

City Council Information Items

April 24, 2020

Items for information is a weekly publication for the public and members of City Council. Members of City Council may request that any item appearing on this publication be placed onto the next available Committee of the Whole meeting for discussion.

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None	

Information Report



Service Area	Corporate Services
Date	Friday, April 24, 2020
Subject	2019 Annual Report of the Integrity Commissioner

Executive Summary

Purpose of Report

To provide a summary of the activities carried out by the Integrity Commissioner during 2019 since the date of his last annual report for 2018.

Key Findings

N/A

Financial Implications

N/A

Report

Background

I served Guelph Council as Integrity Commissioner for almost 9 years being first appointed by By-law on November 28, 2011. I was the successful proponent on two Requests for Proposal and my term expires on December 31, 2020.

My duties in Guelph as Integrity Commissioner include the following:

1. To provide education and advice to individual members of Council, Council as a whole, members of City staff and the public on interpretation of the Council Code of Conduct (the "Code") and under the Municipal Conflict of Interest Act.
2. To conduct inquiries under the Municipal Act into whether a member has contravened any applicable provision of the Code, including settling any such complaints; and
3. To investigate, upon request, alleged violations of the Municipal Conflict of Interest Act.

General Activity

Most of my activity during the year was giving advice to members of Council, local boards, staff and the public. I had seven requests for advice from various members of Council, one from a member of a local board, four from members of the public and several more from staff. I am required to keep this advice confidential.

I was requested to participate in a podcast with an organization known as Guelph Politico. I enquired into the reputation of the organization with Mr. O'Brien and he advised me that it was a respected member of the Guelph media. As part of my public education function, I agreed to attend the University of Guelph on May 23, 2019 for the session. It consisted of informed questions and answers about my role in the City and I believe that it was informative for its audience.

Complaints

I received four complaints against members of Council during the year, all of which were dismissed by me, with detailed reasons and communicated to the complainant by confidential e-mail. In some cases I notified the respondent and/or staff of my decision, depending on the circumstances. I had conversations and correspondence with a representative of the Ontario Ombudsman's office regarding a protest to that office about one of my decisions to dismiss. The Ombudsman's office was satisfied with my response. I choose to keep the details of all of these complaints confidential, except one. It was filed by a complainant who requested to be anonymous and I will not identify the respondent member of Council.

The complaint related to social media which has become increasingly used by members of Council across the Province, both in elections and to communicate with their constituents while in office. In my 12 years serving as Integrity Commissioner for many municipalities, I have had several complaints relating to the use of social media. Its use in elections has different issues arising than during a term of Council.

The example in Guelph is a Facebook group maintained by a member of Council after the election, to inform his or her ward of information relating to the City. In other complaints it has been argued that this is a municipal facility maintained at the City's cost and all constituents should have unrestricted access to it. Access includes not only the resident reading all posts on the page but also the ability to personally post their own comments. The cost argument fails because there is no cost to set up a social media facility. Also all of the complaints I have received, as in Guelph, related to a facility set up on a computer owned and paid for by the member.

I came to the conclusion that if a member of Council is required to accept malicious or even personally negative posts on his or her social media page, no such facility would be maintained by any member of Council. In my opinion, that would be an unfortunate loss to the spread of information in a ward.

The complaint in Guelph was that the Councillor blocked several very negative posts by the complainant. Before I dismissed it, I spoke to the complainant and offered to request the Councillor to "mute" the complainant rather than block him or her. This would allow the reading of all posts but not posting by the complainant. The complainant declined to have me pass on the request to the respondent. In these circumstances, I always recommend that "mute" be chosen over "block".

Municipal Integrity Commissioners of Ontario

During the year, I participated in meetings of the Integrity Commissioners of Ontario (MICO) where all of the Commissioners in Ontario discuss items of mutual

interest. The Ontario Ombudsman and the Provincial Municipal Affairs Department are represented in all such meetings.

In closing, I would be remiss if I did not thank all members of Council and staff for their respectful cooperation throughout the year. It has been a distinct pleasure to serve the City of Guelph as its Integrity Commissioner.

Financial Implications

N/A

Consultations

Consultation occurred with the Clerk's Department on all complaints received and in most cases with the respondent Councillor.

Report Author

Robert J. Swayze, Integrity Commissioner

This report was approved by:

Robert J. Swayze
Integrity Commissioner
519-942-0071

Information Report



Service Area	Corporate Services
Date	Friday, April 24, 2020
Subject	2020 Selection and Appointment of External Auditor

Executive Summary

Purpose of Report

To provide an overview of the process to be followed for the selection and appointment of the external auditor in 2020.

Key Findings

The process for the selection and appointment of the external auditor is governed by a Council-approved policy. A request for proposal (RFP) is required to be issued after the completion of the 2019 external audit and will cover the years 2020 through 2024. The Chair and Vice-chair of the Audit Committee will participate in the selection of the external auditing firm. Council will be required to approve the recommended external auditor in the fall of 2020.

Financial Implications

There are no financial implications resulting from this report.

Report

Details

Section 296 of the Municipal Act, 2001 requires that a municipality shall appoint an auditor licensed under the Public Accounting Act, and that the term of the appointment shall not exceed five years.

In 2015 the City issued an RFP for City Auditor covering the fiscal years 2015 to 2019. The successful bidder was KPMG and audit services have been provided to the City for the aforementioned years.

The process for the selection and appointment of the external auditor is governed by a Council-approved policy. An RFP is required to be issued after the completion of the 2019 external audit and will cover the years 2020 through 2024. The Chair and Vice-chair of the Audit Committee will participate in the selection of the external auditing firm.

The key components related to the selection and appointment of the external auditor are:

1. RFP process and timelines

2. Composition of the evaluation committee
3. Evaluation criteria
4. Independence considerations
5. Content of the RFP
6. RFP evaluation and recommendation

Financial Implications

There are no financial implications resulting from this report.

Consultations

Staff will be consulting with the City's Local Boards and related agencies to be part of the RFP process. While this does not obligate those entities to use the City's external auditor, it enables pricing for audit services for consideration and efficiency in procurement processes.

Strategic Plan Alignment

Competitive procurement supports the Strategic Plan's Working Together for our Future pillar through maintaining a fiscally responsible local government.

Attachments

None noted.

Report Author

Shanna O'Dwyer, Manager of Financial Reporting and Accounting

This report was approved by:

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General Manager Finance/City Treasurer
Corporate Services
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This report was recommended by:

Trevor Lee
Deputy Chief Administrative Officer
Corporate Services
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Information Report



Service Area	Corporate Services
Date	Friday, April 24, 2020
Subject	Community Benefit Charge Planning Report

Executive Summary

Purpose of Report

Provide an update to Council and the community on the ongoing discussion between the Province and municipalities regarding changes proposed as part of the More Homes, More Choices Act (Bill 108) and subsequent amendments through the Plan to Build Ontario Together Act, 2019 (Bill 138).

Key Findings

The most recent draft regulations, released February 28, 2020 provide some significant changes which were requested by municipalities over the last year.

- Recreation, parkland development, long-term care, public health and libraries will continue to be a part of the Development Charge Act (DCA) and are no longer subject to the 10% statutory deduction or the 10-year planning horizon.
- The community benefit charge (CBC) will apply to services not covered by the DCA, specific to the City are parkland acquisition, parking services, affordable housing, court services and child care services.
- The proposed limit for the CBC for single-tier municipalities is 15% of assessed land value on the day prior to permit issuance.

These are favourable changes from the original proposed CBC/DCA legislation and maintains the City's ability to develop revenue projections consistently for those allowable services in the DCA, which improves long-term planning abilities.

The capped single rate CBC however, will not be sufficient to fund all the capital requirements for eligible services. The City currently has debt obligations and future commitments for parking and court services development charges (DCs) that will be moved into the CBC regime. These funds will now compete with parkland acquisition funding as well as funding that was previously planned under the density bonusing authority.

Financial Implications

The ultimate financial implications of the CBC will not be known until the required planning and strategy development are completed, however initial estimates show that the 15% will not be sufficient to cover all the eligible services. In addition, the application of the 15% to land value will provide a discount to high density development relative to low density, which will reduce the overall revenue collected and inequitably distribute the cost of services amount to new residents.

Report

Details

In May 2019, the Ministry of Municipal Affairs and Housing released the More Homes, More Choice: Ontario's Housing Supply Action Plan and subsequently the More Homes, More Choice Act (Bill 108) which received Royal Assent on June 6, 2019. The Bill introduced changes to the Planning Act and the DCA, among 12 other pieces of legislation with the goal of increasing housing supply and improving housing affordability. The key changes impacting the City's ability to recover the cost of growth-related infrastructure from new development included:

- Moving all soft services (libraries, parks, recreation, parking, affordable housing) from the development charge to a new authority under section the Planning Act
- Including parkland acquisition under the same new authority
- Changing the timing of DC calculation and collection
- New exemptions for rental housing, affordable housing, nursing homes, retirement homes, clubhouses related to the Legion

The City provided comments to the proposed changes August 2019, through ERO 019-0183 and ERO 019-0184. On November 6, 2019, amendments to the CBC provisions under the Planning Act were introduced through the Plan to Build Ontario Together Act, 2019 (Bill 138) that provided transitional provisions for parkland dedication and introduced a mechanism to appeal the CBC by-law.

On February 28, 2020, the Ministry released a second regulatory proposal for the changes to the DCA and the Planning Act that are open for public feedback (ERO 019-1406) until April 20, 2020.

The key changes being proposed include:

- Recreation, parkland development, long-term care, public health and libraries will continue to be a part of the DCA and are no longer subject to the 10 % statutory deduction or the 10-year planning horizon.
- The CBC will require a Council-approved strategy that outlines the planned growth-related capital investment (similar to the current DC Study) for all eligible services and must also include a parks plan. Eligible services include parkland acquisition, parking services, affordable housing, court services and child care services.
- The CBC will apply to both residential and non-residential development and redevelopment and shall not exceed the following percentages of land values:
 - Single-tier municipalities: 15%
 - Lower-tier municipalities: 10%
 - Upper-tier municipalities: 5%
- Once in effect, the CBC will replace three existing revenue tools (DCs, parkland cash-in-lieu and density bonusing).

The City provided comments on April 20, 2020 on the following components of the legislation:

- Requirements of the CBC strategy

- Services eligible to be funded through DCs
- Percentage of land value for determining a maximum CBC
- Timeline to transition to the new CBC regime
- CBC by-law notice
- Minimum interest rate for CBC refunds where a by-law has been successfully appealed
- Building code applicable law

The City's comments can be found in Attachment-1: ERO-019-1406 City of Guelph Response.

The critical issues from the City's perspective and addressed in the attached response are:

- Inclusion of planning studies related to eligible services under the CBC to be eligible for funding under the CBC
- Shifting additional services to the DCA from the CBC including planning studies
- Impact of the 15% CBC cap being established at a City-wide level but applied on a development by development basis, and the related discrepancy between high and low density cost on a per unit basis
- Extending the timeline for transition to two years to provide adequate time for strategy development, public engagement and transition planning

Financial Implications

The amendments posted February 28, 2020 represent a significant improvement to the City's overall financial sustainability from the original proposal made in June of 2019. Moving park development and recreation from the CBC to the DCA will enable the City to recover the necessary cost of constructing the infrastructure required to accommodate growth for those services.

The added exemptions introduced in June relating to long-term care, retirement homes, hospices, non-profit housing and Legion related development will continue to put pressure on the City's tax and rate supported budgets.

The full impact of the changes to the DCA and the Planning Act through Bill 108 and Bill 138 will be known once the final regulations are provided and transitional issues like existing reserve fund balances and debt obligations are known.

Initial estimates show that the 15% will not be sufficient to cover all the eligible services. In addition, the application of the 15% land value cap will provide a discount to high density development relative to low density, which will reduce the overall revenue collected and inequitably distribute the cost of services amount new residents.

Consultations

A City-wide consultation process was carried out that included representatives from Planning and Building Services, Parks Planning, Legal Services, Strategy, Innovation and Intergovernmental Services and Engineering and Transportation Services. In addition, participation in municipal working groups through the Municipal Finance Officers Association provided input from colleagues across the province. Commentary and guidance was also provide by Watson and Associates, the City's consultant on the most recent Development Charge Background Study.

Strategic Plan Alignment

These recommendations align with the Strategic Plan's Working Together for our Future priority to run an effective, fiscally responsible and trusted local government. The intent of the City's comments on the proposed regulations are to ensure that wherever possible, these critical revenue streams continue to provide sufficient funding for growth-related infrastructure and that the legislation allows for efficient planning and building service administration.

Attachments

Attachment-1: ERO-019-1406 City of Guelph Response

Departmental Approval

Greg Clark, CPA, CMA, Manager Financial Strategy and Long-term Planning

Report Author

Christel Gregson, CPA, CMA Senior Corporate Analyst, Development Charges and Long-term Planning

This report was approved by:

Tara Baker, CPA, CA
General Manager Finance/City Treasurer
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519-822-1260 extension 2084
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This report was recommended by:

Trevor Lee
Deputy Chief Administrative Officer
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April 20, 2020

John Ballantine
Municipal Finance Policy Branch
College Park 13th flr, 777 Bay St
Toronto, ON
M7A 2J3
Canada

Dear Mr. Ballantine:

RE: ERO proposal number 019-1406

Thank you for the opportunity to comment on the proposed regulatory matters pertaining to community benefit authority under the Planning Act (PA), the Development Charges Act (DCA), and the Building Code Act (BCA).

The City of Guelph offers the following comments on the proposed regulations.

1. Required Content of a Community Benefit Charge (CBC) Strategy

It is proposed that before passing a CBC by-law, a municipality must prepare a community benefits charge strategy. The strategy would need to include the following:

- a) The anticipated type, amount and location of development or redevelopment that would be subject to a community benefit charge;
- b) The anticipated increase in the need for a specific community service resulting from new development or development;
- c) A parks plan that examines the need for parkland in the municipality;
- d) The amount of parkland per person currently being provided in the municipality, and if this is planned to increase, decrease or stay the same;
- e) The capital costs associated with the increased need for a specific community service resulting from new development or redevelopment;
- f) The excess capacity that exists in those specific services;

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- g) Whether the increased provision for those specific services would also service existing residents; and
- h) Any capital grants, subsidies, or contributions from other levels of government or other sources like donations that are anticipated to be made to support those specific services.

City of Guelph Recommendations/Comments:

The City recommends that the CBC strategy (the Strategy) be updated every five years.

The Strategy should consider growth of eligible services over the same time horizon as the DCA (to build-out as defined in the Official Plan).

Transitional provisions related to the Reserve Fund balances (both positive and negative) for newly ineligible services under the DCA as well as Parkland Dedication and Density Bonusing are required. Some services have collected funding for projects yet to be initiated and some services may have incurred debt to provide capital in advance of development and will require a specific amount to recover those costs. Local municipal flexibility is requested for the transition of these Reserve Fund balances as long as clear, transparent communication of transition is reported through the Annual Treasurer Report.

The Planning Act should not dictate CBC exemptions, and instead, municipalities should direct fee exemptions through Community Improvement Plans or through the CBC Strategy based on local incentive needs.

Clarity for the implications for proposed subsection 1(d) is required. The City is interpreting this to mean that the service level for parkland can be forward looking, similar to Transit Services in the DCA. The City would be supportive of this approach assuming this is the intended interpretation.

The Strategy should permit the inclusion of growth-related studies specific to the eligible services within the CBC.

Similar to the DCA, the municipality does not need to be the constructor/owner/provider of the service in order for CBCs to be used towards eligible capital costs. There are a number of

services where other agencies provide the service but the municipality is required legislatively to fund those services.

2. Services Eligible to Be Funded Through Development Charges
It is proposed that the following services would be identified in regulation under subsection 2(4) of the DCA:

- a) Public libraries, including library materials for circulation, reference or information purposes;
- b) Long-term care;
- c) Parks development, such as playgrounds, splash pads, equipment and other park amenities
- d) Public health; and
- e) Recreation, such as community recreation centres and arenas.

City of Guelph Recommendations/Comments:

The City supports reestablishing the eligibility of these services in the DCA. We ask you to consider expanding this list to include court services, City-provided parking services, child care services, social/subsidized housing, airports and municipal masterplans, Official Plans and other legislative planning studies.

The City supports the elimination of the 10% reduction from all DC eligible services as well as the elimination of the 10-year planning horizon.

Transitional provisions for the elimination of the 10% reduction should be effective for all projects identified in the DC Study in effect at the date of adoption of this legislation. This can be achieved through a reserve fund adjustment for any projects where construction has been initiated.

3. Percentage of Land Value for Determining a Maximum Community Benefits Charge

The proposed percentages of land value that would be prescribed in regulation under the Planning Act would be structured as follows:

- Single-tier municipalities: 15%
- Lower-tier municipalities: 10%
- Upper-tier municipalities: 5%

City of Guelph Recommendation/Comments:

The City supports a uniform cap for both residential and non-residential development (including redevelopment) provided that the municipality has the flexibility to charge a per unit rate on the underlying development transaction. However, a development by development application, due to the underlying discrepancy in cost per unit between low and high density development, will mean there is a significant amount of uncollected revenue. The City strongly advocates for this cap to be applied on a city-wide basis and not on a development basis.

Based upon the City's preliminary costing assumptions, a 15% cap will not be sufficient to provide revenue neutrality as compared to the City's current DCA, density bonusing and parkland revenues. An increase in the cap is recommended. This cap will limit the capacity of the City to collect revenues for additional growth-related service costs like child care and affordable housing. As a growing city, our past revenues have been capped due to the historical service level requirement under the DCA. These caps do not provide for growing cities to meet increasing demands.

The City recommends that where a single-tier municipality has a shared service agreement with another municipality for a CBC eligible service, that the growth-related costs be included proportionately in each municipality's CBC strategy and allowable cap, similar to the DCA.

The City recommends allowing the DCA and the community benefits authority to be used together, such that unrecoverable DC growth-related costs (e.g. service level) can be recovered under the community benefits authority.

The City recommends that the province add a subsection under Planning Act s37 to provide for regular updating of the prescribed maximum amount of community benefits charge: "The Ministry of Municipal Affairs and Housing shall initiate a review of the prescribed maximum amount of community benefits charge before the end of 2024 and thereafter within five years of the end of the previous review."

Provide the Minister of Municipal Affairs and Housing with the authority to allow municipalities to exceed the prescribed

maximum amount of community benefits charge in select circumstances.

Add a subsection under Planning Act s37 to include conveyance such that: "As a condition of development or redevelopment of land, the council of a local municipality may, by by-law applicable to the whole municipality or to any defined area or areas thereof, **require** that land be conveyed to the municipality for park or other public recreational purposes."

Add a subsection authorizing local services in the Planning Act similar to subsection 59 (2) of the DCA.

4. Timeline to Transition to the New Community Benefits Charge Regime

It is proposed that the specified date for municipalities to transition to the community benefits charge's regime would be one year after the date the proposed community benefits charge regulation comes into effect.

City of Guelph Recommendations/Comments:

The City recommends that the deadline to be compliant with the new community benefit regime be the later of 2 years from the date the regulations come into effect or the expiry of the Development Charge By-law.

5. Community Benefits Charge By-law Notice

To implement the appeal mechanism, it is proposed that upon passage of a community benefits charge by-law, a municipality would be required to comply with the following notice provisions. These provisions are similar to the notice provision under the DCA regarding the passage of a DC by-law:

- Notice would be required to be given through newspaper or to every land owner in the area covered by the by-law through personal service, fax, mail or email.
- Notice would also be required to be provided by personal service, fax, mail or email to those individuals who specifically request notice, the clerk of the lower or upper-tier municipality (if and as applicable), and the secretary of every school board having jurisdiction in the area covered by the by-law.

- In order to facilitate public awareness of the passage of a community benefits charge by-law, notice would include the following:
 - A statement that the council of the municipality has passed a community benefits charge by-law.
 - A statement that any person or public body may appeal the by-law to the Local Planning Appeal Tribunal by filing with the clerk of the municipality a notice of appeal setting out the objection to the by-law and the reasons supporting the objection.
 - A statement setting out the last day for appealing the by-law.
 - An explanation of the charges imposed by the by-law.
 - A description of the lands to which the by-law applies, a key map showing the lands to which the by-law applies, or an explanation why no description or key map is provided.
 - An explanation of where and when persons may examine a copy of the by-law.
- The date on which notice would be deemed to have been given would be:
 - The newspaper publishing date if the notice is published by a newspaper,
 - The date the fax is sent, if the notice is faxed,
 - The date the email is sent, if the notice is emailed, and
 - The date the notice is mailed, if the notice is sent by mail.

City of Guelph Recommendation/Comments:

The City agrees with this approach; however, we recommend that the legislation allow for more modern, effective and fiscally effective modes of communication including city websites and social media platforms rather than newspapers.

6. Minimum Interest Rate for Community Benefits Charge Refunds Where a By-law has Been Successfully Appealed
- It is proposed that the minimum interest rate a municipality would be required to pay on amounts refunded after successful appeals would be the Bank of Canada rate of the date the by-law comes into force. Alternatively, if the municipality's by-law

so provides, the minimum interest rate would be the bank of Canada rate updated on the first business day of every January, April, July and October.

This proposal aligns with the prescribed minimum interest rate for refunds of development charges after successful appeals under the DCA.

City of Guelph Recommendation/Comments:

The City agrees with this approach.

7. Building Code Applicable Law

It is proposed that the Building Code be amended to add the community benefits charge authority to the list of items under Division A – Article 1.4.1.3 Definition of Applicable Law. This amendment would establish a mechanism for ensuring the payment of community benefits charges prior to the issuance of a building permit.

City of Guelph Recommendations/Comments:

The City recommends aligning the payment timing of DCs with the payment timing of CBCs. Both fees should be due at building permit. This will reduce administrative burden associated with collecting at two different times (building permit for CBC and occupancy permit for DC) and also simplify the process for developers and builders.

The City recommends that all development and redevelopments be required to pay at building permit and not in installments.

Sincerely,



Tara Baker, General Manager Finance/City Treasurer
Finance
City of Guelph

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Provincial and Federal Consultation Alert



Proposed regulatory changes under the Aggregate Resources Act

Ministry

Ministry of Natural Resources and Forestry

Consultation Deadline

Originally March 30, 2020; extended to May 15, 2020

Summary

The Province is proposing changes to the way extraction of aggregate resources is regulated in Ontario. This includes proposed changes for new pits and quarries, including how site plans are created and implemented; for existing pits and quarries, including operating and reporting requirements; and allowing minor extraction for personal or farm use.

Proposed Form of Input

Submit comment to the [Environmental Registry posting](#) and participate in technical briefing as invited by the Ministry.

Rationale

Aggregate extraction operations could potentially affect Guelph's drinking water supply. Guelph is one of the largest cities in Canada to rely almost exclusively on groundwater for its drinking water.

Lead

Water Services

Link to Ministry Website

<https://ero.ontario.ca/notice/019-1303>

Contact Information

Intergovernmental Services

Chief Administrative Office

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April 20, 2020

John Ballantine
Municipal Finance Policy Branch
College Park 13th flr, 777 Bay St
Toronto, ON
M7A 2J3
Canada

Dear Mr. Ballantine:

RE: ERO proposal number 019-1406

Thank you for the opportunity to comment on the proposed regulatory matters pertaining to community benefit authority under the Planning Act (PA), the Development Charges Act (DCA), and the Building Code Act (BCA).

The City of Guelph offers the following comments on the proposed regulations.

1. Required Content of a Community Benefit Charge (CBC) Strategy

It is proposed that before passing a CBC by-law, a municipality must prepare a community benefits charge strategy. The strategy would need to include the following:

- a) The anticipated type, amount and location of development or redevelopment that would be subject to a community benefit charge;
- b) The anticipated increase in the need for a specific community service resulting from new development or development;
- c) A parks plan that examines the need for parkland in the municipality;
- d) The amount of parkland per person currently being provided in the municipality, and if this is planned to increase, decrease or stay the same;
- e) The capital costs associated with the increased need for a specific community service resulting from new development or redevelopment;
- f) The excess capacity that exists in those specific services;

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- g) Whether the increased provision for those specific services would also service existing residents; and
- h) Any capital grants, subsidies, or contributions from other levels of government or other sources like donations that are anticipated to be made to support those specific services.

City of Guelph Recommendations/Comments:

The City recommends that the CBC strategy (the Strategy) be updated every five years.

The Strategy should consider growth of eligible services over the same time horizon as the DCA (to build-out as defined in the Official Plan).

Transitional provisions related to the Reserve Fund balances (both positive and negative) for newly ineligible services under the DCA as well as Parkland Dedication and Density Bonusing are required. Some services have collected funding for projects yet to be initiated and some services may have incurred debt to provide capital in advance of development and will require a specific amount to recover those costs. Local municipal flexibility is requested for the transition of these Reserve Fund balances as long as clear, transparent communication of transition is reported through the Annual Treasurer Report.

The Planning Act should not dictate CBC exemptions, and instead, municipalities should direct fee exemptions through Community Improvement Plans or through the CBC Strategy based on local incentive needs.

Clarity for the implications for proposed subsection 1(d) is required. The City is interpreting this to mean that the service level for parkland can be forward looking, similar to Transit Services in the DCA. The City would be supportive of this approach assuming this is the intended interpretation.

The Strategy should permit the inclusion of growth-related studies specific to the eligible services within the CBC.

Similar to the DCA, the municipality does not need to be the constructor/owner/provider of the service in order for CBCs to be used towards eligible capital costs. There are a number of

services where other agencies provide the service but the municipality is required legislatively to fund those services.

2. Services Eligible to Be Funded Through Development Charges
It is proposed that the following services would be identified in regulation under subsection 2(4) of the DCA:

- a) Public libraries, including library materials for circulation, reference or information purposes;
- b) Long-term care;
- c) Parks development, such as playgrounds, splash pads, equipment and other park amenities
- d) Public health; and
- e) Recreation, such as community recreation centres and arenas.

City of Guelph Recommendations/Comments:

The City supports reestablishing the eligibility of these services in the DCA. We ask you to consider expanding this list to include court services, City-provided parking services, child care services, social/subsidized housing, airports and municipal masterplans, Official Plans and other legislative planning studies.

The City supports the elimination of the 10% reduction from all DC eligible services as well as the elimination of the 10-year planning horizon.

Transitional provisions for the elimination of the 10% reduction should be effective for all projects identified in the DC Study in effect at the date of adoption of this legislation. This can be achieved through a reserve fund adjustment for any projects where construction has been initiated.

3. Percentage of Land Value for Determining a Maximum Community Benefits Charge

The proposed percentages of land value that would be prescribed in regulation under the Planning Act would be structured as follows:

- Single-tier municipalities: 15%
- Lower-tier municipalities: 10%
- Upper-tier municipalities: 5%

City of Guelph Recommendation/Comments:

The City supports a uniform cap for both residential and non-residential development (including redevelopment) provided that the municipality has the flexibility to charge a per unit rate on the underlying development transaction. However, a development by development application, due to the underlying discrepancy in cost per unit between low and high density development, will mean there is a significant amount of uncollected revenue. The City strongly advocates for this cap to be applied on a city-wide basis and not on a development basis.

Based upon the City's preliminary costing assumptions, a 15% cap will not be sufficient to provide revenue neutrality as compared to the City's current DCA, density bonusing and parkland revenues. An increase in the cap is recommended. This cap will limit the capacity of the City to collect revenues for additional growth-related service costs like child care and affordable housing. As a growing city, our past revenues have been capped due to the historical service level requirement under the DCA. These caps do not provide for growing cities to meet increasing demands.

The City recommends that where a single-tier municipality has a shared service agreement with another municipality for a CBC eligible service, that the growth-related costs be included proportionately in each municipality's CBC strategy and allowable cap, similar to the DCA.

The City recommends allowing the DCA and the community benefits authority to be used together, such that unrecoverable DC growth-related costs (e.g. service level) can be recovered under the community benefits authority.

The City recommends that the province add a subsection under Planning Act s37 to provide for regular updating of the prescribed maximum amount of community benefits charge: "The Ministry of Municipal Affairs and Housing shall initiate a review of the prescribed maximum amount of community benefits charge before the end of 2024 and thereafter within five years of the end of the previous review."

Provide the Minister of Municipal Affairs and Housing with the authority to allow municipalities to exceed the prescribed

maximum amount of community benefits charge in select circumstances.

Add a subsection under Planning Act s37 to include conveyance such that: "As a condition of development or redevelopment of land, the council of a local municipality may, by by-law applicable to the whole municipality or to any defined area or areas thereof, **require** that land be conveyed to the municipality for park or other public recreational purposes."

Add a subsection authorizing local services in the Planning Act similar to subsection 59 (2) of the DCA.

4. Timeline to Transition to the New Community Benefits Charge Regime

It is proposed that the specified date for municipalities to transition to the community benefits charge's regime would be one year after the date the proposed community benefits charge regulation comes into effect.

City of Guelph Recommendations/Comments:

The City recommends that the deadline to be compliant with the new community benefit regime be the later of 2 years from the date the regulations come into effect or the expiry of the Development Charge By-law.

5. Community Benefits Charge By-law Notice

To implement the appeal mechanism, it is proposed that upon passage of a community benefits charge by-law, a municipality would be required to comply with the following notice provisions. These provisions are similar to the notice provision under the DCA regarding the passage of a DC by-law:

- Notice would be required to be given through newspaper or to every land owner in the area covered by the by-law through personal service, fax, mail or email.
- Notice would also be required to be provided by personal service, fax, mail or email to those individuals who specifically request notice, the clerk of the lower or upper-tier municipality (if and as applicable), and the secretary of every school board having jurisdiction in the area covered by the by-law.

- In order to facilitate public awareness of the passage of a community benefits charge by-law, notice would include the following:
 - A statement that the council of the municipality has passed a community benefits charge by-law.
 - A statement that any person or public body may appeal the by-law to the Local Planning Appeal Tribunal by filing with the clerk of the municipality a notice of appeal setting out the objection to the by-law and the reasons supporting the objection.
 - A statement setting out the last day for appealing the by-law.
 - An explanation of the charges imposed by the by-law.
 - A description of the lands to which the by-law applies, a key map showing the lands to which the by-law applies, or an explanation why no description or key map is provided.
 - An explanation of where and when persons may examine a copy of the by-law.
- The date on which notice would be deemed to have been given would be:
 - The newspaper publishing date if the notice is published by a newspaper,
 - The date the fax is sent, if the notice is faxed,
 - The date the email is sent, if the notice is emailed, and
 - The date the notice is mailed, if the notice is sent by mail.

City of Guelph Recommendation/Comments:

The City agrees with this approach; however, we recommend that the legislation allow for more modern, effective and fiscally effective modes of communication including city websites and social media platforms rather than newspapers.

6. Minimum Interest Rate for Community Benefits Charge Refunds Where a By-law has Been Successfully Appealed
- It is proposed that the minimum interest rate a municipality would be required to pay on amounts refunded after successful appeals would be the Bank of Canada rate of the date the by-law comes into force. Alternatively, if the municipality's by-law

so provides, the minimum interest rate would be the bank of Canada rate updated on the first business day of every January, April, July and October.

This proposal aligns with the prescribed minimum interest rate for refunds of development charges after successful appeals under the DCA.

City of Guelph Recommendation/Comments:

The City agrees with this approach.

7. Building Code Applicable Law

It is proposed that the Building Code be amended to add the community benefits charge authority to the list of items under Division A – Article 1.4.1.3 Definition of Applicable Law. This amendment would establish a mechanism for ensuring the payment of community benefits charges prior to the issuance of a building permit.

City of Guelph Recommendations/Comments:

The City recommends aligning the payment timing of DCs with the payment timing of CBCs. Both fees should be due at building permit. This will reduce administrative burden associated with collecting at two different times (building permit for CBC and occupancy permit for DC) and also simplify the process for developers and builders.

The City recommends that all development and redevelopments be required to pay at building permit and not in installments.

Sincerely,



Tara Baker, General Manager Finance/City Treasurer
Finance
City of Guelph

T 519-822-1260 x 2084
E tara.baker@guelph.ca



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Thursday, January 16, 2020
Subject: Farm Property Class Tax Rate Programme

Background:

The Province of Ontario implemented changes to property assessment and introduced taxation reform which came into effect in 1998. Prior to this, farm properties were subject to taxation at the base residential tax rate and farmers applied annually to the Minister of Finance to be reimbursed 75% of the farm portion of taxes paid to the local municipality.

As part of assessment reform, the Province changed the method of delivering farmer's rebates by creating the Farm Property Class Tax Rate Programme under the jurisdiction of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). Under the new programme, rather than apply annually and wait for property tax rebates, delivery of the programme shifted to local municipal governments and onto the property tax system. Eligible farmland assessment values are now discounted by -75% of their full current value assessment (CVA) to produce a lower weighted assessment base which is used for tax rate setting purposes. With residential tax rates being the benchmark ratio of 1.0, farmlands have been set in legislation to have a 0.25 ratio or lower. The effect of the discounted weighted assessment shifts an increased burden of tax onto all other property classes in the County by way of increasing the benchmark tax rate. Doing so has a pronounced effect on the residential sector which comprises 78% of the County's levy base. By comparison, farmland taxes comprise 7% of the total levy base.

	2019 CVA	% raw CVA	WTD CVA	% Wtd CVA	2019 Levy	% of Levy
Residential	12,584,607,345	68.02%	12,584,474,157	77.91%	77,709,877	77.91%
Multi Residential	86,932,592	0.47%	165,171,925	1.02%	1,019,946	1.02%
Farmland	4,499,862,369	24.32%	1,124,965,592	6.96%	6,946,730	6.96%
Commercial	863,761,038	4.67%	1,287,867,708	7.97%	7,952,660	7.97%
Industrial	368,081,028	1.99%	882,959,280	5.47%	5,452,326	5.47%
Pipeline	41,303,954	0.22%	92,933,897	0.58%	573,872	0.58%
Managed Forest	55,959,714	0.30%	13,989,929	0.09%	86,389	0.09%
County Total	18,500,508,040	100.00%	16,152,362,486	100.00%	99,741,800	100.00%

Challenges facing Rural Municipalities

Shifting of farmland discounted assessment onto residential taxpayers is specific to rural municipalities. Schedule A shows the difference between raw (unweighted) assessment roll values and resulting weighted assessment in Wellington County as compared to a typical urban municipality. In 2019 the residential tax class comprised 68.02% of Wellington County's assessment base, but the residential class pays 77.91% of property taxes once tax ratios are factored in. The farmland ratio of 0.25 has the effect of increasing the residential tax burden by approximately 10% across the County.

Conversely, in an urban municipality with very little farm tax class, the residential assessment base of 78.50% is reduced to 66.27% of total weighted assessment used for tax rate setting purposes. A reduction of more than 12% off the residential tax burden. This causes Wellington County economic competitiveness issues for the County's southern municipalities that border a number of urban municipal centres. Tax policy treatment greatly favours urban municipalities in Ontario.

Since the cost of providing the Farm Property Class Tax Rate Programme was downloaded by the province in 1998; provincial funds have been allocated annually to rural municipalities to offset the tax loss. This was supposed to be a revenue neutral allocation. However, each year transfer amounts from the Ontario Municipal Partnership Fund (OMPF) continue to decline. The Table below shows that a total tax levy of \$34,669,691 was necessary in order to provide the farmland tax incentive rebate benefiting 5,807 farm property owners in Wellington. The OMPF allocation county-wide in 2019 was \$7,065,800 leaving a shortfall of more than \$27 million in levy which is shifted onto every other property owner in Wellington County. This translates to \$754 per property in the County or 15.7% of total taxes for the typical homeowner. This is a significant amount of additional property tax burden that our residents continue to bear annually and which are subject to increase depending on market value of farmlands.

In essence, County residents are providing the -75% rebate instead of the Province for the Farm Property Class Tax Rate Programme, creating significant financial hardship amongst our ratepayers and limiting the County's economic competitiveness with neighbouring jurisdictions.

WELLINGTON COUNTY - 2019 FARMLAND PROPERTIES
OMPF FUNDING TO MITIGATE COST OF FARM PROPERTY CLASS TAX REBATE

Municipality	Municipal Rebates	Municipal OMPF Grant	Municipal Levy Impact	County Rebate* Distribution	Total Additional Levy Required
Puslinch	\$ 232,040	\$ 415,700	\$ (183,660)	\$ 2,846,353	\$ 2,662,693
Guelph/Eramosa	\$ 1,137,235	\$ 490,300	\$ 646,935	\$ 3,120,713	\$ 3,767,649
Erin	\$ 890,468	\$ 593,300	\$ 297,168	\$ 2,852,697	\$ 3,149,866
Centre Wellington	\$ 1,987,127	\$ 319,600	\$ 1,667,527	\$ 5,553,231	\$ 7,220,758
Mapleton	\$ 5,235,570	\$ 837,400	\$ 4,398,170	\$ 1,961,338	\$ 6,359,507
Minto	\$ 1,446,483	\$ 1,604,600	\$ (158,117)	\$ 1,153,001	\$ 994,884
Wellington North	\$ 2,900,554	\$ 1,296,800	\$ 1,603,754	\$ 1,844,780	\$ 3,448,534
Wellington County	\$ 20,840,213	\$ 1,508,100	\$ 19,332,113		
Total	\$ 34,669,691	\$ 7,065,800	\$ 27,603,891	\$ 19,332,113	\$ 27,603,891

Additional levy required to provide farm rebate after OMPF grant

Total Properties **	36,607	Tax per property	\$754
Less # of Farms	5,807		
	30,800	Excluding farms	\$896
Population	97,610	Tax per resident	\$283

* County farm rebate distribution based on local municipal levy % share

** excludes special/exempt properties

Farm Application Deadline Requirements

Another challenge faced by rural municipalities is how the farm application and deadline requirements are administered by OMAFRA (now by AgriCorp). In any given year, many farm owners do not submit their applications within the specified deadline. The result is that many bona fide farm properties end up 'flipping' out of the discounted farm class and into the full residential tax class upon the next roll return. The assessment of these farm values are no longer discounted when calculating total weighted assessment, which is used for tax rate setting purposes.

This creates two distinct ongoing problems for rural municipalities. One is that the benchmark residential tax rate is lower than it otherwise would be; and two, upon approval of the late applications by OMAFRA, municipalities must refund the -75% difference in farm taxes retroactive to January of the current or sometimes even the preceding taxation year. There is no administrative or monetary penalty for late applications. Each year Wellington County finds approximately \$20,000,000 of farmland valuation excluded from the farmland discount programme due to late applications.

This year staff identified a major anomaly with farmland assessment loss of close to \$90,000,000. Upon enquiry, it was reasoned that the extremely high change in farm CVA was due to administrative changes as programme delivery shifted from OMAFRA to AgriCorp. County staff expect that most of the outstanding farm applications will be approved and revert back to the farm tax rate during 2020. Staff have included an additional \$300,000 in estimated property tax write-offs into the 2020 budget to set aside additional funds in preparation for the County's share of potential write-offs as tabled below:

2019 FARMLAND CVA CHANGE OVER TO RESIDENTIAL RT CLASS

(Between September 25 in-year growth and final November 2019 growth)

Possible write-off amounts IF all properties revert back to AGRICORP approved FTIP

	PUSLINCH	GET	ERIN	CTR WELL	MPLTN	MINTO	WN	COUNTY
Est Prop Count	-20	-24	-26	-18	-22	-19	-28	-157
Farm CVA Loss	8,500,000	17,500,000	13,000,000	10,000,000	19,000,000	5,000,000	16,500,000	89,500,000
Res Tax Rate	0.00167135	0.00260652	0.00295749	0.00321969	0.00476387	0.00544891	0.00481749	0.00617506
Res Taxes	14,206	45,614	38,447	32,197	90,514	27,245	79,489	552,668
Farm Tax Rate	0.00041784	0.00065163	0.00073938	0.00080492	0.00119097	0.00136223	0.00120437	0.00154376
Farm Taxes	3,552	11,404	9,612	8,049	22,628	6,811	19,872	138,167
Potential w/o *	(\$10,655)	(\$34,211)	(\$28,835)	(\$24,148)	(\$67,885)	(\$20,433)	(\$59,616)	(\$414,501)
							Grand Total*	(\$660,285)

* excludes Education Tax Component

Farmland Property Assessment Valuation

The Municipal Property Assessment Corporation (MPAC) is responsible for placing current market value assessment (CVA) on all properties in Ontario. The most recent province-wide reassessment updating the base year to January 1, 2016 was returned for the 2017 tax year. As mandated by the Province, any assessment increases are phased-in over a 4-year cycle. MPAC reported the average farmland increase province-wide was 64% and residential CVA increased by 18%. By comparison, Wellington County CVA has increased by 68% and 13% respectively.

In the 2016 Assessment Update Summary, MPAC reports they have strengthened the accuracy and equity of farm valuations by improved sales verification processes of bona fide farmer-to-farmer sales along with undertaking a comprehensive review of vacant farmland sales as far back as January 2008. They report that upward trends continue to increase provincially as demand for farmland outweighs the supply and non-agricultural buyers continue to purchase farmlands creating competition. Agri-Food Canada reported the net worth of an average farm was expected to reach \$2.8 million in 2017.

Staff conducted a preliminary review of open market farm sales in Wellington County during 2018 and 2019. The data reveals that the current 2016 base year CVA of farm properties sold continue to be under-assessed by 27.43%. Sale prices ranged from \$26,000 to \$4,200,000.

Wellington County	2019 Farm Sales	2018 Farm Sales	Total Sales
Number of valid farm sales	97	108	205
Total CVA of farm sales	90,515,500	89,366,400	179,881,900
Combined sale prices	130,333,790	117,533,356	247,867,146
Difference sales to assessment	39,818,290	28,166,956	67,985,246
As a percentage	30.55%	23.97%	27.43%

* source MPAC Municipal Connect

Assessment Act Considerations

Current value assessment is defined as “the amount of money the fee simple, if unencumbered, would realize if sold at arm’s length by a willing seller to a willing buyer.” For farm properties, the province has clearly indicated that farm properties are to be treated different from the concept of current value. Section 19(5) of the Assessment Act requires that current value of the land and buildings should only be used when sales are for farm-purposes only and reflect the productivity of the land for farming purposes.

MPAC assessment methods must only consider farmer-to-farmer sales. In this case, the Assessment Act requires MPAC to exclude any sales to persons whose principal occupation is other than farming. This has the effect of excluding any other type of buyer and highest and best-use considerations from current value assessment.

From a land productivity perspective, land classes are adjusted for their productivity. For example, Class 1 farmlands are the most productive for crops, while on the other end of the scale, Class 6 is for swamp and scrublands that are the least productive. Lands in Wellington County and in particular, the southern portion of the County sell for far more per acre than what farms are assessed at for farm purposes. Analysis undertaken with regard to current assessment appeals shows that the best lands (Class 1) are currently being assessed in the \$14,000 to \$16,000 per acre range for farms. Sales of larger land holdings are selling in the range of \$20,000 to \$25,000 per acre range.

The intent of Section 19(5) of the Assessment Act is to limit and protect farm property from current value considerations outside of farming. This means that generally speaking, farms are naturally under-assessed from general market considerations – providing favourable assessments to the farming community in comparison to true market value.

Other Assessment Considerations

- Farm owners who reside on the property do pay a residential tax component for their home plus one acre of land at the farmland rate. However, the valuation is based on a replacement cost method that produces a much lower value (\$223,125) than non-farm residences (\$424,187) as shown here on the average (County) property value and tax comparison.

Average 2019 Farm and Residential Value and Taxes

2019 farm house CVA	223,125	2019 Average Residential Property CVA	\$424,187
2019 Farmland CVA	901,900		
Average 2019 total farm CVA	\$1,125,025		
2019 farm house taxes	\$2,526		
2019 farmland taxes	\$2,553		
2019 total farm taxes	\$5,079	2019 Average residential taxes	\$4,803

- As seen above, while the average farm value is assessed at over 2.6x the value of the average residential property, overall taxes are comparable.
- According to MPAC's 2019 Market Change Profile report, of the 6,465 properties classified as farms, 1,892 are owned and/or occupied by non-farmers. Although the property owners are not engaged in farm activity or business, their properties are valued as if they are. These non-farmers benefit from lower residential structure values and lower land values, which translate to lower taxes simply by nature of leasing their land to a bona fide local farmer. This treatment can be perceived as rather unfair to typical residential property owners in Wellington County.
- Many owners of farmland also enjoy other property tax discounts if they are eligible to enter into either the Managed Forest Tax Incentive Programme (0.25 ratio) or the Conservation Land Programme which is fully exempt from property taxes.
- In order to receive the farm class tax discount, the owner must have a Farm License and be in the business of farming. Municipal taxes paid are then able to be written off as a business expense on annual income tax returns. Whereas residential property owners are not able to do so.

Impacts of Assessment Increases on the Farming Community

Being predominantly a rural community with strong roots planted in farm trades, Wellington County farmers observed significant increases in their farmland valuation. It is acknowledged that farmland values have increased significantly in the County of Wellington. In the 2012 base year valuation, farmland made up 19.8% of the County's assessment base and 5.4% of the taxable assessment base. For the 2016 base year valuation, farmland now makes up 25.1% of the Wellington County assessment base and 7.2% of the taxable assessment base.

Recently, groups such as the Christian Farmers Federation of Ontario (see correspondence received on this agenda) and the Ontario Federation of Agriculture began approaching local Councils to lower the farmland ratio below 0.25 in order to help offset property tax increases. Their efforts have been successful in some municipalities. Schedule B lists the municipalities that have implemented farmland ratio reductions in Ontario as reported to BMA Consultants in the 2019 Municipal Study Report.

When reviewing the list of municipalities on Schedule B, the majority of those municipalities have very little farmland valuation. Many of the urban municipalities that have granted farm ratio reductions have a much higher commercial and industrial base and farmland makes up a much lower percentage of their assessment base than Wellington County.

Many of the other Counties and rural municipalities that have granted ratio reductions (Brant, Chatham-Kent, Dufferin, Grey, Lambton and Oxford) are located further away from the GTA. These municipalities generally have lower residential assessment values and are not competing with GTA municipalities for business to the same extent as Wellington County.

Property Taxes as a Percentage of Income

- OMAFRA reported that in 2018, Wellington County farmers generated \$804,000,000 of revenue at the farm gate. The table below shows farm property taxes as a percentage of farm income to be 1.49%. Average household income in Wellington County for the same period was \$118,474. Average property tax as a percentage of residential income was significantly higher at 4.02%.

Average Farm and Residential Assessment and Taxation	2018
County average residential value	409,368
Total average property taxes *	4,764
Average income	118,474
Portion of residential income devoted to property taxes	4.02%
Total farm taxes paid in Wellington County *	11,971,488
County farmers income **	804,000,000
Portion of farm income devoted to property taxes	1.49%

* total taxes include County, local and Education

Closing Comments

Farmland values have been increasing significantly in the County of Wellington, much like other areas of the province. However, there does not appear to be an imbalance in the level of property tax burden shared by the local farming community in comparison to the average residential taxpayer in Wellington County. Under current legislation, farmland benefits from favourable property tax and assessment treatment.

The County's current assessment base cannot bear a further shift from farmland taxes onto other property types and maintain its economic competitiveness. Wellington County does not have a comparable commercial and industrial assessment base to neighbouring urban municipalities that would support such a shift without significantly burdening our residential and business class owners. Provincial grants such as the Ontario Municipal Partnership Fund, which were originally setup to compensate rural municipalities for the loss in farm taxes has been declining, leaving Wellington County taxpayers to support the industry without adequate province-wide cost sharing.

Wellington County is supportive of its local farming community. We recognize the importance of the agricultural industry on the County and in the Province of Ontario. Wellington supports the farming communities' interests in remaining economically competitive. The County is supportive of returning

the responsibility of funding the farm property class tax rebate programme back to the Province where it could be shared province-wide. Residents in urban municipalities, while retaining the benefits of cheap food and agricultural products, are not contributing financially to the economic competitiveness of the industry.

Recommendation:

That the Farm Property Class Tax Rate Programme report be received for information; and

That Wellington County support agricultural industry efforts in lobbying the Province to provide adequate funding to rural municipalities; and

That County Council pass a resolution in support of returning the responsibility of administering the Farm Property Class Tax Rate Programme back to the Province.

Respectfully submitted,

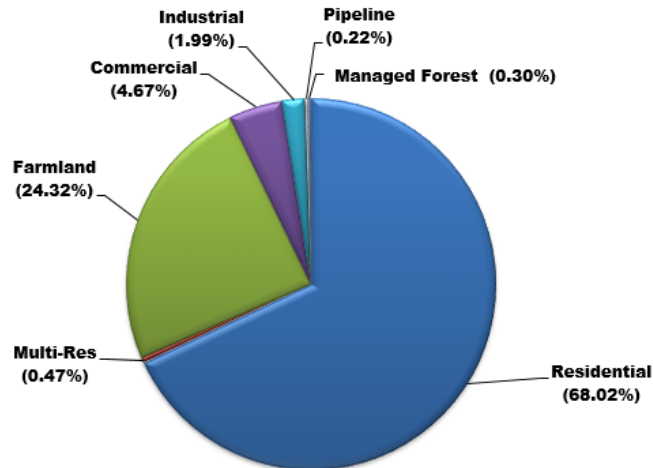
A handwritten signature in black ink, appearing to read 'Ken DeHart', with a stylized flourish at the end.

Ken DeHart, CPA, CGA
County Treasurer

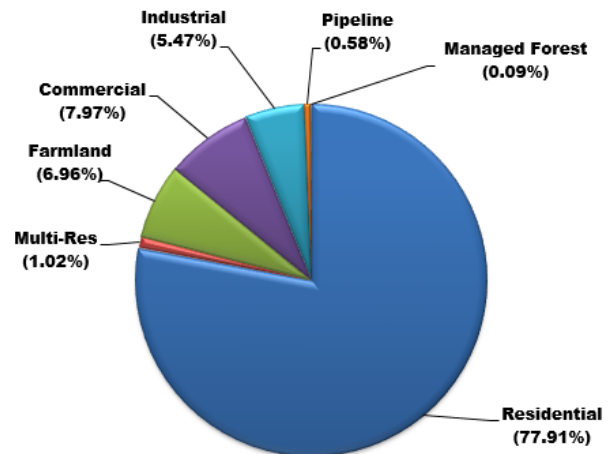
SCHEDULE A

Farm Property Class Tax Rate Programme

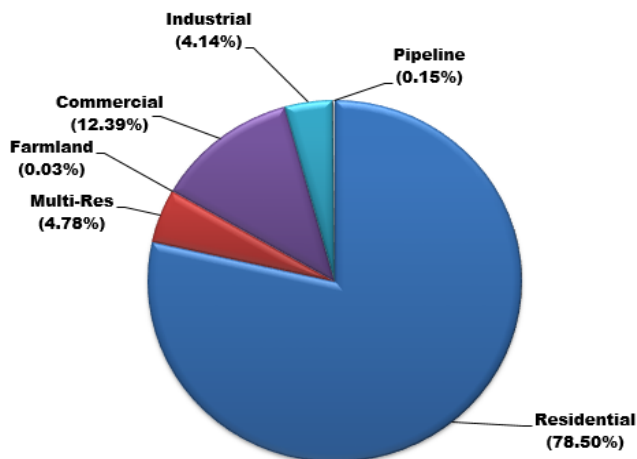
Unweighted Assessment by Property Tax Class 2019
(Share of Property Value - Wellington - Rural)



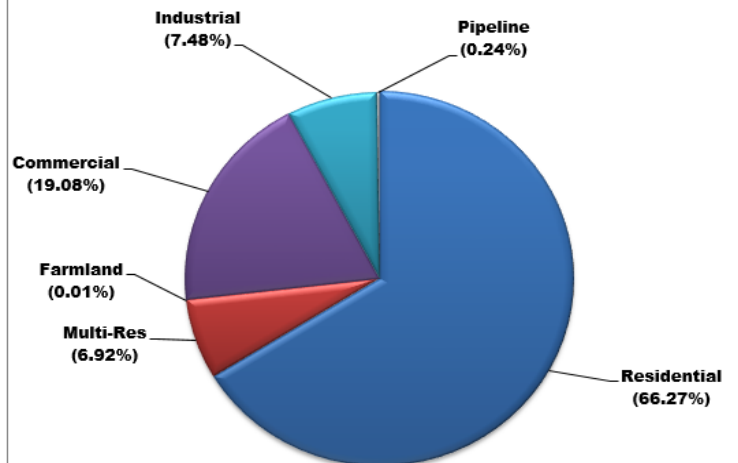
Weighted Assessment by Property Tax Class 2019
(Share of Property Taxes - Wellington - Rural)



Unweighted Assessment by Property Tax Class 2019
(Share of Property Value - Urban)



Weighted Assessment by Property Tax Class 2019
(Share of Property Taxes - Urban)



SCHEDULE B

Farm Property Class Tax Rate Programme

Municipalities with Farmland Ratio Reductions Implemented - 2019

Municipality *	Ratio	Farmland CVA **
Brant County	0.2400	1,319,886,818
Caledon	0.1708	998,099,123
Chatham-Kent	0.2200	5,281,633,220
Dufferin County	0.2300	1,174,945,084
Durham Region	0.2000	2,416,491,305
Greater Sudbury	0.2000	30,618,833
Grey County	0.2400	2,659,127,624
Halton Region	0.2000	971,078,709
Hamilton	0.1767	1,390,781,027
Kingston	0.2125	81,575,403
Lambton County	0.2260	4,794,630,528
London	0.1028	425,488,846
North Bay	0.1500	605,465
Ottawa	0.2000	1,561,813,865
Oxford County	0.2350	5,665,102,027
Prince Edward County	0.2319	401,646,726
Sarnia	0.2260	181,579,114
Average Ratio & CVA	0.2036	1,726,770,807
Wellington County	0.2500	4,464,961,956

* 2019 BMA Study Report - participating municipalities

** from MPAC Provincial Market Change Profile Report



April 21, 2020

To: Municipalities of Ontario – by email

Re: A Resolution to Request the Province of Ontario Review the Farm Property Class Tax Rate Programme in Light of Economic Competitiveness Concerns between Rural and Urban Municipalities

Please be advised that at its March 10, 2020 meeting, the Council of the Township of Mapleton carried the following Resolution 2020-04-14:

WHEREAS the Province of Ontario implemented changes to property assessment and introduced taxation reform which came into effect in 1998;
AND WHEREAS prior to 1998 farm properties were subject to taxation at the base residential tax rate and qualified farmers applied annually to the province to be reimbursed 75% of the farm portion of the taxes paid to the local municipality;
AND WHEREAS the province changed the method of delivering farmer's rebates by creating the Farm Property Class Tax Rate Programme under the jurisdiction of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA);
AND WHEREAS rather than apply annually and wait for property tax rebates, the delivery of the programme shifted to local municipal governments and onto the property tax system;
AND WHEREAS eligible farmland assessment values are now locally subsidized by 75% of their full current value assessment (CVA) to produce a lower weighted assessment base which is used for tax rate setting purposes;
AND WHEREAS the effect of the locally subsidized weighted assessment shifts an increased burden of tax onto all other property classes within the municipality;
AND WHEREAS these taxation reforms were originally supposed to be revenue neutral and offset by funding from the Ontario Municipal Partnership Fund (OMPF) and its predecessor the Community Reinvestment Fund (CRF);
AND WHEREAS the province has been reducing support from the Ontario Municipal Partnership Fund while the cost of the farm tax rebate programme is continuously increasing;
AND WHEREAS an economically competitive agricultural industry provides affordable food and agricultural products to all Ontarians and is a provincial objective that should be cost shared amongst all of its citizens;
AND WHEREAS the cost of this programme disproportionately falls upon property taxpayers in rural municipalities;
AND WHEREAS higher property taxes in rural municipalities is creating economic competitiveness issues between rural and urban municipalities;

(over for page two)



Page 2 of 2, Mapleton Resolution

Re: Prov. Review of Farm Property Class Tax Rate Programme

AND WHEREAS the province hasn't undertaken a review of this programme since it was implemented in 1998;

NOW THEREFORE the Council of the Township of Mapleton requests that:

1. The Province of Ontario undertake a review of the Farm Property Tax Class Rate Programme to determine:
 - a. The appropriateness of the cost of the Farm Property Tax Class Rate Programme falling disproportionately amongst rural residential and business property owners when the benefit of an economically competitive agricultural industry and affordable food and agricultural products is a provincial objective that should be shared amongst all taxpayers in Ontario;
 - b. The adequacy of funding being provided to rural municipalities to offset the cost of the Farm Property Tax Class Rate Programme;
 - c. The differences between the amount of property taxes paid in rural and urban municipalities and the root causes of those differences;
 - d. Economic competitiveness concerns with disproportionately higher average property taxes being paid in rural municipalities;
 - e. Other methods of delivering the farm tax rebate programme to farmland owners where the cost can be shared province-wide.

AND BE IT FURTHER RESOLVED THAT this motion be sent to Hon. Doug Ford, Premier of Ontario, Hon. Steve Clark, Minister of Municipal Affairs and Housing, Hon. Rod Phillips, Minister of Finance, Hon. Ernie Hardeman, Minister of Agriculture, Food & Rural Affairs, MPP Randy Pettapiece, Hon. Ted Arnott, all Ontario Municipalities, Rural Ontario Municipal Association (ROMA) and Association of Municipalities of Ontario (AMO).

Attached you will find the County of Wellington Committee Report dated January 16, 2020 regarding the 'Farm Property Class Tax Rate Programme' for review and consideration.

Should you have any questions or concerns, please contact the undersigned.

Sincerely

Larry Wheeler
Deputy Clerk

Attach. (1)



Transmitted via Email

April 22, 2020

RE: TOWN OF GRAVENHURST RESOLUTION – Province of Ontario add Community Gardens, Garden Centres and Nurseries as essential services during the COVID-19 Pandemic

At the Town of Gravenhurst Committee of the Whole meeting held on April 21, 2020, the following resolution was passed:

Moved by Councillor Cairns
Seconded by Councillor Morphy

WHEREAS the Town of Gravenhurst Council fully understands, upon the direction of the Provincial Government, that only businesses and services deemed to be essential are to remain open during the COVID-19 Pandemic;

AND WHEREAS our Not for Profit Community Partners rely on Community Gardens for the ability to grow vegetables that assist in meeting the food related needs as well as providing physical and mental health benefits for our most vulnerable citizens;

AND WHEREAS physical distancing measures would still be needed for those working in Community Gardens;

AND WHEREAS Garden Centres and Nurseries could be required to provide curb-side car drop off service to reduce the risk;

AND WHEREAS the Medical Officer of Health for the Simcoe Muskoka District Health Unit, supports the continuation of Community Gardens throughout the COVID-19 Pandemic;

NOW THEREFORE BE IT RESOLVED THAT the Town of Gravenhurst Council requests that the Province of Ontario add Community Gardens, Garden Centres and Nurseries as essential services;

AND FINALLY THAT this resolution be circulated to Scott Aitchison, MP for Parry Sound-Muskoka, Norm Miller, MPP for Parry Sound-Muskoka, Premier Ford and all Ontario Municipalities requesting their support.

CARRIED

We trust the above to be satisfactory.

Sincerely,

Melanie Hakl

Melanie Hakl
Administrative Clerk 2, Legislative Services

**District Council – Electronic Meeting
April 20, 2020**

The District Municipality of Muskoka

Moved By: S. Cairns

Seconded By: K. Terziano

WHEREAS Muskoka District Council fully understands, upon the direction of the Provincial Government, that only businesses and services deemed to be essential are to remain open during the COVID-19 Pandemic;

AND WHEREAS our Not for Profit Community Partners rely on Community Gardens for the ability to grow vegetables that assist in meeting the food related needs as well as providing physical and mental health benefits for our most vulnerable citizens;

AND WHEREAS physical distancing measures would still be needed for those working in Community Gardens;

AND WHEREAS Garden Centres and Nurseries could be required to provide curb-side car drop off service only to reduce the risk;

AND WHEREAS the Medical Officer of Health for the Simcoe Muskoka District Health Unit, supports the continuation of Community Gardens throughout the COVID-19 Pandemic;

NOW THEREFORE BE IT RESOLVED THAT Muskoka District Council requests that the Province of Ontario add Community Gardens, Garden Centres and Nurseries as essential services;

AND THAT this resolution be circulated to Scott Aitchison, MP for Parry Sound-Muskoka, Norm Miller, MPP for Parry Sound-Muskoka, and all Ontario Municipalities requesting their support.

Carried ✓

Defeated


District Clerk