Ontario | MAH Code: | 41000 |
| Prepared By: | Chandra Alexander | MUNID: | 41000 |
| | | REV Code: | 4100 |

# FINANCIAL INDICATORS

| Indicator | Ranges | Year | Actuals | South - UT - Counties Median | South - UT - Counties Average | Level of Challenge |
|---|---|---|---|---|---|---|
| Net Financial Assets or Net Debt as a % of Own Purpose Taxation Plus User Fees | Low: > -50%<br>Mod: -50% to -100%<br>High: < -100% | 2011 | -48.4% | 21.5% | 6.4% | LOW |
| | | 2012 | -36.0% | 23.4% | 11.9% | LOW |
| | | 2013 | -26.7% | 20.2% | 16.3% | LOW |
| | | 2014 | -27.9% | 19.4% | 17.3% | LOW |
| | | 2015 | -19.3% | 28.1% | 22.3% | LOW |
| Total Reserves and Discretionary Reserve Funds as a % of Operating Expenses | Low: > 20%<br>Mod: 10% to 20%<br>High: < 10% | 2011 | 24.6% | 25.3% | 30.7% | LOW |
| | | 2012 | 28.5% | 27.5% | 32.9% | LOW |
| | | 2013 | 28.6% | 24.6% | 33.2% | LOW |
| | | 2014 | 27.7% | 26.5% | 33.3% | LOW |
| | | 2015 | 28.1% | 27.0% | 35.9% | LOW |
| Debt Servicing Cost as a % of Total Operating Revenue | Low: < 5%<br>Mod: 5% to 10%<br>High: > 10% | 2011 | 5.2% | 2.2% | 2.1% | MODERATE |
| | | 2012 | 5.1% | 2.1% | 2.1% | MODERATE |
| | | 2013 | 4.8% | 2.1% | 2.0% | LOW |
| | | 2014 | 4.7% | 2.0% | 1.9% | LOW |
| | | 2015 | 4.7% | 1.7% | 1.8% | LOW |
| Total Taxes Receivable less Allowance for Uncollectables as a % of Total Taxes Levied | Low: < 10%<br>Mod: 10% to 15%<br>High: > 15% | 2011 | 0.0% | 0.0% | 0.0% | LOW |
| | | 2012 | 0.0% | 0.0% | 0.0% | LOW |
| | | 2013 | 0.0% | 0.0% | 0.0% | LOW |
| | | 2014 | 0.0% | 0.0% | 0.0% | LOW |
| | | 2015 | 0.0% | 0.0% | 0.0% | LOW |
| Total Cash and Cash Equivalents as a % of Operating Expenses | Low: > 10%<br>Mod: 5% to 10%<br>High: < 5% | 2011 | 25.7% | 21.6% | 27.8% | LOW |
| | | 2012 | 28.6% | 23.2% | 30.8% | LOW |
| | | 2013 | 31.8% | 24.6% | 33.1% | LOW |
| | | 2014 | 30.9% | 22.3% | 30.5% | LOW |
| | | 2015 | 32.4% | 28.5% | 31.0% | LOW |
| Net Working Capital as a % of Total Municipal Operating Expenses | Low: > 10%<br>Mod: 10% to -10%<br>High: < -10% | 2011 | 20.7% | 20.1% | 24.8% | LOW |
| | | 2012 | 24.5% | 22.1% | 27.4% | LOW |
| | | 2013 | 25.3% | 21.6% | 28.7% | LOW |
| | | 2014 | 24.4% | 20.9% | 27.4% | LOW |
| | | 2015 | 26.2% | 23.8% | 28.8% | LOW |
| * Asset Consumption Ratio | Low: < 25%<br>Mod: 26% to 75%<br>High: > 75% | 2011 | 34.3% | 41.8% | 44.7% | MODERATE |
| | | 2012 | 36.3% | 42.3% | 45.8% | MODERATE |
| | | 2013 | 38.4% | 43.0% | 46.7% | MODERATE |
| | | 2014 | 40.1% | 44.0% | 47.5% | MODERATE |
| | | 2015 | 41.7% | 45.9% | 49.0% | MODERATE |

# F I N A N C I A L   I N D I C A T O R   R E V I E W

(Based on 2015 Financial Information Return)

## Bruce Co

*************************************************************************************************************************************

*The data and information contained in this document is for informational purposes only. Any use of the data and information in this document should be done by qualified individuals. This information is not intended to be used on its own and should be used in conjunction with other financial information and resources available.*

*************************************************************************************************************************************

# FINANCIAL INDICATOR REVIEW

(Based on 2015 Financial Information Return)

## Bruce Co

## NOTES

*Financial Information Returns ("FIRs") are a standard set of year-end reports submitted by municipalities to the Province which capture certain financial information. On an annual basis, Ministry staff prepare certain financial indicators for each municipality, based on the information contained in the FIRs. It is important to remember that these financial indicators provide a snapshot at a particular moment in time and should not be considered in isolation, but supported with other relevant information sources. In keeping with our Financial Information Return review process and follow-up, Ministry staff may routinely contact and discuss this information with municipal officials.*

### *Additional Notes on what Financial Indicators may indicate:*

**Net Financial Assets or Net Debt as a % of Own Purpose Taxation Plus User Fees** - *How much tax and fee revenue is servicing debt?*

**Reserves and Reserve Funds as a % of Operating Expenses** - *How much money is set aside for future needs / contingencies?*

**Debt Charges as a % of Total Operating Revenue** - *How much of each dollar raised is spent on debt?*

**Total Taxes Receivable less Allowance for Uncollectables as a % of Total Taxes Levied** - *How much of the taxes billed are not collected.*

**Total Cash and Cash Equivalents as a % of Operating Expenses** - *How much cash and liquid investments could be available to cover operating expenses?*

**Net Working Capital as a % of Total Municipal Operating Expenses** - *How much cash, receivables and inventory less short-term debt could be available to cover operating expenses?*

**Asset Consumption Ratio** - *(expressed as a percentage) measures the age of a municipality's physical assets. It measures the extent to which depreciable assets have been consumed by comparing the amount of the assets that have been used up and their cost.*

*< 25% - Relatively NEW Infrastructure*
*26% to 50% - Moderately NEW Infrastructure*
*51% to 75% - Moderately OLD Infrastructure*
*>75% - OLD Infrastructure*

** In 2016, the indicator Net Book Value of Capital Assets as a % of Cost of Capital Assets (NBV) has been replaced by the indicator Asset Consumption Ratio. Asset Consumption Ratio is an indicator of asset consumption which is the reverse of the previous NBV indicator, which measured remaining life.*

Corporation of the County of Bruce
Corporate Services



# Committee Report

**To:** Warden Mitch Twolan
Members of the Corporate Services Committee

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

**Date:** February 2, 2017

**Re:** **2017 Property Assessment, Notional Tax Rate and** Tax Rates

---

## RECOMMENDATION:

The 2017 Property Assessment, Notional Tax Rate and Tax Rates Report is for information.

## BACKGROUND:

### Assessment

A province-wide assessment update took place in 2016 for the 2017 – 2020 property tax years. The information report presented to Committee on January 6, 2017 provided additional details related to the update and indicated that the detailed analysis of the 2017 taxable assessment and tax rates would be presented in February.

The report has been completed and is attached. The significant percentage increases in assessment for taxation purposes is to the Farmland class at 20.94%. While the percentage of Farmland related to overall assessment did increase significantly this year, the Farmland class combined with the other classes, including commercial and industrial, are minor compared to the $9.5 billion in residential assessment. Residential assessment accounts for 74% of the total taxable assessment; however that is a decrease from 76.69% in 2016 with the increase in Farmland assessment. Farmland and Managed Forest accounts for just under 19% of the County's taxable assessment which is an increase of 3% over 2016 totals. These numbers are also illustrated in the attached analysis.

### Notional Tax Rate

The Notional Tax Rate, ie. the residential tax rate for 2017 assuming the same levy requirement as 2016 applying the new assessment, reflects a residential tax rate of 0.12% less than the 2016 residential tax rate.

2016 Tax Rate– .00374629
2017 Notional - .00374175

$374.63 per $100,000 assessment compared to $374.18 based on 2017 phased-in assessment and 2016 levy requirement.

Corporation of the County of Bruce
Corporate Services 

**2017 Tax Rates**
Attached is a summary of the 2017 Tax Rates which are required to be adopted by by-law. A copy of the draft bylaw to be introduced for adoption on March 2nd is also attached.

**FINANCIAL/STAFFING/LEGAL/IT CONSIDERATIONS:**
There are no staffing, legal or IT considerations associated with this report.

**INTERDEPARTMENTAL CONSULTATION:**
None.

**LINK TO STRATEGIC GOALS AND ELEMENTS:**
None identified

**Approved by:**

Kelley Coulter
Chief Administrative Officer

# 2017 Tax Rate Summary

| | Class 1 Tax Rate | | Tax Ratio | | Vacancy Factor | | 2017 Tax Rates | 2016 Tax Rates | Variance | Increase on $100K Assessment |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 -Residential and Farm | 0.00387743 | x | 1.0000 | x | 100% | = | 0.00387743 | **0.00374629** | 0.00013114 | 13.11 |
| -farmland awaiting development | 0.00387743 | x | 1.0000 | x | 75% | = | 0.00290807 | **0.00280972** | 0.00009836 | 9.84 |
| 2 -Multi-Residential | 0.00387743 | x | 1.0000 | x | 100% | = | 0.00387743 | **0.00374629** | 0.00013114 | 13.11 |
| 3 -Commercial | 0.00387743 | x | 1.2331 | x | 100% | = | 0.00478126 | **0.00461955** | 0.00016171 | 16.17 |
| -vacant bldg, excess land | 0.00387743 | x | 1.2331 | x | 70% | = | 0.00334688 | **0.00323368** | 0.00011320 | 11.32 |
| -vacant land | 0.00387743 | x | 1.2331 | x | 70% | = | 0.00334688 | **0.00323368** | 0.00011320 | 11.32 |
| 4 -Industrial | 0.00387743 | x | 1.7477 | x | 100% | = | 0.00677658 | **0.00654739** | 0.00022920 | 22.92 |
| -vacant bldg, excess land | 0.00387743 | x | 1.7477 | x | 65% | = | 0.00440478 | **0.00425580** | 0.00014898 | 14.90 |
| -vacant land | 0.00387743 | x | 1.7477 | x | 65% | = | 0.00440478 | **0.00425580** | 0.00014898 | 14.90 |
| 5 -Pipelines | 0.00387743 | x | 1.0164 | x | 100% | = | 0.00394102 | **0.00380773** | 0.00013329 | 13.33 |
| 6 -Farmlands | 0.00387743 | x | 0.2500 | x | 100% | = | 0.00096936 | **0.00093657** | 0.00003279 | 3.28 |
| 7 -Managed Forest | 0.00387743 | x | 0.2500 | x | 100% | = | 0.00096936 | **0.00093657** | 0.00003279 | 3.28 |

**The Corporation of the County of Bruce**

**By-law Number 2017 -**

**A by-law to adopt estimates, tax ratios and tax rates for the Year 2017**

Section 308 (4) of the *Municipal Act, 2001*, as amended, provides that an upper-tier municipality shall pass a by-law in each year to establish the tax ratios for that year for the upper-tier municipality and its lower-tier municipalities.

On the adoption of the Minutes of the Corporate Services Committee dated November 3, 2016, Council approved the County of Bruce estimates of all sums required during 2017 for the purposes of the upper-tier municipality.

Section 311(2) of the *Municipal Act, 2001*, as amended provides that an upper-tier municipality shall pass a by-law directing each lower-tier municipality to levy a separate tax rate, as specified in the by-law, on the assessment in each property class in the lower-tier municipality rateable for upper-tier purposes.

**The Council for the Corporation of the County of Bruce enacts By-law 2017 -**

1. The 2017 estimates for County purposes are adopted in the amount of $43,421,393.

2. The tax ratios established for the County of Bruce for the 2016 taxation year are as follows:

| | |
|---|---|
| Residential | 1.0000 |
| Multi-Residential | 1.0000 |
| Commercial | 1.2331 |
| Industrial | 1.7477 |
| Pipeline | 1.0164 |
| Farm Lands | 0.2500 |
| Managed Forests | 0.2500 |

The established tax ratios are to be utilized for both upper-tier and lower-tier purposes.

3. The tax rate reduction for:

a) the vacant land and excess land subclasses in the commercial property class is 30%;
b) the vacant land and excess land subclasses in the industrial property class is 35%;
c) the first class of farmland awaiting development in the residential, multi-residential, commercial or industrial property classes is 25%;
d) the second class of farmland awaiting development in the residential, multi-residential, commercial or industrial property classes is 0%.

4. The General County Tax Rate for 2016 to be applied to assessment in each municipality is as follows for each property class:

| | | |
|---|---|---|
| a) | Residential and Farm | .00387743 |
| b) | Farmland Awaiting Development | .00290807(75% of residential) |
| c) | Multi-Residential | .00387743 |
| d) | Commercial – occupied * | .00478126 |
| e) | Commercial – vacant building, excess land | .00334688 (70% of commercial occupied) |
| f) | Commercial – vacant land | .00334688(70% of commercial occupied) |
| g) | Industrial – occupied | .00677658 |
| h) | Industrial – vacant building, excess land | .00440478 (65% of industrial occupied) |
| i) | Industrial – vacant land | .00440478 (65% of industrial occupied) |
| j) | Pipelines | .00394102 |
| k) | Farm Lands | .00096936 |
| l) | Managed Forests | .00096936 |

* Includes Parking Lot GT

5. The estimated amounts to be raised in each local municipality are as follows:

| | |
|---|---|
| Arran-Elderslie | $ 2,420,716 |
| Brockton | $ 3,842,279 |
| Huron-Kinloss | $ 4,769,942 |
| Kincardine | $ 7,858,608 |
| Northern Bruce Peninsula | $ 5,725,964 |
| Saugeen Shores | $ 9,672,064 |
| South Bruce | $ 2,193,297 |
| South Bruce Peninsula | $ 6,938,523 |

6. The amounts raised by each local municipality shall be paid to the County in the following installments:

a) 25 percent of the amount required for County purposes in the prior year, on or before the 31st day of March.

b) 50 percent of the amount required for County purposes in the current year, on or before the 30th day of June, less the amount of the installment paid under a).

c) 25 percent of such current amount on or before the 29th day of September.

d) the balance of the entitlement for the year on or before the 15th day of December

That in the case of non-payment of any installment or portion thereof on the due dates, the municipality so in default shall pay to the County, interest thereon from the day of default to the date that the payment is made at the minimum lending rate of the majority of chartered banks on the day of default.

7. This by-law shall come into effect on the date it is passed by Council.

Passed this 2nd day of March, 2017

**Mitch Twolan**
**Warden**

**Donna Van Wyck**
**Clerk**