

# Special City Council Meeting Agenda

Monday, May 11, 2020, 1:00 p.m.

Remote meeting live streamed  
on [guelph.ca/live](http://guelph.ca/live)

Changes to the original agenda are noted with an asterisk "\*".

City facilities are closed to the public in response to COVID-19. City Council meetings are being held electronically and can be live streamed at [guelph.ca/live](http://guelph.ca/live).

For alternate meeting formats, please contact the City Clerk's Office at [clerks@guelph.ca](mailto:clerks@guelph.ca) or 519-822-1260 extension 5603.

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Pages

## 1. Notice - Electronic Participation

### 1.1 City Council

This meeting will be held by Electronic Participation in accordance with the City of Guelph Procedural By-law (2020)-20490.

## 2. Call to Order

### 2.1 Disclosure of Pecuniary Interest and General Nature Thereof

## 3. Authority to move into closed meeting

### Recommendation:

That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to the Municipal Act, to consider:

### 3.1 Disclosure of Pecuniary Interest and General Nature Thereof

### **3.2 Baker District Redevelopment Project - Update**

Section 239 (2)(c) and (f) of the Municipal Act relating to a proposed or pending acquisition or disposition of land by the municipality or local board; and advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

## **4. Open Meeting – 2:00 p.m.**

### **4.1 Closed Meeting Summary**

### **4.2 O Canada**

### **4.3 Silent Reflection**

### **4.4 First Nations Acknowledgement**

## **5. Council Consent Agenda**

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

### **5.1 2020 Property Tax Policy Report - 2020-02, 2020-45**

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(Referred from the April 16, 2020 Emergency City Council Meeting. Further information provided in Council Memo.)

#### **Recommendation:**

That the 2020 City of Guelph property tax ratios, subclass discounts and corresponding tax rates, as set out in Attachment-1 to the report titled 2020 Property Tax Policy dated April 16, 2020, be approved.

## **6. Items for Discussion**

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

## **6.1 Managing the Impacts of COVID-19: Update #2**

### **Presentation:**

Mayor Guthrie

Scott Stewart, Chief Administrative Officer

Colleen Clack, Deputy Chief Administrative Officer, Public Services

Kealy Dedman, Deputy Chief Administrative Officer, Infrastructure, Development and Enterprise Services

Trevor Lee, Deputy Chief Administrative Officer, Corporate Services

Christopher Beveridge, Director, Health Protection, Wellington-Dufferin-Guelph Public Health

Report to be included as part of the revised agenda.

## **7. Councillor Motions in Response to COVID-19**

The following motions have been brought forward by members of Council for consideration in response to the COVID-19 pandemic.

### **7.1 Motion from Councillor Gordon**

#### **Recommendation:**

That staff be directed to prioritize work to close traffic lanes during the COVID-19 public health emergency to support social distancing by creating special separated active transportation routes in strategic locations with funding of up to \$50,000 reallocated from capital project New Sidewalk Construction (RD0283).

## **8. Adjournment**

# Staff Report



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To **City Council**  
Service Area Corporate Services  
Date Thursday, April 16, 2020  
Subject **2020 Property Tax Policy Report**

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## Recommendation

1. That the 2020 City of Guelph property tax ratios, subclass discounts and corresponding tax rates, as set out in Attachment-1 to the report titled 2020 Property Tax Policy dated April 16, 2020, be approved.
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## Executive Summary

### Purpose of Report

To recommend that the 2020 property tax ratios, subclass discounts and corresponding tax rates (Tax Policy), included as Attachment-1, be approved and incorporated into by-laws. This provides sufficient time to prepare the final tax bills for meeting the legislated mailing date for the June 30, 2020 tax installment.

### Key Findings

Municipal Councils are required to make a number of Tax Policy decisions and pass the related by-laws annually. Attachment-1 and calculated rates are an administrative consolidation of all applicable previous Council decisions.

In 2020, the average residential taxpayer with a property assessed at \$388,362 will be levied \$3,766.50 in City taxes for an overall property tax increase of \$140.76, broken out as follows:

City of Guelph Portion	\$ Change	% Change
Reassessment Phase-in /		
Average Residential Property	\$3.49	0.10%
2020 Budget Impact	\$128.67	3.55%
Multi-residential Ratio Change Impact	\$5.19	0.14%
Subclass Discount Change Impact	-\$7.58	-0.21%
Hospital Levy Impact	\$10.99	0.30%
Total Change	\$140.76	3.88%

Fair tax policies and a balanced tax ratio form an integral part of the City's strategic goals.

## Financial Implications

There are no financial implications related directly with Tax Policy. Tax ratios and subsequent tax rates only allocate the approved tax supported operating budget over the different tax classes.

Annually, the cost of the mandatory charity rebate program is approximately \$130,000.

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## Report

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

On December 3, 2019, Council approved the 2020 tax supported budget, of which \$256,192,624 is to be raised from taxation and payments-in-lieu, plus an additional hospital levy of \$750,000.

### 2020 Tax Policy

The following summarizes the Tax Policy and programs discussed in this report:

- Approving the 2020 tax ratios, subclass discounts and tax rates;
- Continuing the low-income seniors and low-income disabled tax relief program; and,
- Continuing the charitable tax rebate program, of which the City annually accrues funds for.

The by-laws for approval resulting from this report are to allow sufficient time to prepare and mail the final property tax bills within the legislated time frame for the June 30, 2020 installment.

### Tax Ratios and Subclass Discounts

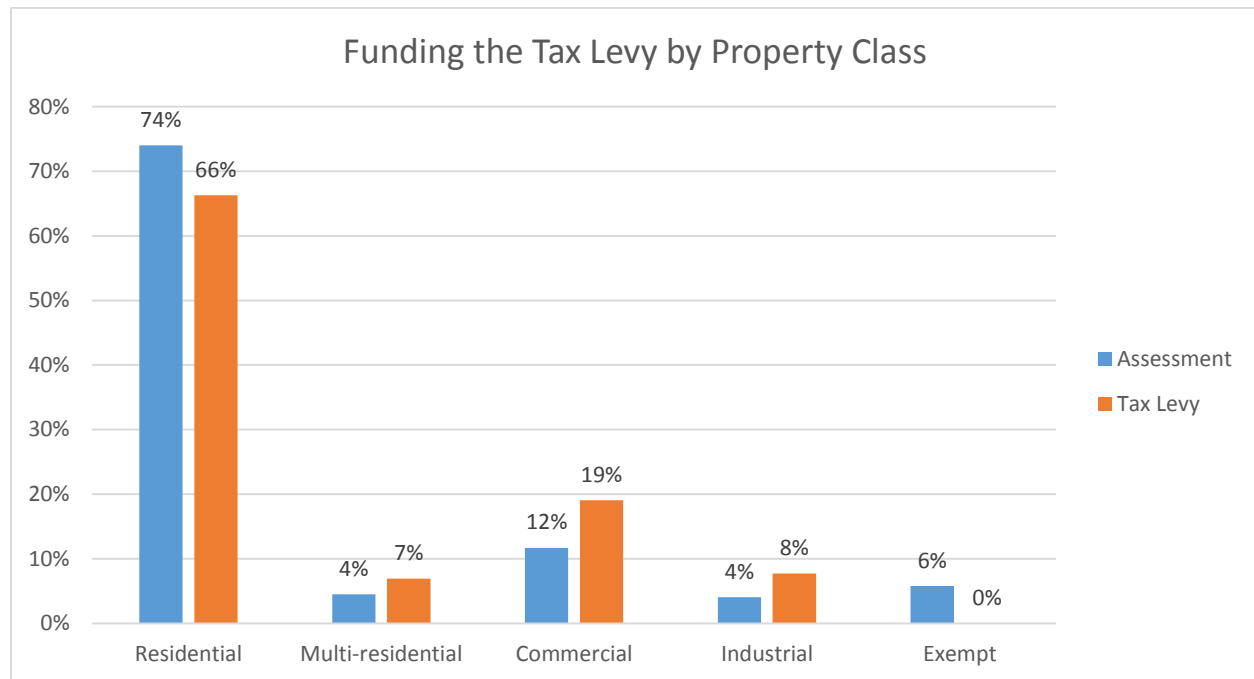
On April 24, 2017, Council adopted the recommendations in the [Tax Ratios 2017-2020 Assessment Cycle report](#), which provided direction for setting tax ratios for the reassessment cycle 2017 through 2020. This direction was that all ratios remain at their start ratio, except for the multi-residential ratio, which would remain revenue neutral on an annual basis.

On July 22, 2019, Council adopted the recommendations in the [Vacant and Excess Land Subclass Review report](#), which provided direction for phasing out subclass discounts. This direction provided that subclass discounts would be phased out over two years beginning in 2020, reducing the discounts from 30 per cent to 15 per cent in 2020 and fully eliminating the discount in 2021.

### Funding the Tax Levy by Property Class

The tax levy is funded primarily through four broad property tax classes: residential, multi-residential, commercial, and industrial. The split between total

assessment and total tax levy based on the proposed Tax Policy for 2020 is shown below.



The residential tax class makes up 74 per cent of the City’s total assessment base and funds 66 per cent of the tax levy. The assessment and tax levy split among all classes is consistent with prior years.

### Impact on the Average Residential Taxpayer

The impact on the average residential taxpayer with an average property assessment of \$388,362 is as follows:

City of Guelph Portion	\$ Change	% Change
Reassessment Phase-in /		
Average Residential Property	\$3.49	0.10%
2020 Budget Impact	\$128.67	3.55%
Multi-residential Ratio Change Impact	\$5.19	0.14%
Subclass Discount Change Impact	-\$7.58	-0.21%
Hospital Levy Impact	\$10.99	0.30%
<b>Total Change</b>	<b>\$140.76</b>	<b>3.88%</b>

The impact of the reassessment phase-in is the only item not driven by the 2020 budget and Tax Policy decisions. This impact is solely driven by the assessment phase-in and associated tax shifting, along with what an average residential property assessment in Guelph looks like. Naturally, as residential properties increase in value, the average assessment will increase each year due to the phase-in process. Additionally, on an annual basis the average residential property continues to be bigger and of a higher quality as new larger, higher value homes

are being constructed. This further increase in the average residential property value provides for upward pressure when comparing an average year-over-year.

### **Hospital Levy**

In 2020, a hospital levy will be shown separately on the final tax bill. This levy is Council's commitment to funding Guelph General Hospital renovations with \$750,000 on an annual basis from 2020 through 2025.

### **Tax Relief for Low-Income Seniors and Low-Income Persons with Disabilities**

Municipalities are legislatively required to have a tax relief program under Section 319 of the Municipal Act. This program provides qualifying low-income seniors and low-income persons with disabilities tax relief through a deferral of property tax, should their annual assessment-related tax increase be greater than \$200. The program is set out in By-law (2015)-19988.

### **Tax Rebates for Charities**

Municipalities are legislatively required to have this rebate under Section 361 of the Municipal Act. Qualifying charities, upon application, are provided a rebate of 40 per cent of taxes paid. In 2019, the City processed 37 rebate applications for a total dollar amount of \$217,939, of which the City's share was \$130,073. The charitable tax rebate program is set out in By-law (2002)-16851 and By-law (2003)-17152.

### **Financial Implications**

There are no financial implications related directly with the Tax Policy. Tax ratios and subsequent tax rates only allocate the approved tax supported operating budget over the different tax classes.

Annually the cost of the mandatory charity rebate program is approximately \$130,000.

### **Communications**

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

Included with the 2020 final tax bill is an informational insert, which outlines the services that are funded through property taxation and the percentage of each dollar that goes to fund that service.

### **Strategic Plan Alignment**

This report aligns with Strategic Plan priority Working Together for our Future, running an effective, fiscally responsibly and trusted local government.

### **Attachments**

Attachment-1 2020 City of Guelph - Tax Ratios, Discounts and Rates

### **Departmental Approval**

James Krauter, Deputy Treasurer / Manager of Taxation and Revenue

### **Report Author**

Greg Bedard, Supervisor, Property Tax

**This report was approved by:**

Tara Baker, CPA, CA

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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**Attachment-1 to Report 2020-02  
2020 City of Guelph Tax Ratios, Discounts and Rates**

<b>Property Class</b>	<b>Tax Ratio</b>	<b>Tax Rate Discount</b>	<b>General Levy Tax Rate</b>	<b>Hospital Levy Tax Rate</b>	<b>Total Tax Rate</b>
Residential	1.000000	0%	0.967011%	0.002831%	0.969842%
Residential - Farmland 1	1.000000	25%	0.725258%	0.002123%	0.727381%
Residential - Farmland 4	1.000000	0%	0.967011%	0.002831%	0.969842%
New Multi-residential	1.000000	0%	0.967011%	0.002831%	0.969842%
Multi-residential	1.786308	0%	1.727379%	0.005057%	1.732436%
Multi-residential - Farmland 1	1.000000	25%	0.725258%	0.002123%	0.727381%
Multi-residential - Farmland 4	1.786308	0%	1.727379%	0.005057%	1.732436%
Commercial	1.840000	0%	1.779300%	0.005209%	1.784509%
Commercial - Farmland 1	1.000000	25%	0.725258%	0.002123%	0.727381%
Commercial - Farmland 4	1.840000	0%	1.779300%	0.005209%	1.784509%
Commercial - Excess Land	1.840000	15%	1.512405%	0.004428%	1.516833%
Commercial - Vacant Land	1.840000	15%	1.512405%	0.004428%	1.516833%
Commercial - New Construction Full	1.840000	0%	1.779300%	0.005209%	1.784509%
Commercial - New Construction - Excess	1.840000	15%	1.512405%	0.004428%	1.516833%
Industrial	2.204800	0%	2.132066%	0.006242%	2.138308%
Industrial - Farmland 1	1.000000	25%	0.725258%	0.002123%	0.727381%
Industrial - Farmland 4	2.204800	0%	2.132066%	0.006242%	2.138308%
Industrial - Excess Land	2.204800	15%	1.812256%	0.005306%	1.817562%
Industrial - Vacant Land	2.204800	15%	1.812256%	0.005306%	1.817562%
Industrial - New Construction Full	2.204800	0%	2.132066%	0.006242%	2.138308%
Industrial - New Construction Excess	2.204800	15%	1.812256%	0.005306%	1.817562%
Pipelines	1.917500	0%	1.853958%	0.005351%	1.859309%
Farmlands	0.250000	0%	0.241753%	0.000708%	0.242461%
Managed Forests	0.250000	0%	0.241753%	0.000708%	0.242461%

Business Improvement Area Tax Rates: Occupied 0.331494%, Vacant 0.281855%

# Council Memo



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To	<b>City Council</b>
Service Area	Corporate Services
Date	Monday, May 11, 2020
Subject	<b>Additional Information - Multi-residential Ratio for 2020 Tax Policy</b>

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## Purpose of memo

At the emergency Council meeting held April 16, 2020, the 2020 Property Tax Policy Report - 2020-02 was referred to the next meeting of City Council. The reason for the referral was to allow staff the opportunity to provide further details to the changes related to the Multi-residential tax (MT) ratio.

Further it illustrates the average residential property tax increase compared to the approved City budget levy increase of 3.60% plus the 0.31% increase for the Guelph General Hospital.

## Background

The MT class consists of buildings with seven or more residential units under the same ownership. MT does not include condominiums. These MT buildings were built prior to 1998 as the New Multi-residential tax (NT) class was implemented that year. There are just over 7,300 MT units in the City of Guelph. Some of these buildings have tenants who have been there for decades.

Tax ratios only allocate or divide the portion of taxes for each representative tax class. Changing tax ratios does not increase or decrease the overall amount of taxes the City will levy. When tax ratios are changed, it only shifts the amount from one tax class to the others.

Tax ratios for the MT class in Guelph have historically been approximately two times that of Residential. Which means for each dollar of assessed value, the MT class pays twice the amount of taxes when compared to the Residential or NT classes. Proponents of affordable housing also are supportive of lowering the MT ratio as a means to keep rent from increasing.

On April 24, 2017, Council adopted the recommendations in the [Tax Ratios 2017-2020 Assessment Cycle Report](#), which provided direction for setting tax ratios for the reassessment cycle 2017 through 2020. This direction was that all ratios remain at their start ratio, except for the MT ratio, which would remain revenue neutral on an annual basis. Through the analysis at that time, it showed that through this assessment cycle, the overall assessment in the MT class increased at a rate significantly higher than all the other tax classes, causing what is known as a tax class shift in each of the four years.

## **The numbers**

So far in this assessment cycle from 2017 to 2019, the tax class shift mitigated through Council's prudent decision to have the MT class revenue neutral has been approximately \$1.4 million. This has ensured that the MT sector has not taken on an additional annualized tax burden from the reassessment tax class shift of approximately \$192 per MT unit.

Specifically for 2020, the tax shift increase in the MT sector shifts \$330,000 to the 7,300 units resulting in a per unit increase of \$45.14. Keeping the MT ratio revenue neutral means mitigating that assessment-related tax shift by spreading out the \$330,000 over the remaining tax classes, this means reducing MT taxes by 2.01% while shifting a slight increase of 0.14% to the other tax classes. Through this, \$234,000 shifts back to the Residential tax class, for an impact of \$5.19 on the average residential property, with the broad commercial class picking up \$66,900 and the broad industrial sector \$27,200.

The assessment tax shift impacts to the MT class is on top of any budget impact, hospital levy impact, or other factors that make up the overall total change to any specific tax class.

## **Future Implications**

The final consideration relates to the MT class and the previously mentioned NT class. The current provincial legislation fixes a property in the NT class for only 35 years. There continues to be a significant gap between the MT ratio at 1.825401 and the NT ratio at 1.0. Properties in the NT ratio will be forced over to the MT ratio starting in 2034, which is only thirteen years from now. The City needs to have narrowed the gap considerably between the MT and the NT class to avoid a significant increase in property taxes to the affected properties, which will be passed along to the tenants. It is strongly recommended that a reduction for the ratio to at least reflect the revenue neutral tax level for the MT continue to be implemented.

With this analysis and additional information related specifically to the 2020 taxation year, staying the course for the final year of the 2017-2020 reassessment cycle and adopting revenue neutral ratios for the MT class is the prudent, responsible and equitable course of action.

## **2020 Approved Budget**

On December 3, 2019, Council approved a City tax supported budget levy increase of 3.60% in addition to a levy for the Guelph General Hospital of 0.31% for a total net levy increase of 3.91%.

The staff recommended 2020 Tax Policy will result in the taxes for an average residential property to increase by 3.88% or 0.03% less than the approved net budget levy increase.

Council's decision in 2019 to eliminate commercial and industrial vacant and excess land subclass discounts over a two-year period is contributing to a decrease in the average residential taxes in 2020 of 0.21. This is a great result of Council's decision to increase the fairness of taxation and this decrease more than offsets the increase

from the MT revenue neutrality ratio impact as well as the fourth year of the reassessment phase-in impact.

**This memo was approved by:**

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**This memo was recommended by:**

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