THE REGIONAL MUNICIPALITY OF NIAGARA
CORPORATE SERVICES COMMITTEE
FINAL AGENDA

CSC 04-2019
Wednesday, April 17, 2019
9:30 a.m.
Council Chamber
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON

Pages

1. CALL TO ORDER

2. DISCLOSURES OF PECUNIARY INTEREST

3. PRESENTATIONS

4. DELEGATIONS

5. ITEMS FOR CONSIDERATION

   5.1 CSD 16-2019 — *3 - 246*
   2019 Property Tax Policy, Ratios and Rates

   A presentation will precede the discussion of this item.

   5.2 CSD 20-2019 — 247 - 267
   Asset Management Policy

   5.3 CSD 28-2019 — 268 - 277
   Insurance and Risk Management Services Contract Extension for November 1, 2019 – November 1, 2020

   5.4 CSD 29-2019 — 278 - 290
   Bill 142 – Construction Lien Amendment Act, 2017

6. CONSENT ITEMS FOR INFORMATION

7. OTHER BUSINESS

8. CLOSED SESSION

8.1 Confidential CSD 30-2019
A Matter Respecting Litigation and A Matter of Advice that is Subject to Solicitor-Client privilege under s. 239 (2) of the Municipal Act, 2001 – Kingdom Construction Limited re Niagara Falls Water Treatment Plant

9. BUSINESS ARISING FROM CLOSED SESSION ITEMS

10. NEXT MEETING

The next meeting will be held on Wednesday, May 8, 2019 at 9:30 a.m. in the Council Chamber, Regional Headquarters.

11. ADJOURNMENT

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisory Coordinator at 905-980-6000 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

Niagara Region

2019

Property Tax Policy, Ratios & Rates

Corporate Services Committee
April 17, 2019

Agenda

- Tax Policy Background, Responsibility & Definition
- Assessment Growth versus Reassessment Impacts
- Tax Policy Background
- 2019 Recommended Tax Policy
- 2019 Provincial Policy
- Next Steps

Tax Policy Background & Responsibility

- The Municipal Act requires that the Region pass a by-law in each year to establish tax ratios which will create the tax rates to raise the approved levy for the upper-tier and lower-tier municipalities.
- Regional Council is also responsible for many other tax policy decisions that must be established annually including:
  - Setting parameters for business tax capping
  - Optimal tax structure and subclass discounts
  - Other rebate, deferral and vacancy programs
- Tax Policy: Relationship between property taxes and assessment
- Tax Policy recommendations have been made in collaboration with Area Treasurers

Property Tax Class Definitions

- Multi-Residential
  - Lands used for residential purposes that have 7 or more self contained units, (excludes condominiums which are in Residential Class)
- New Multi-Residential
  - Optional class adopted for the 2004 and subsequent tax years for new construction that would otherwise be classified as multi-residential (use residential tax ratio and rate). Became mandatory in 2017.

Property Tax Class Definitions

- Commercial
  - Properties that are primarily used for commercial purposes including retail, food service, office buildings.
- Industrial
  - Land and buildings used in connection with manufacturing, producing or processing.

Select Property Tax Policy Definitions

- Excess Land
  - Portion of a parcel of land that has not been developed and is in excess of requirements for existing development elsewhere on the parcel

- Vacant Land
  - The land has no present use and no buildings or structures located on it (taxed based on applicable zoning)

Assessment Growth versus Reassessment Impacts

2018 Annualized Revenue Growth by Property Class
(Additional Taxation Revenue)

- As presented with 2019 Operating Budget, taxable growth dollars resulted in an additional $5.7 M or 1.65% in 2018
- Previous year levy plus growth represents starting point for 2019 tax policy analysis

	2018 Regional General Levy		Revenue Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$250,722,218	$256,369,618	$5,647,400	2.25%
Farm	$2,832,219	$2,801,577	-$30,642	-1.08%
Managed Forest	$16,253	$18,205	$1,952	12.01%
New Multi-Residential	$766,871	$780,797	$13,926	1.82%
Multi-Residential	$14,913,471	$14,547,107	-$366,364	-2.46%
Commercial	$63,691,226	$64,130,454	$439,228	0.69%
Industrial	$11,497,293	$11,482,587	-$14,706	-0.13%
Landfill	$57,780	$57,780	$0	0.00%
Pipeline	$2,250,941	$2,265,299	$14,358	0.64%
Sub-Total Taxable	**$346,748,272**	**$352,453,424**	**$5,705,152**	**1.65%**

2018 Taxable Growth %

2018 Approved Levy

2018 Annualized Revenue Growth by Area Municipality
(Additional Taxation Revenue)

- In year growth varies between municipalities ranging from 0.34% to 4.29%

	2018 Regional General Levy		Revenue Growth	
Local Municipality	**As Returned**	**As Revised**	**$**	**%**
Fort Erie	$21,925,108	$22,428,328	$503,220	2.30%
Grimsby	$25,095,975	$25,883,857	$787,882	3.14%
Lincoln	$20,175,612	$20,443,857	$268,245	1.33%
Niagara Falls	$72,858,490	$74,209,801	$1,351,311	1.85%
Niagara-on-the-Lake	$29,461,668	$30,082,399	$620,731	2.11%
Pelham	$14,413,733	$14,718,064	$304,331	2.11%
Port Colborne	$11,512,654	$11,599,092	$86,438	0.75%
St. Catharines	$93,484,979	$93,802,595	$317,616	0.34%
Thorold	$13,560,338	$14,142,691	$582,353	4.29%
Wainfleet	$5,203,681	$5,281,328	$77,647	1.49%
Welland	$28,515,782	$29,032,299	$516,517	1.81%
West Lincoln	$10,540,256	$10,829,113	$288,857	2.74%
Niagara Region	**$346,748,276**	**$352,453,424**	**$5,705,152**	**1.65%**

Reassessment Related Tax Impacts
(Tax Class Redistribution)

- CVA reflect current market conditions with an effective date of Jan. 1, 2016 (no physical property change)
- MPAC reassesses all properties every 4 years
- Any CVA increases are phased-in over 4 years and any CVA decreases are implemented in the first year of the assessment cycle
- Phase-in related impacts are 4.05% and vary between property class

	Phase Adjusted CVA		Change in Phased CVA	
Realty Tax Class	**2018 Revised**	**2019 Returned**	**$**	**%**
Taxable				
Residential	45,240,747,203	46,877,880,220	1,637,133,017	3.62%
Farm	1,976,142,587	2,199,003,701	222,861,114	11.28%
Managed Forest	12,840,739	13,907,719	1,066,980	8.31%
New Multi-Residential	137,687,680	144,085,061	6,397,381	4.65%
Multi-Residential	1,302,167,148	1,346,916,747	44,749,599	3.44%
Commercial	6,623,548,330	6,954,686,379	331,138,049	5.00%
Industrial	808,952,273	839,898,339	30,946,066	3.83%
Landfill	3,465,350	3,536,625	71,275	2.06%
Pipeline	234,691,343	240,756,173	6,064,830	2.58%
Sub-Total Taxable	**56,340,242,653**	**58,620,670,964**	**2,280,428,311**	**4.05%**

Reassessment Related Impacts
(Tax Class Redistribution)

- Varying phase-in changes between classes results in a redistribution of taxes
- This redistribution of taxes by class does not effect the total levy amount
- Residential class will be a shift away in 2019 compared to 2018 year-end of $726,422 or 0.28%

	Regional General Levy		Inter-Class Shifts	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$256,369,618	$255,643,196	-$726,422	-0.28%
Farm	$2,801,577	$3,000,078	$198,501	7.09%
Managed Forest	$18,205	$18,975	$770	4.23%
New Multi-Residential	$780,797	$786,297	$5,500	0.70%
Multi-Residential	$14,547,107	$14,480,189	-$66,918	-0.46%
Commercial	$64,130,454	$64,796,932	$666,478	1.04%
Industrial	$11,482,587	$11,434,577	-$48,010	-0.42%
Landfill	$57,780	$56,746	-$1,034	-1.79%
Pipeline	$2,265,299	$2,236,301	-$28,998	-1.28%
Sub-Total Taxable	**$352,453,424**	**$352,453,291**	**-$133**	**0.00%**

2019 Starting Levy (after growth)

Year-Over-Year Upper-Tier Levy Shifts

- Varying phase-in changes between classes results in shifts between municipalities
- Impacts of varying assessment phase-in between municipalities results in shifts ranging from -1.58% to 2.05%
- In aggregate these changes are 0%

Local Municipality	Rate of Phase-In Change	Inter-Municipal Shifts $	Inter-Municipal Shifts %
Fort Erie	2.33%	-$355,349	-1.58%
Port Colborne	2.87%	-$114,235	-0.98%
Welland	2.93%	-$273,483	-0.94%
Thorold	3.03%	-$123,951	-0.88%
Pelham	3.42%	-$106,828	-0.73%
St. Catharines	3.51%	-$245,940	-0.26%
Niagara Region	**4.05%**	**-$133**	**0.00%**
Niagara Falls	4.13%	$160,580	0.22%
Niagara-on-the-Lake	5.01%	$230,818	0.77%
Lincoln	5.29%	$147,570	0.72%
Wainfleet	5.56%	$28,033	0.53%
Grimsby	5.98%	$530,219	2.05%
West Lincoln	6.52%	$122,433	1.13%

Tax Policy Background

Tax Burden – BMA Study Averages

- BMA combines Region, LAM and Education Rates and compares against 108 Ontario Municipalities
- Residential – All property types above BMA study average
- Commercial – Hotel, Shopping above; Office, Motels below
- Multi-Res – Mid/High Rises at par; Walk-up above

Property Class	Property Type	Comparison Metric	Niagara Average* ($)	Study Average ($)	Variance		Comparison to Study
					$	%	
Residential	Bungalow	Tax/Unit	3,466	3,397	69	2.03%	Above
	2 Storey	Tax/Unit	4,656	4,524	132	2.92%	Above
	Executive	Tax/Unit	6,296	6,286	10	0.16%	Above
Multi-Res	Walk-Up	Tax/Unit	1,577	1,382	195	14.11%	Above
	Mid/High-Rise	Tax/Unit	1,716	1,715	1	0.06%	Par
Commercial	Office Buildings***	Tax/ Sq. Ft.	2.77	3.04	(0.27)	-8.88%	Below
	Shopping	Tax/ Sq. Ft.	3.75	2.63	1.12	42.59%	Above
	Hotels**	Tax/Unit	1,844	1,602	242	15.11%	Above
	Motels	Tax/Unit	1,084	1,240	(156)	-12.58%	Below
Industrial	Industrial Vacant Land	Tax/Acre	3,118	3,673	(555)	-15.11%	Below
	Standard Industrial	Tax/ Sq. Ft.	1.82	1.67	0.15	8.98%	Above
	Large Industrial***	Tax/ Sq. Ft.	0.87	1.11	(0.24)	-21.62%	Below

*Calculated using a simple average of all LAMs.
**Classified to be in the high range.
***Classified to be in the low range.

Tax Burden – BMA Study Averages

- Niagara weighted average residential property tax burden greater than BMA survey average
- Average property tax per unit is lower than average
- However, offset by lower than average household income

	Niagara Average*	Study Average	Variance $	Variance %	Comparison to Study
Total Property Taxes ($) Per Median Dwelling Value	$3,832	$3,836	(4)	(0.10)	Below
Total Property Taxes as % of Hhld. Income	4.0%	3.8%			Above
Total Municipal Burden: Taxes and W/WW ($)	$4,768	$4,910	(142)	(2.89)	Below
Total Municipal Burden: Taxes and W/WW as % of Hhld. Income	4.9%	4.8%			Above

*Calculated using a simple average of all LAMs (weighted average is 5.2%).

2019 Recommended Tax Policy

Property Tax Policy Definitions

- Tax Ratios
  - Tax ratios represent the relationship between the tax rate applicable to the residential property class and the rates for other property classes
  - Ratios distribute tax burden between classes relative to the residential class tax ratio, which is equal to "one"
  - Province establishes ranges of fairness that guide tax ratio setting by municipalities

Tax Ratio Summary

Realty Tax Class	2014 Ratios	2015 Ratios	2016 Ratios	2017 Ratios	2018 Ratios	2019 Start Ratios	Ranges of Fairness		Threshold Ratios	
							Lower Limit	Upper Limit	Threshold	Subject to Levy Restriction
Residential	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.00	1.00	-	N/A
Farm	0.250000	0.250000	0.250000	0.250000	0.250000	0.250000	-	0.25	-	N/A
Managed Forest	0.250000	0.250000	0.250000	0.250000	0.250000	0.250000	0.25	0.25	-	N/A
New Mult-Res	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.00	1.10	-	N/A
Multi-Residential	2.044000	2.044000	2.044000	**2.000000**	**1.970000**	1.970000	1.00	1.10	2.00	No
Commercial	1.758600	1.758600	1.758600	1.758600	**1.734900**	1.734900	0.60	1.10	1.98	No
Industrial	2.630000	2.630000	2.630000	2.630000	2.630000	2.630000	0.60	1.10	2.63	No
Landfill	N/A	N/A	N/A	2.940261	2.940261	2.940261	0.60	1.10	25.00	No
Pipeline	1.702100	1.702100	1.702100	1.702100	1.702100	1.702100	0.60	0.70	-	N/A

Recommended Ratios for 2019 Taxation

Recommended 2019 Tax Ratios

- Recommended to maintain 2018 Tax Ratios for 2019 Taxation
- This recommendation will keep negative shift with Residential class:
  - Residential property class responsible for 73% of total tax levy
  - Previously utilized negative residential shift to reduce commercial/multi-residential class ratios
  - Higher than average residential property taxes as percentage of household income (as identified from BMA)

Optional Tax Policy

Agri-Food Business Subclasses for Farm Properties
(Property Tax Impact Summary)

- Province announced a new optional subclass for commercial and industrial improvements on farm properties
- Intended to reduce taxation on value added farming activities

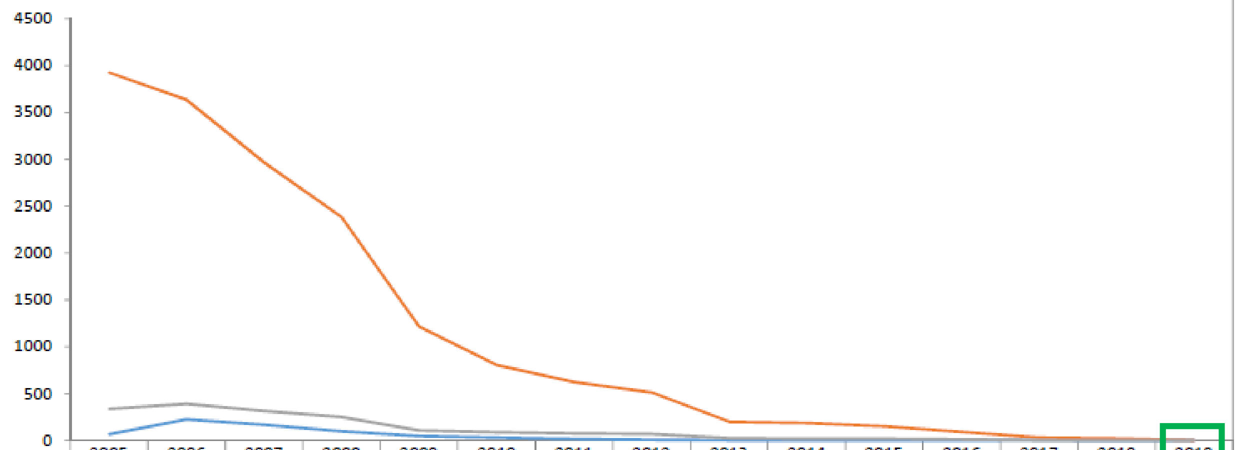
<u>Optional Subclass NOT Recommended</u>

- Limited properties eligible
- Farm property assessment already receive 75% reduction
- Limited property benefit (range $600 to $1,000)
- Adopting this subclass may result in significant farm appeals from farms not currently eligible (6,000 farm properties)

2019 Pro Forma Capping

- Mandatory capping introduced in 1998 for Multi-Res, Commercial & Industrial classes
- Designed to protect properties from annual tax increases above maximum threshold - Funded from claw backs from other properties
- Multi-Residential class - opted out of in 2017
- Industrial class – eligible for opt out in 2019
- Commercial class – No properties capped in 2019, eligible for opt out in 2020

Number of Properties Impacted by Capping



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Multi-Residential (Opted Out 2017)	65	224	167	96	46	29	13	7	2	1	1	0	0	0	0
Commercial (Eligible for Opt Out 2020)	3923	3637	2967	2383	1214	805	623	511	200	185	152	89	29	21	0
Industrial (Eligible for Opt Out 2019)	335	389	313	251	106	87	75	69	23	17	17	12	2	0	0

2019 Provincial Policy

Education Tax Rate Background & 2019 Rates

- Education rates set annually by the Province
- Current rates creates education “tax room” (i.e., -5.29% rate change vs +3.62% reassessment impact)

Realty Tax Class	Education Rates		% Change
	2018	2019	
Residential	0.0017000	0.0016100	-5.29%
Farm	0.0004250	0.0004025	-5.29%
Managed Forest	0.0004250	0.0004025	-5.29%
Multi-Residential	0.0017000	0.0016100	-5.29%
New Multi-Residential	0.0017000	0.0016100	-5.29%
Commercial	0.0109000	0.0103000	-5.50%
Landfill	0.0178518	0.0174921	-2.02%
Industrial	0.0134000	0.0129000	-3.73%
New Industrial	0.0109000	0.0103000	-5.50%
Pipeline	0.0109000	0.0103000	-5.50%

Education Commercial/Industrial Vacant Unit/Sub-class Discounts

- Province announced phase-out of vacancy programs on education taxes
- More aggressive timeline for phase-out compared to Region approved phase-out plan

	Adopted Regional Policy			Adopted Provincial Policy			
Property Class	Commercial/ Industrial	Commercial/ Industrial		Commercial	Commercial	Industrial	Industrial
Year	Vacant Unit Rebate %	Vacant/Excess Land		Vacant Unit Rebate %	Vacant/Excess Land	Vacant Unit Rebate %	Vacant/Excess Land
2019	20%	30%		15%	15%	15%	15%
2020	10%	30%		0%	0%	0%	0%
2021	0%	22.50%		0%	0%	0%	0%
2022	0%	15%		0%	0%	0%	0%
2023	0%	7.50%		0%	0%	0%	0%
2024 and onwards	0%	0%		0%	0%	0%	0%

Next Steps

- Tax Policy Bylaws - Council – April 25, 2019
- Approved Tax Policy Distributed to Area Treasurers – April 26, 2019
- Area Municipalities Establish Tax Rate (own levy)
- Area Municipalities Complete Tax Billing – June 2019

Questions?

Contact Details:

Rob Fleming, MBA
Senior Tax & Revenue Analyst
E: robert.fleming@niagararegion.ca
T: 905-980-6000 x3272

Subject: 2019 Property Tax Policy, Ratios and Rates

Report to: Corporate Services Committee

Report date: Wednesday, April 17, 2019

Recommendations

1. That Regional Council **APPROVE** the following tax ratios and sub-class reductions for the 2019 taxation year:

Property Classification	Tax Ratio	Sub-Class Reduction
Residential	1.000000	
New Multi-Residential	1.000000	
Multi-Residential	1.970000	
Commercial	1.734900	
Commercial – Excess Land	1.734900	30%
Commercial – Vacant Land	1.734900	30%
Industrial	2.630000	
Industrial – Excess Land	2.630000	30%
Industrial – Vacant Land	2.630000	30%
Pipeline	1.702100	
Farmland	0.250000	
Managed Forest	0.250000	
Farmland Awaiting Development 1	1.000000	25%
Farmland Awaiting Development 2	Class Ratio	
Landfill Sites	2.940261	

2. That by having no properties eligible for capping in the industrial class, Regional Council **OPT OUT** of the capping program for the industrial tax class for the 2019 and subsequent taxation years.

3. That the 2019 tax capping program for the commercial class reflecting the following criteria **BE APPROVED:**
    a. An annual cap **BE SET** at the greater of:
        i. An amount representing an increase of 10% of the previous year's annualized tax, or
        ii. An amount representing an increase of 10% of the previous year's Current Value Assessment (CVA) tax.
    b. That, following the application of the capping program, all increasing properties within $500 threshold and decreasing properties within $50 threshold of the CVA taxes **BE MOVED** directly to CVA taxation.
    c. Properties at CVA tax in 2018 **BE EXCLUDED** from the capping program.
    d. Properties that would cross over CVA tax in 2019 **BE EXCLUDED** from the capping program.

4. That the phase-out of the capping program over four years for the Commercial property class with 2019 being year three of the four years **BE ADOPTED**.

5. That the option to limit capping protection only to reassessment-related changes prior to 2019 **BE ADOPTED**.

6. That the 2019 capping program **BE FUNDED** by claw back from within respective classes pursuant to section 330 of the Municipal Act.

7. That the Region **BE DIRECTED** to act as a banker, under section 330(6) of the Municipal Act for the 2019 municipal tax adjustments.

8. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration and **CIRCULATED** to the Councils of the local area municipalities for information.

9. That this report **BE APPROVED** and **CIRCULATED** to the Councils of the local area municipalities for information.

Key Facts

- The purpose of this report is to set the 2019 tax policy which sets the tax ratio and tax capping program details. Tax policy accounts for property assessment changes and impacts the actual taxes paid by property owners. These tax policy changes may shift the distribution of taxes between property classes.
- The recommended tax policy for 2019 is status quo based on the tax policy decision adopted for the 2018 taxation year and is being recommended by Regional staff and Area Treasurers.
- 2019 is the third year of the four year reassessment phase-in period ending 2020.
- In order for the local area municipalities to complete final tax billings in June, Regional bylaws should be established no later than April.
- The Region approved a levy increase of 3.83%. Local area municipal increases are projected to range from 0% to 9.28%.
- Under the status quo tax policy the residential class in aggregate will see an increase of 3.55% over 2018 as a result of a negative reassessment shift of 0.28% (see table 1).
- The reassessment impacts, proposed tax policy and approved Regional tax levy will result in an increase of approximately $51 (3.5%) to the typical residential property with a CVA of $267,711 in 2019 for an annual Regional property tax of $1,516.
- As of the date of this report, the Province has not released the 2019 education tax rates.

- The Region continues strategies to exit the capping program. The commercial class is projected to have 0 capped properties and 0 clawed back properties for 2019 (eligible to exit 2020). The multi-residential tax class was exited fully in 2017 and the industrial class will be exited fully in 2019.

Financial Considerations

There are no direct costs to the Region as a result of setting 2019 tax policy. There are taxpayer impacts as a result of tax shifts between property classes due to re-assessment phase-in, assessment growth and tax ratio decisions. Detailed analysis of assessment growth, reassessment and phase-in changes and tax ratios is included in the Tax Policy Study attached as Appendix 1.

The recommendations related to capping protection for the commercial property class are funded through a clawing back of tax reductions within the same class. The recommendations will have implications to those existing property owners whose properties are capped and those who properties are subject to claw back. However, for 2019 it is projected that there will not be any capped properties.

As will be discussed under the Other Policy Consideration section of this report, Council approved the phase-out of the commercial/industrial vacant unit rebate program starting in 2019 through CSD 3-2019. Included as part of the 2019 levy supported operating budget, was a budgeted reduction of approximately $300,000 for the vacant unit program. Also as part of Report CSD 3-2019, Council approved the phase-out of the vacant/excess land subclass discount which does not have an impact on tax policy until 2022.

Analysis

The Municipal Act provides the Region with the responsibility to establish tax policy to raise levy requirements. These tax policy decisions are reviewed and discussed with local Area Treasurers. Regional staff met with the local Area Treasures and discussed options for the 2019 tax policy and all Area Treasurers strongly support the recommendation in this report.

Due to the 2016 reassessment, assessment growth and provincial legislation, tax shifts will occur across all property classes. These factors are outside the control of Niagara Regional Council and the budget process. The only opportunity to affect these is through the thorough analysis of options available for ratios and resulting impacts. Staff with the use of a third party consultant undertook analysis of a number of options to arrive at the recommendations presented in this report.

The Region has several tax related performance metrics that are being measured and are reported in Appendix 2. These metrics as well as BMA relative tax burden metrics were considered in the evaluation of tax policy options identified in this report. Policy decisions proposed have been made with the following considerations in mind:

- Residential taxpayer - The residential class is responsible for 73% of the overall tax levy. Under the status quo tax policy the residential class in aggregate will see an increase of 3.55% over 2018 as a result of a negative reassessment shift of 0.28% (see table 1). This decrease in the residential class' proportionate share of taxes will continue for the balance of the reassessment cycle (2020). In previous years, the Region utilized the negative shift away from the residential class to provide relief to multi-residential and commercial tax classes through reduced tax ratios. As identified in the most recent BMA study, the weighted average residential property taxes payable as a percentage of household income is above the BMA study average (i.e., Niagara 4.9% [5.2% weighted average] verses BMA average 4.8%). The negative shift from the reassessment will assist with narrowing the gap between Niagara and the BMA average.

  As can also be seen in Appendix 2 to this report, all three categories of residential developments have average property taxes per unit above the BMA survey average for 2018. The residential categories included in the BMA study are detached bungalow, two-storey homes and senior executive homes.

- Job creation/growth – per Table 2, Industrial properties pay 3.24% of Regional taxes. Due to significant reassessment and appeal reductions in the property class in the recent past, the Industrial class represents 3.24% in taxation which is down from 3.61% in 2016 and remains below or at the BMA relative tax burden averages provided in Appendix 2.

- Commercial properties pay the second largest share (after residential) of Regional taxes at 18.38%. Appendix 2 illustrates that Niagara taxation of shopping centres and hotels are moderately above the BMA average while office buildings and motels are below. It should be noted that significant hotel appeals outstanding may reduce the overall tax burden for this property type if the appeals are successful ($907 million in CVA). The current assessment practice for hotels is the net rental income approach. A higher potential income per night from a higher concentration of hotels in Niagara Falls tourist areas (51 out of 80 hotels) helps explain the higher Niagara hotel taxes relative to neighbouring municipalities. For the 2018 taxation year Council approved a reduction in the commercial tax ratio from 1.7586 to 1.7349. Under the status quo tax policy for 2019, this reduction in the tax ratio will be retained.

Basis for Policy Recommendations

1. Assessment Growth

The overall real assessment growth that occurred in 2019 was 1.65% (as included in the approved 2019 operating budget), equivalent to $5,705,152 in tax dollars. Table 1 summarizes the overall assessment growth that occurred in 2018 as well as the impacts affecting each of the tax classes based on maintaining the status quo tax ratios for 2019.

Table 1 – 2019 Tax Levy Impacts by Property Class (Status Quo Policy)

Property Class	2018 Levy	Impacts			2019 Levy	Avg % Increase
		Growth	Phase-In	Levy		
Residential	$ 250,722,218	$ 5,647,400	$ (726,422)	$ 9,626,725	$ 265,269,921	3.55%
New Multi-Residential	766,871	13,926	5,500	29,609	$ 815,906	4.58%
Multi-Residential	14,913,471	(366,364)	(66,918)	545,286	$ 15,025,475	3.21%
Farm	2,832,219	(30,642)	198,501	112,985	$ 3,113,063	11.00%
Management Forest	16,253	1,952	770	715	$ 19,690	9.14%
Commercial	63,691,226	439,228	666,478	2,440,106	$ 67,237,038	4.88%
Industrial	11,497,293	(14,706)	(48,010)	430,586	$ 11,865,163	3.33%
Pipelines	2,250,941	14,358	(28,998)	84,212	$ 2,320,513	2.45%
Landfill	57,780	-	(1,034)	2,137	$ 58,883	1.91%
Total	**$ 346,748,272**	**$ 5,705,152**	**$ (133)**	**$ 13,272,361**	**$ 365,725,652**	**3.83%**
% Increase		**1.65%**	**0%**	**3.83%**	**5.47%**	

2. Re-Assessment Phase-In and Tax Shifts

Reassessments of all properties is mandated by the Province every four years across Ontario to ensure that current value assessments (CVA) relied upon for property tax purposes are reflective of current market conditions. The 2017 taxation year represented the first phase-in year of the current four year reassessment cycle based on the January 1, 2016 valuation date. This reassessment cycle applies to the taxation years 2017 to 2020. Any assessment related decreases are implemented in the first year of the four year cycle with any increases being phased-in equally over the four years. As a result of decreases coming into effect in the 2017 tax year, the tax shifts across property classes are most significant in year one of the phase-in period which is what occurred with the Industrial property class reduction in 2017. These factors are as a result of MPAC assessment and outside of the control of Niagara Regional Council and the budget process

As mentioned above, this decrease in the residential class' proportionate share of taxes will continue for the balance of the reassessment cycle (2020) as seen in Table 2. This redistribution will shift taxes to commercial and farm properties. The 2019 amounts in Table 2 are based on the proposed status quo rates from 2018. The table represents a starting point for the ratio analysis. This will assist with the residential tax payer affordability.

Table 2 – Multi-Year Tax Distribution by Tax Class

Realty Tax Class	2018 Year End (As Revised)	Share	2019 Levy (As Returned)	Share
Taxable				
Residential	$ 256,369,618	72.74%	$ 265,269,922	72.53%
Farm	2,801,577	0.79%	3,113,064	0.85%
Managed Forest	18,205	0.01%	19,689	0.01%
New Multi-Residential	780,797	0.22%	815,906	0.22%
Multi-Residential	14,547,107	4.13%	15,025,476	4.11%
Commercial	64,130,454	18.20%	67,237,038	18.38%
Industrial	11,482,587	3.26%	11,865,164	3.24%
Landfill	57,780	0.02%	58,884	0.02%
Pipeline	2,265,299	0.64%	2,320,512	0.63%
Total Taxable	**$ 352,453,424**	**100%**	**$ 365,725,655**	**100%**

3. Education Rates

At this time, the Province has not released the 2019 education tax rates. It is anticipated that the rates will be established with the Provincial budget in April. In previous years, the Province has maintained a revenue neutral approach for the residential property class meaning that the residential class typically will see a reduction in the education tax rate from year to year. We expect the same for 2019. The education tax "room" that is created as a result of the revenue neutral education approach assists in offsetting municipal tax increases. Table 3 summarizes the historical education tax rates for all property classes.

Table 3 – Historic Education Tax Rates

Realty Tax Class	Education Rates			
	2015	2016	2017	2018
Residential	0.00195000	0.00188000	0.00179000	0.0017000
Farm	0.00048750	0.00047000	0.00044750	0.0004250
Managed Forest	0.00048750	0.00047000	0.00044750	0.0004250
Multi-Residential	0.00195000	0.00188000	0.00179000	0.0017000
New Multi-Residential	0.00195000	0.00188000	0.00179000	0.0017000
Commercial	0.01190000	0.01180000	0.01140000	0.0109000
Landfill	N/A	N/A	0.01822671	0.0178518
Industrial	0.01530000	0.01500000	0.01390000	0.0134000
New Industrial	0.01190000	0.01180000	0.01140000	0.0109000
Pipeline	0.01190000	0.01180000	0.01140000	0.0109000

4. Waste Management Rates

Waste management tax rates are also set based on the Regional tax ratios. The waste management requisition by municipality was already approved through report CSD 7-2019; however the by-law setting for the waste management rates for the 2019 requisitions will be brought forward with the general tax levy by-law as the rates are based on each municipality's assessment and are dependent on the tax ratios (with the exception of Niagara-on-the-Lake). Overall, the waste management levy requirements increased by $725,976 from $34,602,337 in 2018 to $35,328,313 in 2019, an increase of 2.1% before assessment growth. As discussed as part of CSD 7-2019 2019 Budget-Waste Management Services Operating Budget and Requisition, assessment growth in aggregate for the Region is 1.65% for 2018, resulting in the net requisition changes by local area municipality ranging from a decrease of 1.24% to an increase of 1.94% (total net requisition after growth of 0.45%). Therefore the combined waste management levy and general levy increase will result in a residential tax class increase of less than the Regional levy impact noted above.

Tax Policy Considerations

A number of scenarios were reviewed for the 2019 tax policy. All scenarios considered utilizing the negative tax shift away from the residential class to benefit other tax classes (i.e., commercial, multi-residential).

Despite the additional scenarios considered, staff are recommending a status quo scenario for 2019 for the reasons outlined in the Residential Taxpayer Affordability section. Specifically, keeping the negative shift with the residential class will mitigate the residential Regional tax levy increase to 3.55% from 3.83%. Further to this, the BMA study has shown that all residential categories are above the BMA study average. This position has been supported by the Treasurers of the local area municipalities as they are also projecting levy increase ranging from 0 to 9.28%.

Further to this, in previous years, the Region has utilized the negative tax shift away from the residential class to benefit commercial and multi-residential property owners. In addition, the Region also created a New Multi-Residential tax class in 2003 which carries the same ratio as residential properties which provides greater relief to newly constructed multi-residential buildings. See appendix 4 for historical Regional tax ratios.

Consideration was given to reduce the commercial tax burden as the hotel category is above BMA average (as discussed above). However as there are also a number of incentive programs that are available to this segment (including Tax Increment Grants, Development Charge exemptions/grants) this was not recommended. No consideration was given to adjusting the industrial ratio as the industrial tax class allocation is decreasing as noted in Table 2 as well as the fact that the Region is at or below the BMA average for this segment.

2019 Property Tax Levy Impacts

Table 4 shows the Regional tax increases for status quo tax policy. As per Appendix 1, reassessment impacts increased the overall Region taxable assessment by an average of 4.05% for all tax classes. Properties that are reassessed with increases greater than the average will see tax increases greater than the Region's budget increase of 3.83% and conversely properties reassessed less than the 4.05% average will see increases (or decreases) of less than 3.83%.

Table 4 – Regional Tax Increases for Status Quo Tax Policy

Taxation Class	2018 Final		2019	2019 - Status Quo		
	Avg CVA*	Regional Taxes	Avg CVA	Regional Taxes	$ Increase	% Increase
Residential	258,361	1,465	267,711	1,516	51	3.5%
Multi-Res.	2,449,215	27,361	2,533,468	28,262	901	3.3%
Commercial	735,600	7,237	772,380	7,588	351	4.8%
Industrial	708,763	10,571	735,909	10,960	389	3.7%
Farmland	326,484	463	363,311	514	51	11.1%

Municipal Impacts

As part of the 2019 tax policy review, the background documentation and scenario analysis was distributed to and discussed with the local Area Treasurers. Appendix 1 shows the municipal tax levy impacts of status quo tax policy recommendations in addition to an alternative scenario to be discussed further in the alternatives section. Under this option the relative tax impact on the residential class will be lower than the 2019 general levy increase as a result of the shift away from the residential class due to reassessment impacts.

While the tax shift away from the residential class for the Region as a whole is -0.28% it ranges from -1.55% to 1.73% for each area municipality based on localized assessment trends and is summarized below in Table 5 (Region portion only).

Table 5 – Regional Tax Levy Shifts (2018 Revised to 2019 Notional)

Area Municipality	Assessment Impacts by Tax Class	
	Residential	Total (Includes All Tax Classes)
Fort Erie	-1.55%	-1.58%
Grimsby	1.73%	2.05%
Lincoln	0.75%	0.72%
Niagara Falls	0.07%	0.22%
Niagara-on-the-Lake	0.13%	0.77%
Pelham	-0.86%	-0.73%
Port Colborne	-1.24%	-0.98%
St. Catharines	-0.79%	-0.26%
Thorold	-1.03%	-0.88%
Wainfleet	0.04%	0.53%
Welland	-1.06%	-0.94%
West Lincoln	0.98%	1.13%
Region Average	**-0.28%**	**0.00%**

- Six Municipalities (Fort Erie, Port Colborne, Welland, Lincoln, Pelham and St. Catharines) see a tax shift away from the residential class above the Region average of 0.28% under the status quo scenario due to the residential reassessment increase being below the average increase for other municipalities.
- The remaining six municipalities will still see a positive tax shift on the residential class under a status quo scenario ranging from 0.04% to 1.73%.
- Overall (when considering all tax classes) Fort Erie tax payers will incur a reduced share of the Region levy for 2019 in comparison to 2018 under the status quo scenario (-1.58%) with Grimsby tax payers incurring an increased share (2.05%). Any municipality, class or other group of properties subject to a rate of phase-in change around 4.05% would likely carry a similar share of the Regional levy in 2019 as in 2018. Representative property groupings (class, municipality, ward, etc.) experiencing higher rates of change will attract a greater share of the overall levy; and vice-versa for those increasing at rates below the aggregate.

Other Policy Consideration

- Optional Sub-class to Facilitate Reduced Tax Rates for Small-Scale Value-Added Industrial & Commercial Activities on Farms.

  The Province announced a new optional subclass for commercial and industrial improvements on farm properties. If a municipality adopts this new optional tax class, the first $50,000 of commercial and industrial assessment attached to a farm property will be taxed at 25% of the rate that otherwise would have applied for that specific property. The purpose of this new policy is to support small-scale agri-food enterprises with not more than $1,000,000 in CVA. MPAC has recently processed and identified all properties eligible for this reduction across Ontario. In total, 250 eligible properties have been identified across the Province with 45 being within the Region. The Province has legislated that eligible properties must receive the benefit on the education portion of property taxes. Upper-tier municipalities have the option of adopting the subclasses which would provide the same reduction of 75% for both area municipal and Regional taxes.

Of the 45 properties identified, the majority are located in NOTL and Lincoln and have been identified by MPAC as wineries. The maximum benefit that these properties could experience is approximately $500 on education taxes and approximately $675 to $1,000 on Region/LAM taxes combined (if adopted).

Staff is not recommending the subclass be adopted which is supported by the Area Treasurers. Existing Provincial legislation has already set the maximum farm property tax ratio at 0.25, meaning that farm properties already benefit from a reduced tax rate when compared to the residential rate. Also, with over 6,000 farm properties located in Niagara, only a select portion have been identified as eligible for the new subclass, meaning if the policy was adopted by the Region, only a small fraction of properties would receive any benefit. Further to this and as outlined on pages 47 and 48 of Appendix 1, additional farm property analysis shows that the combined impact for a typical farm property (when including house/secondary assessments) results in only a 2.78% tax related shift which is less than the 7.40% when only considering the actual farm portion of the typical property. Meaning that the reassessment related impacts on Farm properties may be less overall.

- Changes in discounts to commercial and industrial classes for excess and vacant land.

  In 2017, the Province enacted legislation to allow municipalities increased flexibility to create a vacant and excess land reduction program that would better meet the needs of individual municipalities. During early 2019, Regional Council reviewed and approved report CSD 3-2019 which recommended the elimination of this discount over a 4 year phase-out starting 2021. As per the Council approved phase-out schedule, there are no impacts for 2019 for the commercial/industrial subclass property discounts. As part of report CSD 3-2019, Council also approved the phase-out of the vacant unit tax rebate for commercial and industrial properties. This revision to the vacant unit program does not have an impact on the annual tax policy process.

The revisions for both programs have been submitted to Ontario's Minister of Finance in early 2019. Regional staff have been advised by the Province that the program revisions will be presented to the Minster in April 2019 and become legislation in June 2019.

Tax Capping Program

Business tax capping was introduced by the Province in 1998 to ensure the impact of CVA reform was manageable for taxpayers in the Multi-Residential, Commercial and Industrial property classes. The system was originally intended to last just 3 years, with increases on these classes limited to 10% in 1998, 15% in 1999 and 20% in 2000 (referred to as 10-5-5). In 2005 there were over 4,000 properties impacted by capping (1,111 capped, 3,212 subject to claw back) in the amount of $9,398,541. Appendix 3 shows the number of capped properties by class since 2005. For 2019, there are no capped properties projected. The Region opted out of the capping program for multi-residential properties in 2017 and is eligible for opting out the industrial tax class in 2019. It is being recommended that the necessary steps be completed to fully opt out the industrial tax class from the capping program. While there are no commercial properties projected to be effected by capping in 2019, this class cannot be opted out of until the 2020 taxation year.

Despite there being no projected properties to capped in 2019, staff are recommending that the CVA tax threshold for clawed back properties be maintained at $50 for 2019 for the commercial property class in the event that a property does become eligible. The claw back threshold was reduced in 2018 from the 2017 level of $500. The reduced claw back threshold eliminated the potential for a higher contribution being borne by very few properties.

Alternatives Reviewed

As identified above, staff explored numerous options. Given the strong emphasis on affordable housing an alternative analyzed was utilizing half of the negative residential tax shift (0.14% of 0.28%) to reduce the tax ratio of the Multi-Residential tax class from 1.97 (status-quo) to 1.902. As per section 131 of the Residential Tenancy Act, tenants are entitled to an automatic rent reduction when landlord's property taxes have been reduced by more than 2.49% from one year to the next. This alternative is **NOT RECOMMENDED**. Based on current levy requirements for the Region and the anticipated levy requirements for the area municipalities, it is not anticipated that a significant number of properties (if any) would be eligible for the mandatory rent reduction as outlined in the Act, meaning that there would be no legislated requirement for the landlords to pass any of the property tax savings as a result of a ratio reduction to the tenant.

Further to this, Regional Council approved a multi-residential tax class ratio reduction for 2018 which also utilized the negative residential shift from 2018.

Important to note as well, is that the New-multi-residential tax class has a legislated tax ratio of 1 (same as residential tax class). The intent behind the new class as legislated in 2017 (adopted by Region in 2003) is to assist in rental affordability of newly constructed multi-residential properties.

Relationship to Council Strategic Priorities

This tax policy was developed with Residential affordability in mind.

Other Pertinent Reports

- CSD 7-2019 - 2019 Budget-Waste Management Services Operating Budget and Requisition
- CSD 3-2019 - Vacancy Program Revisions Submission to Ministry of Finance

Prepared by:
Rob Fleming, MBA
Senior Tax & Revenue Analyst
Enterprise Resource Management Services

Recommended by:
Todd Harrison, CPA, CMA
Commissioner/Treasurer
Enterprise Resource Management Services

Submitted by:
Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Margaret Murphy, Associate Director, Budget Planning & Strategy and reviewed by Helen Chamberlain, Director, Financial Management & Planning /Deputy Treasurer.

Appendices

Appendix 1	2019 Tax Policy Study
Appendix 2	Performance Measures
Appendix 3	Number of Properties Impacted by Capping
Appendix 4	History of Regional Tax Ratios

2019

TAX POLICY AND REASSESSMENT IMPACT STUDY

Prepared For:
THE REGIONAL MUNICIPALITY OF NIAGARA

Prepared By:
MUNICIPAL TAX EQUITY (MTE) CONSULTANTS INC.
GEORGETOWN, ONTARIO
WWW.MTE.CA

Published On:
WEDNESDAY, JANUARY 16, 2019

DISCLAIMER AND CAUTION

The information, views, data and discussions in this document and related material are provided for general reference purposes only.

Regulatory and statutory references are, in many instances, not directly quoted excerpts and the reader should refer to the relevant provisions of the legislation and regulations for complete information.

The discussion and commentary contained in this report do not constitute legal advice or the provision of legal services as defined by the *Law Society Act,* any other Act, or Regulation. If legal advice is required or if legal rights are, or may be an issue, the reader must obtain an independent legal opinion.

Decisions should not be made in the sole consideration of or reliance on the information and discussions contained in this report. It is the responsibility of each individual in either of a decision-making or advisory capacity to acquire all relevant and pertinent information required to make an informed and appropriate decision with regards to any matter under consideration concerning municipal finance issues.

No attempt has been made by MTE to establish the completeness or accuracy of the data prepared by the Municipal Property Assessment Corporation (MPAC). MTE, therefore, makes no warrantees or guarantees that the source data is free of error or misstatement.

MTE is not responsible to the municipality, nor to any other party for damages arising based on incorrect data or due to the misuse of the information contained in this study, including without limitation, any related, indirect, special or consequential damages.

TABLE OF CONTENTS

INTRODUCTION

For the 2017 taxation year all properties in Ontario were reassessed based on their Current Value Assessment (CVA) as of January 1st, 2016. These updated CVA values, as adjusted under the Province's assessment phase-in program, will be the basis of taxation through the 2020 taxation year. Those properties that experienced a CVA increase as of 2017 will be taxed in accordance with a *phase-adjusted* CVA value through 2019, while all properties in the province will be subject to taxation based on their full, unmitigated CVA for 2020.

As we proceed through this cycle the influence of phase-in, growth and a host of other factors will keep the assessment roll in a state of constant flux. As such, it is essential for municipalities to gain a thorough and accurate understanding of assessment and consequential taxation impacts resulting from the newly returned assessment roll every year. Without making every effort to quantify and understand the impacts of the new assessment landscape, it will not be possible for municipalities to make informed and effective decisions in respect of those tax policies that affect the apportionment of the tax burden within and between tax classes.

In order to ensure that informed and locally sensitive tax policy choices can be made in a timely manner, a careful examination of the following relationships and circumstances must be undertaken:

1. Revenue growth and/or loss that has occurred over the past year, which will inform the municipality's starting point, or revenue limit, for budgetary and rate setting purposes;
2. The inevitable tax impacts related to reassessment, the assessment phase-in program and other changes to the assessment roll;
3. The redistribution of the property tax burden, which will occur within and between classes due to the reassessment, phase-in, and growth trends;
4. The effect of status quo and optional tax policy schemes on the distribution of the tax burden among classes, including "levy restriction" provisions, where applicable; and
5. The local implications and impacts related to 2019 provincial education tax rates.

Municipalities may also choose to further evaluate:

1. The impact of the "tax capping" protection program on both the capped and uncapped classes, including the effects of any optional capping tools that may be adopted by the municipality;
2. Making changes to existing tax policies affecting taxation on vacant property or land and farmland awaiting development;
3. The implications of the use or discontinuation of other optional tax policy tools, such as optional tax classes and graduated taxation; and/or
4. Reviewing or revising programs that provide tax relief for charitable and similar organizations, and low income seniors and persons with disabilities.

In satisfying their local tax policy responsibilities, municipalities must be cognisant of the following key considerations:

1. Changes in current value assessment (CVA) do not occur consistently for all property within a municipality in any given year. Because of this, shifts in the tax burden are inevitable, within ratepayer groups, and between classes.
2. Measuring municipal tax increases and decreases becomes a matter of comparing the current year's adopted tax rate against a revenue neutral tax rate to raise last year's levy. As a result of the changing values on the assessment roll, the current year's tax rate cannot be compared to last year's actual rate.
3. Similarly, changes in a property owner's taxes may be due to the combined effect of:
   - Reassessment (equity) change;
   - Changes to a property's physical state, condition or use;
   - Assessment phase-in adjustments;
   - Tax policy decisions made by Council;
   - Budgetary (levy) change for the municipality; and/or
   - Provincial education tax rates.
4. Outcomes of Provincial programs to restrict the effect of tax increases to the business classes (e.g. levy restriction, limitations on tax ratio movement and capping) will also be affected by overall changes in assessment from year-to-year.

Scope of the Study

This study has been prepared for the consideration of staff and Council to assist with the municipality's tax policy responsibilities. The core material is intended to provide a thorough analysis of the local tax policy scheme, as well as the impact of reassessment, phase-in, growth and other changes to the municipality's assessment base.

The analysis contained in this report is based on the 2018 tax policy parameters adopted by the municipality, the general purpose municipal levies imposed for 2018, and on the assessment roll as revised for 2018 and returned for 2019 taxation.

These various inputs and parameters have been relied upon to build a thorough quantitative model of the municipality's 2019 property assessment and taxation landscape as it would exist in the absence of any budgetary or tax policy changes. We will also model the impacts of various tax policy options and choices to demonstrate how they might influence final tax outcomes.

The key elements of this report can be categorized into the following sections.

Part One: Assessment and Revenue Growth

- Real assessment growth;
- Real revenue growth; and
- The distribution of growth patterns.

Part Two: Market Value Update and Assessment Phase-In

- Market Value Update;
- Assessment Phase-In Program;
- Measuring and Understanding Changes in Full and Phased CVA; and
- Distribution of Phase-In and Value Change Patterns.

Part Three: Reassessment and Phase-In Related Taxation Impacts

- 2019 Start Ratios and Revenue Neutral (notional) Tax Rates;
- 2019 Notional Taxable Levies and PIL Revenue;
- Quantification of Inter-Class Tax Shifts;
- Taxation Impacts/Implications of Assessment Phase-In; and
- Changing Tax Patterns for Typical Properties and other Taxpayer Groupings.

Part Four: Expanded Farm Class and Whole-Farm Impact Analysis

In light of the increased attention to changing farm values throughout the province, MTE has added a new section to this study for 2019. In this section we discuss and consider a host of factors relevant to considering the rate of assessment and tax change being seen for the farm property class and actual farms. Specifically, this section addresses

- Farm class and farm class portions vs. whole farm assessment and tax;
- Tax impacts being experienced at the portion and whole-farm level; and
- The new on-farm business sub-classes.

Part Five: Municipal Tax Policy Sensitivity Analysis

Municipalities need to address a variety of tax policy choices and options that will ultimately impact the distribution of taxes within and between the various classes of property. To this end, MTE has undertaken analysis of:

- Starting tax ratios and relationships to Provincial limits; and
- Tax impacts for 2019 associated with various tax policy and levy change scenarios.

Part Six: Other Revenue and Levies

In this section, MTE considers the following:

- Potential changes in the education tax levy from 2018 to 2019 based on the municipality's changing assessment base and the 2019 Provincial education tax rates;
- Assessment for qualifying Payment in Lieu (PIL) properties in respect of which education levy amounts may be retained by the local municipality; and
- Levies associated with linear properties including hydro rights-of-way, railroads and the new category of shortline railroads.

Part Seven: Business Tax Capping

Capping for the commercial, industrial and multi-residential tax classes is analyzed based on the application of the various options and tools that have been made available to municipalities including:

- An estimate of the costs of capping protection for 2018;
- Quantifying the pressures on decrease retention and claw-back rates and identification of shortfall risks; and
- The options open to the municipality in respect of capping exit strategies for each of the three capped classes.

Part Eight: Consultants' Report and Suggested Next Steps/Additional Study

Part seven of this report contains a summary of the observations and thoughts that arose throughout the preparation and review of this report, including any suggestions for next steps or additional analysis that these base-line results may give rise to.

The qualitative content in this final section does not represent a comprehensive commentary on any issue and it is not intended to be provided as policy advice, but only as general observations, which may or may not be of interest to the reader. Where the report identifies areas of concern to Council or staff, additional work should be undertaken to explore alternate policy options. As well, the effects of further municipal policy change or budgetary decisions should also be modelled.

Assumptions and Limiting Conditions

In reviewing the results set out in this report, the following assumptions and limiting conditions should be considered.

The possibility that further adjustments to tax policy could be introduced by the Province does exist. Results presented in this report may be affected by Provincial regulatory and/or statutory changes or decisions about municipal tax policy that could occur subsequent to the publication of this document. MTE will update the analysis, upon request, in such an event.

Analysis contained in the report is based on the use of tax rates for general municipal purposes only. Special area rates have been applied where appropriate and necessary in order to undertake the pro forma capping analysis.

All municipal tax rate calculations and tax levies have been calculated based on the following protocol:

- 2018 tax calculations are based on actual 2018 tax rates as supplied by the municipality to MTE;
- Revenue neutral rates have been calculated for the purposes of 2019;
- The municipality's current tax ratio schedule has been applied for 2019, except where levy restriction (hard capping) and/or optional property classes apply. In these circumstances, new starting ratios have been calculated;
- Tax amounts represent CVA taxes; no capping adjustments have been applied except where explicitly noted;
- Tax rate calculations have been based on taxable assessment only and exclude grantable (payment in lieu) assessment as requested by the municipality;
- Revenue from payments in lieu of taxes has been included at the full value of assessment times the appropriate tax rate. Recognizing that municipalities may be unable to recover the full amount of those revenues from the Federal or Provincial governments, appropriate allowances should be made in interpreting the results; and
- <u>All 2019 education values are based on speculative / estimated tax rates. These amounts are provided for general illustrative purposes and must be taken as completely hypothetical.</u>

Important Note Regarding Provincial Policy and Legislation

The possibility that changes in tax policy may be introduced by the Province does exist, and the results presented in this report may be affected by Provincial regulatory and/or statutory changes that could occur subsequent to the publication of this document. In the absence of specific direction to the contrary, however, existing property tax rules have been applied.

PART ONE: ASSESSMENT AND REVENUE GROWTH

The Assessment Roll is a living data set, which is continually evolving in response to real-world market and property changes. The assessed value of a property can change for a number of reasons; for the purposes of the property tax system in Ontario, all valuation changes must be considered in one of only two categories:

1) Growth (positive or negative), which reflects the value increase or decrease associated with a change to a property's state, use or condition; or

2) Valuation change, which is driven by changes in the real estate market over time and reflected via Reassessment and Phase-In updates.

Real Assessment Growth

Property assessments change in one of two fundamental ways; to reflect a property's value as of a more current or recent point in time (reassessment change), or to reflect actual changes in a property's state, condition or use. Changes categorized as the latter represent real assessment growth and it is critical to measure and understand growth separately from the impacts of market change due to the reassessment and the four-year phase-in program. While assessment growth and loss impacts the municipal revenue stream, reassessment changes should not.

To effectively measure growth independently it is necessary to separately quantify any changes made to assessment values set for taxation in 2018, from the changes occurring between 2018 and 2019. This growth component will be made up of both positive and negative growth. Positive growth will be reflective of such things as new construction, additions, improvements, etc. The drivers of negative growth may include demolitions, Minutes of Settlement, and/or decisions of the Assessment Review Board.

Table 1 provides a comparison between the Full CVA values contained on the roll as returned for 2018 and the roll as revised for 2018. Theoretically, Table 1 summarizes the net in-year changes to property within the municipality, as reflected for assessment and taxation purposes. Table 2 examines how this growth is distributed among the constituent lower tiers.

Table 3 has been prepared as a means of comparing the Full CVA growth realized during 2018 with the municipality's 2017 growth.

Table 1
2018 Assessment Growth Resulting from Changes in the State and/or Use of Property

	2018 Full CVA		Full Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	47,454,073,405	48,515,013,074	1,060,939,669	2.24%
Farm	2,447,113,831	2,421,864,835	-25,248,996	-1.03%
Managed Forest	13,412,500	14,974,700	1,562,200	11.65%
New Multi-Residential	148,124,700	150,482,442	2,357,742	1.59%
Multi-Residential	1,426,261,900	1,391,666,340	-34,595,560	-2.43%
Commercial	7,232,884,723	7,285,824,308	52,939,585	0.73%
Industrial	877,677,621	870,844,399	-6,833,222	-0.78%
Landfill	3,607,900	3,607,900	0	0.00%
Pipeline	245,153,000	246,821,000	1,668,000	0.68%
Sub-Total Taxable	**59,848,309,580**	**60,901,098,998**	**1,052,789,418**	**1.76%**
Payment in Lieu				
Residential	34,583,804	34,577,004	-6,800	-0.02%
Farm	491,000	491,000	0	0.00%
Commercial	642,886,199	641,128,299	-1,757,900	-0.27%
Industrial	13,688,200	13,814,800	126,600	0.92%
Landfill	1,706,000	1,706,000	0	0.00%
Sub-Total PIL	**693,355,203**	**691,717,103**	**-1,638,100**	**-0.24%**
Total (Taxable + PIL)	**60,541,664,783**	**61,592,816,101**	**1,051,151,318**	**1.74%**

Table 2
2018 Assessment Growth Resulting from Changes in the State and/or Use of Property

	2018 Full CVA		Full Growth	
Local Municipality	**As Returned**	**As Revised**	**$**	**%**
Fort Erie	3,792,643,272	3,880,588,772	87,945,500	2.32%
Grimsby	4,718,119,017	4,860,105,126	141,986,109	3.01%
Lincoln	3,971,382,456	4,010,652,865	39,270,409	0.99%
Niagara Falls	12,048,160,621	12,296,998,024	248,837,403	2.07%
Niagara-on-the-Lake	5,484,557,483	5,591,385,701	106,828,218	1.95%
Pelham	2,735,384,300	2,790,353,100	54,968,800	2.01%
Port Colborne	1,934,391,236	1,949,497,036	15,105,800	0.78%
St. Catharines	15,354,034,953	15,458,482,062	104,447,109	0.68%
Thorold	2,307,411,400	2,415,195,000	107,783,600	4.67%
Wainfleet	1,129,343,718	1,144,824,018	15,480,300	1.37%
Welland	4,789,751,627	4,868,049,127	78,297,500	1.63%
West Lincoln	2,276,484,700	2,326,685,270	50,200,570	2.21%
Niagara Region	**60,541,664,783**	**61,592,816,101**	**1,051,151,318**	**1.74%**

Table 3
Year-To-Year Assessment Growth Comparison
(2017 vs 2018 Full CVA)

	2017 Full CVA Growth		2018 Full CVA Growth	
Realty Tax Class	**$**	**%**	**$**	**%**
Taxable				
Residential	830,024,099	1.78%	1,060,939,669	2.24%
Farm	-31,385,969	-1.27%	-25,248,996	-1.03%
Managed Forest	-157,900	-1.16%	1,562,200	11.65%
New Multi-Residential	30,574,200	26.01%	2,357,742	1.59%
Multi-Residential	-352,500	-0.02%	-34,595,560	-2.43%
Commercial	39,904,573	0.55%	52,939,585	0.73%
Industrial	-2,157,979	-0.25%	-6,833,222	-0.78%
Landfill	-4,668,600	-56.41%	0	0.00%
Pipeline	1,860,000	0.76%	1,668,000	0.68%
Sub-Total Taxable	**863,639,924**	**1.46%**	**1,052,789,418**	**1.76%**
Payment in Lieu				
Residential	-555,000	-1.58%	-6,800	-0.02%
Farm	0	0.00%	0	0.00%
Commercial	-217,700	-0.03%	-1,757,900	-0.27%
Industrial	1,700	0.01%	126,600	0.92%
Landfill	0	0.00%	0	0.00%
Sub-Total PIL	**-771,000**	**-0.11%**	**-1,638,100**	**-0.24%**
Total (Taxable + PIL)	**862,868,924**	**1.45%**	**1,051,151,318**	**1.74%**

Growth vs. Loss

As noted above, a municipality's net growth is the product of both positive and negative growth, or gains and loss in CVA. While it is ultimately this net figure that will inform taxation and revenue models as we move into the new taxation year, considering the differential patterns and impacts of growth and loss can be a valuable exercise.

When these change patterns are broken out as in Table 4, it is possible to see trends and movement within the assessment base that may otherwise be obscured or skewed when only the net impact is being considered. For example, a trend of robust growth within a subset of a class may not be as evident if it is being offset by losses in another subset.

Considering loss patterns independently can assist in identifying potential areas of concern with respect to property valuations within a class, tax erosion stemming from appeals, or even economic pressures being felt within certain sectors, industries and/or geographic areas. Conversely, considering positive growth on its own can provide a better understanding of how new development, improvements and expansions are impacting the assessment base.

Table 4
2018 Assessment Growth and Loss Patterns
(Full CVA)

	Positive CVA Growth		Negative CVA Growth		Net CVA Growth	
Realty Tax Class	**$**	**%**	**$**	**%**	**$**	**%**
Taxable						
Residential	1,247,527,596	2.63%	-186,587,927	-0.39%	1,060,939,669	2.24%
Farm	68,723,394	2.81%	-93,972,390	-3.84%	-25,248,996	-1.03%
Managed Forest	1,686,200	12.57%	-124,000	-0.92%	1,562,200	11.65%
New Multi-Residential	2,683,800	1.81%	-326,058	-0.22%	2,357,742	1.59%
Multi-Residential	10,762,200	0.75%	-45,357,760	-3.18%	-34,595,560	-2.43%
Commercial	223,113,064	3.08%	-170,173,479	-2.35%	52,939,585	0.73%
Industrial	34,008,927	3.87%	-40,842,149	-4.65%	-6,833,222	-0.78%
Landfill	0	0.00%	0	0.00%	0	0.00%
Pipeline	4,242,000	1.73%	-2,574,000	-1.05%	1,668,000	0.68%
Sub-Total Taxable	**1,592,747,181**	**2.66%**	**-539,957,763**	**-0.90%**	**1,052,789,418**	**1.76%**
Payment in Lieu						
Residential	349,000	1.01%	-355,800	-1.03%	-6,800	-0.02%
Farm	0	0.00%	0	0.00%	0	0.00%
Commercial	12,337,100	1.92%	-14,095,000	-2.19%	-1,757,900	-0.27%
Industrial	134,000	0.98%	-7,400	-0.05%	126,600	0.92%
Landfill	0	0.00%	0	0.00%	0	0.00%
Sub-Total PIL	**12,820,100**	**1.85%**	**-14,458,200**	**-2.09%**	**-1,638,100**	**-0.24%**
Total (Tax + PIL)	**1,605,567,281**	**2.65%**	**-554,415,963**	**-0.92%**	**1,051,151,318**	**1.74%**

The results in these tables are not intended to provide a complete understanding of the assessment and economic dynamics of the municipality, however, considering growth in these ways can be an important first step to the identification of potentially important trends.

Phase Adjusted CVA

As phased CVA values were actually employed for taxation in 2018, it is the difference between the phased assessment contained on the 2018 returned and revised rolls that represents the municipality's real assessment growth (or loss) for 2019 budget purposes. These details are summarized by class and local municipality in Tables 5 and 6 respectively.

Table 5
2018 Phase Adjusted Assessment Growth

	2018 Phase Adjusted CVA		Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	44,244,870,351	45,240,747,203	995,876,852	2.25%
Farm	1,997,755,669	1,976,142,587	-21,613,082	-1.08%
Managed Forest	11,464,213	12,840,739	1,376,526	12.01%
New Multi-Residential	135,231,800	137,687,680	2,455,880	1.82%
Multi-Residential	1,334,961,674	1,302,167,148	-32,794,526	-2.46%
Commercial	6,577,283,039	6,623,548,330	46,265,291	0.70%
Industrial	810,434,494	808,952,273	-1,482,221	-0.18%
Landfill	3,465,350	3,465,350	0	0.00%
Pipeline	233,203,729	234,691,343	1,487,614	0.64%
Sub-Total Taxable	**55,348,670,319**	**56,340,242,653**	**991,572,334**	**1.79%**
Payment in Lieu				
Residential	29,535,632	29,502,283	-33,349	-0.11%
Farm	431,500	431,500	0	0.00%
Commercial	609,817,827	608,666,087	-1,151,740	-0.19%
Industrial	11,253,544	11,375,076	121,532	1.08%
Landfill	1,257,850	1,257,850	0	0.00%
Sub-Total PIL	**652,296,353**	**651,232,796**	**-1,063,557**	**-0.16%**
Total (Taxable + PIL)	**56,000,966,672**	**56,991,475,449**	**990,508,777**	**1.77%**

Table 6
2018 Phase Adjusted Assessment Growth

	2018 Phase Adjusted CVA		Growth	
Local Municipality	**As Returned**	**As Revised**	**$**	**%**
Fort Erie	3,621,652,318	3,708,186,880	86,534,562	2.39%
Grimsby	4,209,897,538	4,337,412,240	127,514,702	3.03%
Lincoln	3,586,928,780	3,625,822,739	38,893,959	1.08%
Niagara Falls	11,144,090,244	11,375,340,598	231,250,354	2.08%
Niagara-on-the-Lake	4,981,937,725	5,081,683,194	99,745,469	2.00%
Pelham	2,560,231,201	2,611,943,917	51,712,716	2.02%
Port Colborne	1,827,629,817	1,843,266,987	15,637,170	0.86%
St. Catharines	14,343,966,393	14,443,423,751	99,457,358	0.69%
Thorold	2,173,843,110	2,276,958,216	103,115,106	4.74%
Wainfleet	1,015,744,945	1,030,375,581	14,630,636	1.44%
Welland	4,522,722,637	4,598,364,737	75,642,100	1.67%
West Lincoln	2,012,321,964	2,058,696,609	46,374,645	2.30%
Niagara Region	**56,000,966,672**	**56,991,475,449**	**990,508,777**	**1.77%**

Revenue Growth

On an annualized basis, the net growth related gain or loss in taxation is the difference between the total tax amount as determined against the returned roll and the total tax as determined against the roll as revised. Not all of this value will, however, have been realized in the form of additional revenue during the 2018 year. Many changes to the roll for 2018 taxation would not have been effective for the full tax year, or in the case of year-end changes, for any portion of the year. In contrast, some changes will have reached back to prior years. The full impact of this growth will only be realized on a go-forward basis, as it serves to inform the municipality's "revenue limit" for 2019, which represents the tax dollars that can be raised for the current year under a zero percent levy change scenario.

Table 7 provides a summary of the net effect of all annualized in-year and year-end changes in CVA for 2018 expressed in general levy tax dollars. This is accomplished by applying the 2018 general tax rate against the values as returned for 2018 and comparing this to the taxation that would be raised against the revised assessment for the year. Table 8 provides a summary of the current year's Regional growth by local municipality. Table 9 compares the municipality's current year revenue growth against the final growth figures calculated as of roll return for 2018.

Table 7
2018 Annualized Revenue Growth by Property Class
(Regional General Levy)

	2018 Regional General Levy		**Revenue Growth**	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$250,722,218	$256,369,618	$5,647,400	2.25%
Farm	$2,832,219	$2,801,577	-$30,642	-1.08%
Managed Forest	$16,253	$18,205	$1,952	12.01%
New Multi-Residential	$766,871	$780,797	$13,926	1.82%
Multi-Residential	$14,913,471	$14,547,107	-$366,364	-2.46%
Commercial	$63,691,226	$64,130,454	$439,228	0.69%
Industrial	$11,497,293	$11,482,587	-$14,706	-0.13%
Landfill	$57,780	$57,780	$0	0.00%
Pipeline	$2,250,941	$2,265,299	$14,358	0.64%
Sub-Total Taxable	**$346,748,272**	**$352,453,424**	**$5,705,152**	**1.65%**
Payment in Lieu				
Residential	$167,490	$167,300	-$190	-0.11%
Farm	$612	$612	$0	0.00%
Commercial	$5,958,393	$5,947,061	-$11,332	-0.19%
Industrial	$155,087	$156,900	$1,813	1.17%
Landfill	$20,973	$20,973	$0	0.00%
Sub-Total PIL	**$6,302,555**	**$6,292,846**	**-$9,709**	**-0.15%**
Total (Taxable + PIL)	**$353,050,827**	**$358,746,270**	**$5,695,443**	**1.61%**

Table 8
2018 Annualized Revenue Growth by Area Municipality
(Regional General Levy)

	2018 Regional General Levy		Revenue Growth	
Local Municipality	**As Returned**	**As Revised**	**$**	**%**
Fort Erie	$22,057,615	$22,551,062	$493,449	2.24%
Grimsby	$25,379,956	$26,167,838	$787,883	3.10%
Lincoln	$20,380,055	$20,650,523	$270,468	1.33%
Niagara Falls	$76,834,567	$78,173,195	$1,338,627	1.74%
Niagara-on-the-Lake	$29,831,818	$30,453,118	$621,300	2.08%
Pelham	$14,442,506	$14,746,837	$304,333	2.11%
Port Colborne	$11,617,162	$11,717,771	$100,610	0.87%
St. Catharines	$94,348,045	$94,654,250	$306,207	0.32%
Thorold	$13,716,586	$14,304,660	$588,073	4.29%
Wainfleet	$5,217,626	$5,295,274	$77,648	1.49%
Welland	$28,647,307	$29,165,410	$518,102	1.81%
West Lincoln	$10,577,586	$10,866,333	$288,747	2.73%
Niagara Region	**$353,050,829**	**$358,746,271**	**$5,695,447**	**1.61%**

Table 9
Year-To-Year Revenue Growth Comparison
(2017 vs 2018 General Levy)

Realty Tax Class	2017 Revenue Growth $	2017 Revenue Growth %	2018 Revenue Growth $	2018 Revenue Growth %
Taxable				
Residential	$4,444,246	1.84%	$5,647,400	2.25%
Farm	-$17,053	-0.66%	-$30,642	-1.08%
Managed Forest	-$287	-1.86%	$1,952	12.01%
New Multi-Residential	$140,041	23.21%	$13,926	1.82%
Multi-Residential	$25,893	0.17%	-$366,364	-2.46%
Commercial	$479,032	0.77%	$439,228	0.69%
Industrial	$42,823	0.38%	-$14,706	-0.13%
Landfill	$245	0.43%	$0	0.00%
Pipeline	$16,488	0.74%	$14,358	0.64%
Sub-Total Taxable	**$5,131,428**	**1.53%**	**$5,705,152**	**1.65%**
Payment in Lieu				
Residential	-$2,970	-1.87%	-$190	-0.11%
Farm	$0	0.00%	$0	0.00%
Commercial	$259,510	4.53%	-$11,332	-0.19%
Industrial	-$1,243	-0.88%	$1,813	1.17%
Landfill	$0	0.00%	$0	0.00%
Sub-Total PIL	**$255,297**	**4.22%**	**-$9,709**	**-0.15%**
Total (Taxable + PIL)	**$5,386,725**	**1.58%**	**$5,695,443**	**1.61%**

PART TWO: MARKET VALUE UPDATE AND ASSESSMENT PHASE-IN

Reassessment

As of the return of the roll for 2017 taxation, all property values in Ontario were updated to reflect their *current value* as of January 1st, 2016 versus the values used for the 2013 through 2016 taxation years, which were based on a valuation date of January 1st, 2012.

By all accounts this may represent the most dramatic and volatile market value update in well over a decade. Some change patterns are driven by *real world* volatility and change in the real estate market, business environment and general economic climate that we have witnessed since early 2012. Other patterns are more directly related to regional and/or industry specific factors, and also by changes to assessment practices and methodologies that have been refined, challenged, and/or updated since the last reassessment.

In consideration of all these pressures and change factors, it is imperative that municipalities thoroughly understand the scope and magnitude of the market value update, and the corresponding tax implications for various classes and groupings of ratepayers.

To help illustrate the impacts of both market value change and the application of the phase-in program, various elements of this report incorporate quantitative results based on both full and phase-in mitigated CVA values.

Market Value Update: Changes in Full CVA

A comparison of full CVA as at January 1, 2012 (Phase-In Base) and January 1, 2016 (Full / Phase-In Destination) as contained on the roll as returned for 2019 is provided in Table 10. This table relies on the full CVA value of all properties, exclusive of any assessment phase-in adjustments. While not all of these values will be used for taxation until the 2020 tax year, it is important to review the magnitude and pattern of pure value changes related directly to the market update.

Market Value Increases and Decreases

Every property in the municipality is changing to reflect its own circumstances and while the net class level results do provide a general indication as to how the real estate markets have changed across different sectors, complex change trends also exist within classes. Table 11 has been prepared to summarize the change patterns for properties that are subject to market value increases and those with market value decreases. This table also gives the reader an understanding as to the frequency and relative magnitude of increasing and decreasing assessment pools. This additional layer of detail clearly shows that there is more change occurring than might be evident if only class level results are considered.

Table 10
Summary of Latest Market Value Update
(As of Roll Return for 2019)

Realty Tax Class	Full CVA (Destination) Values Jan. 1, 2012 (2013-2016 Taxation)	Full CVA (Destination) Values Jan. 1, 2016 (2017-2020 Taxation)	Market Value Update $	Market Value Update %
Taxable				
Residential	42,252,426,190	48,515,013,074	6,262,586,884	14.82%
Farm	1,591,797,789	2,421,864,835	830,067,046	52.15%
Managed Forest	10,938,262	14,974,700	4,036,438	36.90%
New Multi-Residential	126,684,138	150,482,442	23,798,304	18.79%
Multi-Residential	1,251,666,894	1,391,666,340	139,999,446	11.19%
Commercial	6,130,123,061	7,285,824,308	1,155,701,247	18.85%
Industrial	806,194,157	870,844,399	64,650,242	8.02%
Landfill	6,353,700	3,607,900	-2,745,800	-43.22%
Pipeline	222,561,681	246,821,000	24,259,319	10.90%
Sub-Total Taxable	**52,398,745,872**	**60,901,098,998**	**8,502,353,126**	**16.23%**
Payment in Lieu				
Residential	25,703,160	34,577,004	8,873,844	34.52%
Farm	372,000	491,000	119,000	31.99%
Commercial	585,385,002	641,128,299	55,743,297	9.52%
Industrial	9,005,948	13,814,800	4,808,852	53.40%
Landfill	816,000	1,706,000	890,000	109.07%
Sub-Total PIL	**621,282,110**	**691,717,103**	**70,434,993**	**11.34%**
Total (Taxable + PIL)	**53,020,027,982**	**61,592,816,101**	**8,572,788,119**	**16.17%**

Table 11
Distribution, Frequency and Magnitude of Market Value Increases and Decreases

	Increasing Properties				Decreasing Properties			
Realty Tax Class	**Count**	**% of Class CVA**	**Market Value Update $**	**Market Value Update %**	**Count**	**% of Class CVA**	**Market Value Update $**	**Market Value Update %**
Taxable								
Residential	165,202	94.68%	6,548,537,487	16.63%	9,465	5.32%	-285,950,603	-9.98%
Farm	5,889	93.74%	891,444,909	64.66%	192	6.26%	-61,377,863	-28.81%
Managed Forest	144	90.38%	4,267,942	46.06%	19	9.62%	-231,504	-13.84%
New Multi-Residential	27	94.19%	25,589,526	22.03%	12	5.81%	-1,791,222	-17.00%
Multi-Residential	379	75.58%	178,998,395	20.51%	207	24.42%	-38,998,949	-10.30%
Commercial	6,124	86.79%	1,324,552,264	26.50%	1,580	13.21%	-168,851,017	-14.92%
Industrial	968	70.61%	123,784,338	25.20%	309	29.39%	-59,134,096	-18.77%
Landfill	1	12.62%	285,100	167.41%	1	87.38%	-3,030,900	-49.02%
Pipeline	27	100.00%	24,259,319	10.90%	1	0.00%	0	0.00%
Sub-Total Taxable	**178,761**	**92.94%**	**9,121,719,280**	**19.21%**	**11,786**	**7.06%**	**-619,366,154**	**-12.58%**
Payment in Lieu								
Residential	130	84.81%	10,149,444	52.93%	62	15.19%	-1,275,600	-19.54%
Farm	1	100.00%	119,000	31.99%	0	0.00%	0	0.00%
Commercial	228	90.45%	64,924,432	12.61%	88	9.55%	-9,181,135	-13.04%
Industrial	62	95.78%	4,879,452	58.42%	27	4.22%	-70,600	-10.81%
Landfill	1	78.21%	896,300	204.63%	1	21.79%	-6,300	-1.67%
Sub-Total PIL	**422**	**90.25%**	**80,968,628**	**14.90%**	**178**	**9.75%**	**-10,533,635**	**-13.51%**
Total (Taxable + PIL)	**179,183**	**92.91%**	**9,202,687,908**	**19.16%**	**11,964**	**7.09%**	**-629,899,789**	**-12.60%**

Assessment Phase-In Program

Where an increase in market value has materialized, the increase is added to the property's "Phased" CVA in twenty-five percent (25%) increments each year over the four-year period. As such, effected taxpayers will not be taxed on their new full market value until 2020, which is the last year of the new assessment cycle.

Assessment decreases are not phased-in. Where a property's CVA has been reduced as a result of reassessment, the new, lower CVA has been set as the property's phased or effective CVA for the duration of the four-year assessment cycle.

The phase-in is calculated and administered at the property portion, or RTC/RTQ level, which means that a property with multiple portions could have some portions that are increasing and some that are decreasing. The following has been prepared to illustrate how this works at the property and portion level.

		Market Value Update			Eligible Phase-In Amount	Phase-Adjusted Assessment			
		1/1/2012		1/1/2016		2017	2018	2019	2020
Property A	RT	100,000	↑	140,000	40,000	110,000	120,000	130,000	140,000
Property A	CT	100,000	↓	80,000	0	80,000	80,000	80,000	80,000
Property B	RT	100,000	→	100,000	0	100,000	100,000	100,000	100,000

While MPAC is chiefly responsible for the administration of the assessment phase-in program, it is critical that all municipal finance staff and Council members have an understanding of both the mechanics of this program, and the impacts it will have on the municipality and taxpayers.

The following tables have been prepared to consider the separate and combined impacts of these two critical factors that shape and influence the assessment values that are utilized for taxation purposes.

The cumulative effect of each property specific change, and the application of the phase-in adjustments at the portion (RTC/RTQ) level produce a unique pattern of progression that the assessment base will go through over the cycle. This is set out by year and class in Table 12.

Table 13 looks more specifically at the change in phased CVA from 2018 to 2019 as the third installment of increased CVA is added to those properties with market values that were higher in 2016 than they were in 2012. Table 14 displays the taxable only assessment phase-in change by local municipality.

Table 12
Progression of Phased Adjusted CVA: 2017 to 2020

Realty Tax Class	2016 Full CVA Jan. 1, 2012 Value	Progression of CVA for Taxation Purposes 2017 Phased CVA	2018 Phased CVA	2019 Phased CVA	2020 Full CVA Jan. 1, 2016 Value
Taxable					
Residential	42,252,426,190	43,603,611,524	45,240,747,203	46,877,880,220	48,515,013,074
Farm	1,591,797,789	1,753,281,260	1,976,142,587	2,199,003,701	2,421,864,835
Managed Forest	10,938,262	11,773,747	12,840,739	13,907,719	14,974,700
New Multi-Residential	126,684,138	131,290,298	137,687,680	144,085,061	150,482,442
Multi-Residential	1,251,666,894	1,257,417,550	1,302,167,148	1,346,916,747	1,391,666,340
Commercial	6,130,123,061	6,292,410,243	6,623,548,330	6,954,686,379	7,285,824,308
Industrial	806,194,157	778,006,166	808,952,273	839,898,339	870,844,399
Landfill	6,353,700	3,394,075	3,465,350	3,536,625	3,607,900
Pipeline	222,561,681	228,626,513	234,691,343	240,756,173	246,821,000
Sub-Total Taxable	**52,398,745,872**	**54,059,811,376**	**56,340,242,653**	**58,620,670,964**	**60,901,098,998**
Payment in Lieu					
Residential	25,703,160	26,964,921	29,502,283	32,039,644	34,577,004
Farm	372,000	401,750	431,500	461,250	491,000
Commercial	585,385,002	592,434,978	608,666,087	624,897,194	641,128,299
Industrial	9,005,948	10,155,211	11,375,076	12,594,937	13,814,800
Landfill	816,000	1,033,775	1,257,850	1,481,925	1,706,000
Sub-Total PIL	**621,282,110**	**630,990,635**	**651,232,796**	**671,474,950**	**691,717,103**
Total (Taxable + PIL)	**53,020,027,982**	**54,690,802,011**	**56,991,475,449**	**59,292,145,914**	**61,592,816,101**

Table 13
Summary of 2018 to 2019 Phase-In Change

Realty Tax Class	Phase Adjusted CVA 2018 Revised	Phase Adjusted CVA 2019 Returned	Change in Phased CVA $	Change in Phased CVA %
Taxable				
Residential	45,240,747,203	46,877,880,220	1,637,133,017	3.62%
Farm	1,976,142,587	2,199,003,701	222,861,114	11.28%
Managed Forest	12,840,739	13,907,719	1,066,980	8.31%
New Multi-Residential	137,687,680	144,085,061	6,397,381	4.65%
Multi-Residential	1,302,167,148	1,346,916,747	44,749,599	3.44%
Commercial	6,623,548,330	6,954,686,379	331,138,049	5.00%
Industrial	808,952,273	839,898,339	30,946,066	3.83%
Landfill	3,465,350	3,536,625	71,275	2.06%
Pipeline	234,691,343	240,756,173	6,064,830	2.58%
Sub-Total Taxable	**56,340,242,653**	**58,620,670,964**	**2,280,428,311**	**4.05%**
Payment in Lieu				
Residential	29,502,283	32,039,644	2,537,361	8.60%
Farm	431,500	461,250	29,750	6.89%
Commercial	608,666,087	624,897,194	16,231,107	2.67%
Industrial	11,375,076	12,594,937	1,219,861	10.72%
Landfill	1,257,850	1,481,925	224,075	17.81%
Sub-Total PIL	**651,232,796**	**671,474,950**	**20,242,154**	**3.11%**
Total (Taxable + PIL)	**56,991,475,449**	**59,292,145,914**	**2,300,670,465**	**4.04%**

Table 14
Summary of 2018 to 2019 Phase-In Change

Realty Tax Class	Phase Adjusted CVA 2018 Revised	Phase Adjusted CVA 2019 Returned	Change in Phased CVA $	Change in Phased CVA %
Fort Erie	3,695,244,080	3,781,255,244	86,011,164	2.33%
Grimsby	4,304,891,690	4,562,453,495	257,561,805	5.98%
Lincoln	3,603,468,239	3,794,236,761	190,768,522	5.29%
Niagara Falls	10,970,556,208	11,423,994,476	453,438,268	4.13%
Niagara-on-the-Lake	5,041,890,222	5,294,306,150	252,415,928	5.01%
Pelham	2,609,030,217	2,698,198,822	89,168,605	3.42%
Port Colborne	1,830,776,114	1,883,392,977	52,616,863	2.87%
St. Catharines	14,356,077,009	14,860,665,217	504,588,208	3.51%
Thorold	2,259,087,290	2,327,497,177	68,409,887	3.03%
Wainfleet	1,028,851,431	1,086,036,827	57,185,396	5.56%
Welland	4,585,317,044	4,719,658,916	134,341,872	2.93%
West Lincoln	2,055,053,109	2,188,974,902	133,921,793	6.52%
Niagara Region (Tax Only)	**56,340,242,653**	**58,620,670,964**	**2,280,428,311**	**4.05%**

Cycle Progression to Date

Table 15 has been included to give the reader a more detailed picture as to the market value changes that have been applied as of return of the roll for 2019 and the remaining assessment increases yet to be phased in. As can be seen, the total number of assessment dollars increase each year and while this will have an impact on the municipality's tax rate, it is not assessment growth. Growth and loss materialize independent of these anticipated changes.

Table 15
Phase-In Cycle Progression

Realty Tax Class	Phase-In Base (Jan. 1, 2012)	Decreases Flowed Through	Increases to Date (2017 - 2019)	Outstanding Mitigation	Destination CVA (Jan. 1, 2016)
Taxable					
Residential	42,252,426,190	-285,950,603	4,911,404,633	1,637,132,854	48,515,013,074
Farm	1,591,797,789	-61,377,863	668,583,775	222,861,134	2,421,864,835
Managed Forest	10,938,262	-231,504	3,200,961	1,066,981	14,974,700
New Multi-Residential	126,684,138	-1,791,222	19,192,145	6,397,381	150,482,442
Multi-Residential	1,251,666,894	-38,998,949	134,248,802	44,749,593	1,391,666,340
Commercial	6,130,123,061	-168,851,017	993,414,335	331,137,929	7,285,824,308
Industrial	806,194,157	-59,134,096	92,838,278	30,946,060	870,844,399
Landfill	6,353,700	-3,030,900	213,825	71,275	3,607,900
Pipeline	222,561,681	0	18,194,492	6,064,827	246,821,000
Sub-Total Taxable	**52,398,745,872**	**-619,366,154**	**6,841,291,246**	**2,280,428,034**	**60,901,098,998**
Payment in Lieu					
Residential	25,703,160	-1,275,600	7,612,084	2,537,360	34,577,004
Farm	372,000	0	89,250	29,750	491,000
Commercial	585,385,002	-9,181,135	48,693,327	16,231,105	641,128,299
Industrial	9,005,948	-70,600	3,659,589	1,219,863	13,814,800
Landfill	816,000	-6,300	672,225	224,075	1,706,000
Sub-Total PIL	**621,282,110**	**-10,533,635**	**60,726,475**	**20,242,153**	**691,717,103**
Total (Tax + PIL)	**53,020,027,982**	**-629,899,789**	**6,902,017,721**	**2,300,670,187**	**61,592,816,101**

PART THREE: REASSESSMENT AND PHASE-IN RELATED TAXATION IMPACTS

Revenue Neutral Tax Rates (NTR)

An increase in a property's assessment does not necessarily result in increased taxes, nor does a reduction in assessment automatically translate into lower taxes. In order to measure the true tax impact associated with changes in market value (reassessment), revenue neutral tax rates, or notional tax rates (NTR) as they are also commonly known, must be calculated.

Simply put, revenue neutral tax rates are the rates that would be set to raise the 2018 final annualized tax from the newly updated assessment roll as returned for 2019 taxation. They are employed to isolate the effects of reassessment from impacts that could result from other budgetary or tax policy changes.

Table 16 demonstrates the relationship between the municipality's actual 2018 tax rates and revenue neutral rates. Also included in this table are the revenue sub-totals and totals associated with the application of each rate set against their respective assessment data. These are critical figures as they highlight the importance of restating tax rates in order to compensate for changes in assessment that are purely related to reassessment and/or phase-in. This is even more important in cases where the notional tax rates increase.

2019 Start Ratios

For the purposes of this report, MTE has calculated start ratios based on the municipality's tax rate relationships for 2018. In most cases the current year's start ratios will match the prior year's by-lawed ratios, however, adjustments can be required where optional classes and or levy restriction applies. While levy restriction does apply to the Region's multi-Residential class, MTE confirmed that no adjustment was required to the start ratio for that, or any other class for 2019.

PIL Assessment and Revenue

For municipalities that do not include the assessment and revenues associated with Payment in Lieu of Tax (PIL) properties in the calculation of tax rates, the amount of PIL revenue is dictated by, or dependant on the rates calculated using the municipality's taxable assessment base. As such, municipalities that have directed MTE to calculate their rates exclusive of PIL revenue and assessment will see that their revenue neutral levy amounts balance with the *Taxable Sub-Total* for 2018. In contrast, where a municipality includes both taxable and PIL revenue and assessment in their tax rate calculations, the total levy (Taxable + PIL) will balance on a year-over-year basis. Where the former approach has been applied, and a loss of PIL revenue is anticipated, the municipality may wish to consider an alternate calculation protocol.

Tax Shifts Using Revenue Neutral Rates

Although the rates calculated and shown in Table 16 are revenue neutral, changes in assessment will inevitably result in shifts between individual properties and groups of properties. The inter-class shifts of the Regional general levy are documented in Table 17.

Percent Share / Balance of Taxation

As taxes shift among properties, classes and other groupings, the balance of taxation changes. Table 18 shows how the share of the Regional levy each class carries based on the 2018 roll as finally revised and the 2019 roll as returned.

Table 16
Starting Ratios and Revenue Neutral (Notional) Tax Rates

Realty Tax Class	Tax Ratios 2018 Actual	Tax Ratios 2019 Start	Tax Ratios % Change	General Levy Rates 2018 Actual	General Levy Rates 2019 Notional	General Levy Rates % Change
Residential	1.000000	1.000000	0.00%	0.00567079	0.00545717	-3.77%
Farm	0.250000	0.250000	0.00%	0.00141770	0.00136429	-3.77%
Managed Forest	0.250000	0.250000	0.00%	0.00141770	0.00136429	-3.77%
New Multi-Residential	1.000000	1.000000	0.00%	0.00567079	0.00545717	-3.77%
Multi-Residential	1.970000	1.970000	0.00%	0.01117146	0.01075062	-3.77%
Commercial	1.734900	1.734900	0.00%	0.00983825	0.00946764	-3.77%
Industrial	2.630000	2.630000	0.00%	0.01491418	0.01435236	-3.77%
Landfill	2.940261	2.940261	0.00%	0.01667360	0.01604550	-3.77%
Pipeline	1.702100	1.702100	0.00%	0.00965225	0.00928865	-3.77%

Table 17
Reassessment Related Inter-Class Tax Shifts
(Regional General Levy)

Realty Tax Class	Regional General Levy 2018 as Revised	Regional General Levy 2019 Notional	Inter-Class Shifts $	Inter-Class Shifts %
Taxable				
Residential	$256,369,618	$255,643,196	-$726,422	-0.28%
Farm	$2,801,577	$3,000,078	$198,501	7.09%
Managed Forest	$18,205	$18,975	$770	4.23%
New Multi-Residential	$780,797	$786,297	$5,500	0.70%
Multi-Residential	$14,547,107	$14,480,189	-$66,918	-0.46%
Commercial	$64,130,454	$64,796,932	$666,478	1.04%
Industrial	$11,482,587	$11,434,577	-$48,010	-0.42%
Landfill	$57,780	$56,746	-$1,034	-1.79%
Pipeline	$2,265,299	$2,236,301	-$28,998	-1.28%
Sub-Total Taxable	**$352,453,424**	**$352,453,291**	**-$133**	**0.00%**
Payment in Lieu				
Residential	$167,300	$174,847	$7,547	4.51%
Farm	$612	$629	$17	2.78%
Commercial	$5,947,061	$5,873,532	-$73,529	-1.24%
Industrial	$156,900	$167,080	$10,180	6.49%
Landfill	$20,973	$23,778	$2,805	13.37%
Sub-Total PIL	**$6,292,846**	**$6,239,866**	**-$52,980**	**-0.84%**
Total (Taxable + PIL)	**$358,746,270**	**$358,693,157**	**-$53,113**	**-0.01%**

Table 18
Reassessment Related Change in Proportional Share of Tax
(Regional General Levy)

Realty Tax Class	Share of Regional General Levy 2018	2019	%
Taxable			
Residential	71.46%	71.27%	-0.27%
Farm	0.78%	0.84%	7.10%
Managed Forest	0.01%	0.01%	4.25%
New Multi-Residential	0.22%	0.22%	0.72%
Multi-Residential	4.05%	4.04%	-0.45%
Commercial	17.88%	18.06%	1.05%
Industrial	3.20%	3.19%	-0.40%
Landfill	0.02%	0.02%	-1.78%
Pipeline	0.63%	0.62%	-1.27%
Sub-Total Taxable	**98.25%**	**98.26%**	**0.01%**
Payment in Lieu			
Residential	0.05%	0.05%	4.53%
Farm	0.00%	0.00%	2.79%
Commercial	1.66%	1.64%	-1.22%
Industrial	0.04%	0.05%	6.50%
Landfill	0.01%	0.01%	13.39%
Sub-Total PIL	**1.75%**	**1.74%**	**-0.83%**
Total (Taxable + PIL)	**100.00%**	**100.00%**	**0.00%**

In addition to shifting among property classes, the regional levy will also shift among and within local municipalities based on the differential rates of change being experienced Region-wide. Table 19 documents these shifts of the regional notional levy at the local level.

Table 20 plots the rate of phase-in change for each local municipality in ascending order and also includes the rate of inter-municipal levy shift. As can be seen, those municipalities with overall phase-in change rates that fall below the Region-wide level may expect negative tax shifts. Those experiencing higher rates of change can expect their proportional share of the regional levy to increase on a year-over-year basis.

Table 19
Reassessment Related Regional Inter-Municipal Tax Shifts

Local Municipality	Regional General Levy 2018 As Revised	Regional General Levy 2019 Notional	Inter-Municipal Shifts $	Inter-Municipal Shifts %
Fort Erie	$22,428,328	$22,072,979	-$355,349	-1.58%
Grimsby	$25,883,857	$26,414,076	$530,219	2.05%
Lincoln	$20,443,857	$20,591,427	$147,570	0.72%
Niagara Falls	$74,209,801	$74,370,381	$160,580	0.22%
Niagara-on-the-Lake	$30,082,399	$30,313,217	$230,818	0.77%
Pelham	$14,718,064	$14,611,236	-$106,828	-0.73%
Port Colborne	$11,599,092	$11,484,857	-$114,235	-0.98%
St. Catharines	$93,802,595	$93,556,655	-$245,940	-0.26%
Thorold	$14,142,691	$14,018,740	-$123,951	-0.88%
Wainfleet	$5,281,328	$5,309,361	$28,033	0.53%
Welland	$29,032,299	$28,758,816	-$273,483	-0.94%
West Lincoln	$10,829,113	$10,951,546	$122,433	1.13%
Niagara Region	**$352,453,424**	**$352,453,291**	**-$133**	**0.00%**

Table 20
Inter-Municipal Tax Shifts and Rate of Phase-In Change

Local Municipality	Rate of Phase-In Change	Inter-Municipal Shifts $	Inter-Municipal Shifts %
Fort Erie	2.33%	-$355,349	-1.58%
Port Colborne	2.87%	-$114,235	-0.98%
Welland	2.93%	-$273,483	-0.94%
Thorold	3.03%	-$123,951	-0.88%
Pelham	3.42%	-$106,828	-0.73%
St. Catharines	3.51%	-$245,940	-0.26%
Niagara Region	**4.05%**	**-$133**	**0.00%**
Niagara Falls	4.13%	$160,580	0.22%
Niagara-on-the-Lake	5.01%	$230,818	0.77%
Lincoln	5.29%	$147,570	0.72%
Wainfleet	5.56%	$28,033	0.53%
Grimsby	5.98%	$530,219	2.05%
West Lincoln	6.52%	$122,433	1.13%

The rate of tax shift will generally follow the rate of phase-in change a property, or group of properties is experiencing relative to the overall rate of change for the pool of assessment against which the taxes are levied.

This is true at the inter-municipal level as shown in Table 19, but it is also true at the class and property level. Simply put, any municipality, class or other group of properties subject to a rate of phase-in change around 4.05% would likely carry a similar share of the Regional levy in 2019 in 2018. Representative property groupings (class, municipality, ward, etc.) experiencing higher rates of change will attract a greater share of the overall levy; and vice-versa for those increasing at rates below the aggregate.

Local General Levies

As with the regional levy, local levies will shift amongst classes and taxpayers. Table 21 displays the inter-class shifts of the local general on a Region-wide basis.

Table 21
Reassessment Related Inter-Class Tax Shifts
(All Local General Levies)

	Local General Levies		Inter-Class Shifts	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$225,755,794	$225,170,702	-$585,092	-0.26%
Farm	$1,999,035	$2,127,559	$128,524	6.43%
Managed Forest	$16,112	$16,706	$594	3.69%
New Multi-Residential	$787,488	$796,596	$9,108	1.16%
Multi-Residential	$14,118,786	$14,073,822	-$44,964	-0.32%
Commercial	$54,192,228	$54,745,931	$553,703	1.02%
Industrial	$10,794,723	$10,754,106	-$40,617	-0.38%
Landfill	$49,225	$48,926	-$299	-0.61%
Pipeline	$2,007,012	$1,986,014	-$20,998	-1.05%
Sub-Total Taxable	**$309,720,403**	**$309,720,362**	**-$41**	**0.00%**
Payment in Lieu				
Residential	$134,378	$140,381	$6,003	4.47%
Farm	$632	$656	$24	3.80%
Commercial	$4,844,650	$4,768,925	-$75,725	-1.56%
Industrial	$131,921	$139,634	$7,713	5.85%
Landfill	$23,950	$28,149	$4,199	17.53%
Sub-Total PIL	**$5,135,531**	**$5,077,745**	**-$57,786**	**-1.13%**
Total (Taxable + PIL)	**$314,855,934**	**$314,798,107**	**-$57,827**	**-0.02%**

Table 22 considers how the combined (Regional + local) general levies are shifting among the property classes. The local levy amounts used in this section, as well as the underlying municipal specific notional tax rates are further documented in the Local Results Addenda attached to this study.

Table 22
Reassessment Related Inter-Class Tax Shifts
(Combined Local and Regional General Levies)

	Combined (UT + LT) General Levies		Inter-Class Shift	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$482,125,412	$480,813,898	-$1,311,514	-0.27%
Farm	$4,800,612	$5,127,637	$327,025	6.81%
Managed Forest	$34,317	$35,681	$1,364	3.97%
New Multi-Residential	$1,568,285	$1,582,893	$14,608	0.93%
Multi-Residential	$28,665,893	$28,554,011	-$111,882	-0.39%
Commercial	$118,322,682	$119,542,863	$1,220,181	1.03%
Industrial	$22,277,310	$22,188,683	-$88,627	-0.40%
Landfill	$107,005	$105,672	-$1,333	-1.25%
Pipeline	$4,272,311	$4,222,315	-$49,996	-1.17%
Sub-Total Taxable	**$662,173,827**	**$662,173,653**	**-$174**	**0.00%**
Payment in Lieu				
Residential	$301,678	$315,228	$13,550	4.49%
Farm	$1,244	$1,285	$41	3.30%
Commercial	$10,791,711	$10,642,457	-$149,254	-1.38%
Industrial	$288,821	$306,714	$17,893	6.20%
Landfill	$44,923	$51,927	$7,004	15.59%
Sub-Total PIL	**$11,428,377**	**$11,317,611**	**-$110,766**	**-0.97%**
Total (Taxable + PIL)	**$673,602,204**	**$673,491,264**	**-$110,940**	**-0.02%**

Future Year Tax Trend Projections

As soon as the assessment roll is returned for a taxation year it begins to change in response to growth, value adjustments, corrections, etc. In light of this constant change as well as not knowing what the revenue needs of the municipality will be any given point in the future, it is not possible to predict actual future year tax outcomes with any degree of reliability. What we can do however, is gain an understanding as to how we can expect taxes to change and shift over the coming years as the current assessment and phase-in cycle progresses. Tables 23 and 24 utilize a constant revenue target and the current assessment roll to demonstrate how taxes may shift amongst the property classes between now and 2020. This approach controls for future growth and revenue (budgetary) increases to consider the pure impacts of reassessment and phase-in.

Table 23
Multi-Year Tax Trend
(General Levy / Revenue Neutral / Status Quo Policy)

Realty Tax Class	2018 Revised	Share	2019 Notional	Share	2020 Projected	Share
Taxable						
Residential	$256,369,618	71.46%	$255,643,196	71.27%	$254,969,514	71.09%
Farm	$2,801,577	0.78%	$3,000,078	0.84%	$3,184,196	0.89%
Managed Forest	$18,205	0.01%	$18,975	0.01%	$19,688	0.01%
New Multi-Residential	$780,797	0.22%	$786,297	0.22%	$791,396	0.22%
Multi-Residential	$14,547,107	4.05%	$14,480,189	4.04%	$14,418,151	4.02%
Commercial	$64,130,454	17.88%	$64,796,932	18.06%	$65,415,030	18.24%
Industrial	$11,482,587	3.20%	$11,434,577	3.19%	$11,390,056	3.18%
Landfill	$57,780	0.02%	$56,746	0.02%	$55,789	0.02%
Pipeline	$2,265,299	0.63%	$2,236,301	0.62%	$2,209,408	0.62%
Sub-Total Taxable	**$352,453,424**	**98.25%**	**$352,453,291**	**98.26%**	**$352,453,228**	**98.27%**
Payment in Lieu						
Residential	$167,300	0.05%	$174,847	0.05%	$181,838	0.05%
Farm	$612	0.00%	$629	0.00%	$646	0.00%
Commercial	$5,947,061	1.66%	$5,873,532	1.64%	$5,805,348	1.62%
Industrial	$156,900	0.04%	$167,080	0.05%	$176,522	0.05%
Landfill	$20,973	0.01%	$23,778	0.01%	$26,380	0.01%
Sub-Total PIL	**$6,292,846**	1.75%	**$6,239,866**	1.74%	**$6,190,734**	1.73%
Total (Tax + PIL)	**$358,746,270**	**100.00%**	**$358,693,157**	**100.00%**	**$358,643,962**	**100.00%**

Table 24
Multi-Year Reassessment / Phase-In Related Tax Shifts
(General Levy / Revenue Neutral / Status Quo Policy)

Realty Tax Class	2018 - 2019		2019 - 2020	
Taxable				
Residential	-$726,422	-0.28%	-$673,682	-0.26%
Farm	$198,501	7.09%	$184,118	6.14%
Managed Forest	$770	4.23%	$713	3.76%
New Multi-Residential	$5,500	0.70%	$5,099	0.65%
Multi-Residential	-$66,918	-0.46%	-$62,038	-0.43%
Commercial	$666,478	1.04%	$618,098	0.95%
Industrial	-$48,010	-0.42%	-$44,521	-0.39%
Landfill	-$1,034	-1.79%	-$957	-1.69%
Pipeline	-$28,998	-1.28%	-$26,893	-1.20%
Sub-Total Taxable	**-$133**	**0.00%**	**-$63**	**0.00%**
Payment in Lieu				
Residential	$7,547	4.51%	$6,991	4.00%
Farm	$17	2.78%	$17	2.70%
Commercial	-$73,529	-1.24%	-$68,184	-1.16%
Industrial	$10,180	6.49%	$9,442	5.65%
Landfill	$2,805	13.37%	$2,602	10.94%
Sub-Total PIL	**-$52,980**	**-0.84%**	**-$49,132**	**-0.79%**
Total (Taxable + PIL)	**-$53,113**	**-0.01%**	**-$49,195**	**-0.01%**

Taxation Impacts/Implications of Assessment Phase-In

Although the assessment phase-in program does not place any specific limitations on year-over-year tax change for individual properties, it does necessarily have consequences for final tax outcomes. The most obvious tax impact of the phase-in program is the benefit to increasing properties, which will not be taxed on their full CVA values until 2020. The tax implications for decreasing properties are not quite as direct, but they are material and measurable.

While there is no delay or phase-in of assessment decreases, the reduced availability of CVA against which to levy taxes in the first three years of a cycle results in the tax rates for those years being higher than would otherwise be the case if the phase-in did not exist. That is, if the full CVA for all properties were made available for 2019 taxation, and revenue requirements were held constant, the tax rates set would be lower. Under such a scenario, all decreasing properties would pay less, while most increasing properties would pay more.

Table 25 considers the difference in tax levy distribution among classes with and without an assessment phase-in program.

Table 25
Tax Mitigation Effects of Assessment Phase-In Program by Class
(Regional General Levy)

	2019 Regional General Levy		Tax Impacts of Assessment Phase-In	
Realty Tax Class	**(Full CVA)**	**(Phased CVA)**	**$**	**%**
Taxable				
Residential	$254,969,514	$255,643,196	$673,682	0.26%
Farm	$3,184,196	$3,000,078	-$184,118	-5.78%
Managed Forest	$19,688	$18,975	-$713	-3.62%
New Multi-Residential	$791,396	$786,297	-$5,099	-0.64%
Multi-Residential	$14,418,151	$14,480,189	$62,038	0.43%
Commercial	$65,415,030	$64,796,932	-$618,098	-0.94%
Industrial	$11,390,056	$11,434,577	$44,521	0.39%
Landfill	$55,789	$56,746	$957	1.72%
Pipeline	$2,209,408	$2,236,301	$26,893	1.22%
Sub-Total Taxable	**$352,453,228**	**$352,453,291**	**$63**	**0.00%**
Payment in Lieu				
Residential	$181,838	$174,847	-$6,991	-3.84%
Farm	$646	$629	-$17	-2.63%
Commercial	$5,805,348	$5,873,532	$68,184	1.17%
Industrial	$176,522	$167,080	-$9,442	-5.35%
Landfill	$26,380	$23,778	-$2,602	-9.86%
Sub-Total PIL	**$6,190,734**	**$6,239,866**	**$49,132**	**0.79%**
Total (Taxable + PIL)	**$358,643,962**	**$358,693,157**	**$49,195**	**0.01%**

Increasers and Decreasers

While the phase-in program should not have an overall impact on the municipality's taxable levy in any year, that revenue neutrality will not extend to individual taxpayers. As the assessment phase-in program ultimately "delays" increases in CVA, it also delays the movement of tax outcomes. Those with assessment decreases will pay more than they otherwise would if everyone's full unmitigated CVA's were available to be taxed in 2019, and those with assessment increases being phased-in benefit from paying taxes on an assessed value that is less than their full market value.

As these two groups are being treated differently under the system, the relationship between them, and the relationship between the taxes they would be liable for with or without the assessment phase-in program is an important dynamic to be understood.

Measuring Other Assessment and Taxation Shifts

In addition to considering the broad, class and municipal level impacts that can be expected for 2019 taxation, it is also important to understand how reassessment and the assessment phase-in program is going to affect more specific groups of taxpayers.

Business, Non-Business and Public Sector Revenue

Although some groups or categories of taxpayers are not specifically defined by the *Municipal* or *Assessment Acts*, it is possible to make distinctions between various types of taxpayers to support informative, interesting and useful analysis.

For many, the distinction between revenue that comes from non-business, business and public sector property owners is of significant interest. Figures 1 through 3 have been prepared to show how the relative burden of assessment and CVA tax may change, and/or be influenced by reassessment and the assessment phase-in program. For the purposes of this report, these categories incorporate the following assessment elements:

Residential	Taxable Residential
Multi-Residential	Taxable Multi-Residential
Business	Taxable Commercial, Industrial, and Pipeline Classes
PIL	Properties from any class, which are subject to a Payment in Lieu, or Payment on Account of taxes

Typical Properties

It is also important to consider the impacts of reassessment at the property level. While the specific changes experienced by each ratepayer can vary widely, considering how the assessment and tax changes will materialize for a typical or average property can be very helpful in placing the broader change trends in an understandable perspective.

To this end, we have prepared Tables 26-A through F to illustrate the potential impact on various "typical" taxable properties within the jurisdiction, including:

- Single Detached Residential;
- All Residential;
- Multi-Residential;
- Commercial Occupied (CT/XT); and
- Industrial Occupied (IT/JT).

Figures 1 through 3
Distribution of Assessment and General Levy
Among Broad Taxpayer Groups

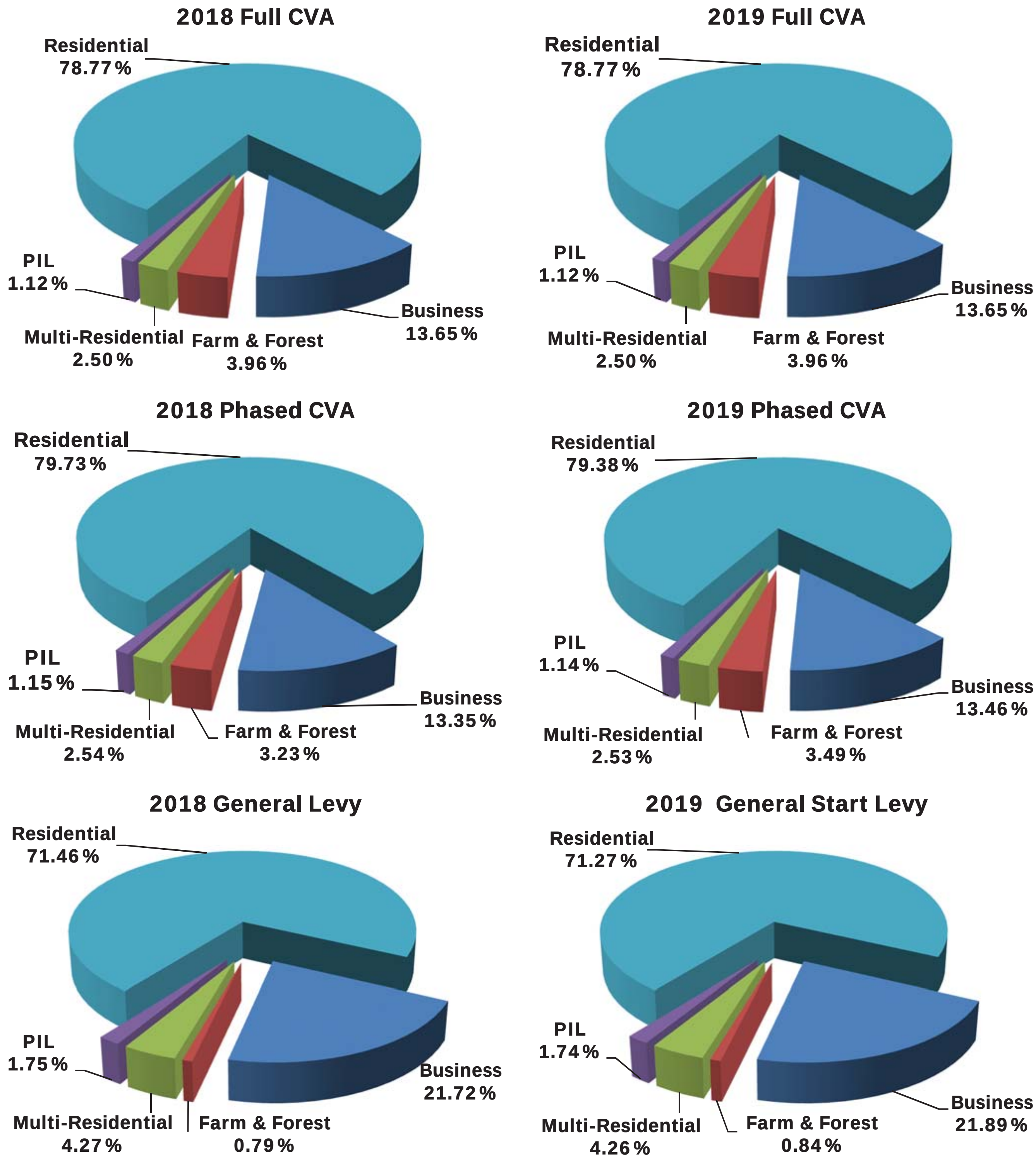


Table 26-A
Reassessment Related CVA and CVA Tax Change: Single Detached Typical Residential Properties

	Average CVA			2018 Municipal General Levy			2019 Municipal General Levy			Phase-In Related Tax Shift	
Municipality	**2018**	**2019**	**Change**	**Region**	**Local**	**Combined**	**Region**	**Local**	**Combined**		
Fort Erie	211,537	216,653	2.42%	$1,200	$1,448	$2,648	$1,182	$1,450	$2,632	-$16	-0.60%
Grimsby	397,390	419,933	5.67%	$2,254	$989	$3,243	$2,292	$986	$3,278	$35	1.08%
Lincoln	362,709	377,697	4.13%	$2,057	$1,546	$3,603	$2,061	$1,539	$3,600	-$3	-0.08%
Niagara Falls	254,741	265,133	4.08%	$1,445	$1,157	$2,602	$1,447	$1,156	$2,603	$1	0.04%
Niagara-on-the-Lake	486,509	506,367	4.08%	$2,759	$1,012	$3,771	$2,763	$1,006	$3,769	-$2	-0.05%
Pelham	370,931	381,082	2.74%	$2,103	$1,829	$3,932	$2,080	$1,821	$3,901	-$31	-0.79%
Port Colborne	186,162	190,504	2.33%	$1,056	$1,570	$2,626	$1,040	$1,561	$2,601	-$25	-0.95%
St. Catharines	255,711	263,847	3.18%	$1,450	$1,378	$2,828	$1,440	$1,372	$2,812	-$16	-0.57%
Thorold	243,077	249,292	2.56%	$1,378	$1,424	$2,802	$1,360	$1,418	$2,778	-$24	-0.86%
Wainfleet	278,243	290,453	4.39%	$1,578	$1,616	$3,194	$1,585	$1,615	$3,200	$6	0.19%
Welland	210,473	216,112	2.68%	$1,194	$1,630	$2,824	$1,179	$1,626	$2,805	-$19	-0.67%
West Lincoln	345,520	361,900	4.74%	$1,959	$1,192	$3,151	$1,975	$1,188	$3,163	$12	0.38%
Region Average	**271,856**	**281,548**	**3.57%**	**$1,542**	**$1,401**	**$2,943**	**$1,536**	**$1,400**	**$2,936**	**-$7**	**-0.24%**
Region Median	**242,500**	**251,000**	**3.51%**	**$1,375**	**$1,250**	**$2,625**	**$1,370**	**$1,249**	**$2,619**	**-$6**	**-0.23%**

Table 26-B
Reassessment Related CVA and CVA Tax Change: Other Typical Residential Properties

Municipality	Average CVA 2018	2019	Change	2018 Municipal General Levy Region	Local	Combined	2019 Municipal General Levy Region	Local	Combined	Phase-In Related Tax Shift	
Fort Erie	197,139	201,230	2.08%	$1,118	$1,350	$2,468	$1,098	$1,347	$2,445	-$23	-0.93%
Grimsby	296,595	313,758	5.79%	$1,682	$738	$2,420	$1,712	$737	$2,449	$29	1.20%
Lincoln	307,378	324,702	5.64%	$1,743	$1,311	$3,054	$1,772	$1,323	$3,095	$41	1.34%
Niagara Falls	207,735	215,305	3.64%	$1,178	$944	$2,122	$1,175	$939	$2,114	-$8	-0.38%
Niagara-on-the-Lake	398,655	414,545	3.99%	$2,261	$829	$3,090	$2,262	$823	$3,085	-$5	-0.16%
Pelham	254,314	264,888	4.16%	$1,442	$1,254	$2,696	$1,446	$1,266	$2,712	$16	0.59%
Port Colborne	220,320	227,490	3.25%	$1,249	$1,858	$3,107	$1,241	$1,864	$3,105	-$2	-0.06%
St. Catharines	216,114	222,224	2.83%	$1,226	$1,165	$2,391	$1,213	$1,155	$2,368	-$23	-0.96%
Thorold	169,763	175,851	3.59%	$963	$995	$1,958	$960	$1,000	$1,960	$2	0.10%
Wainfleet	229,091	237,228	3.55%	$1,299	$1,331	$2,630	$1,295	$1,319	$2,614	-$16	-0.61%
Welland	178,504	184,404	3.31%	$1,012	$1,383	$2,395	$1,006	$1,387	$2,393	-$2	-0.08%
West Lincoln	215,177	226,676	5.34%	$1,220	$742	$1,962	$1,237	$744	$1,981	$19	0.97%
Region Average	**231,577**	**240,288**	**3.76%**	**$1,313**	**$1,193**	**$2,506**	**$1,311**	**$1,195**	**$2,506**	**$0**	**0.00%**
Region Median	**191,000**	**197,750**	**3.53%**	**$1,083**	**$984**	**$2,067**	**$1,079**	**$984**	**$2,063**	**-$4**	**-0.19%**

Table 26-C
Reassessment Related CVA and CVA Tax Change: All Typical Residential Properties

	Average CVA			2018 Municipal General Levy			2019 Municipal General Levy			Phase-In Related Tax Shift	
Municipality	**2018**	**2019**	**Change**	**Region**	**Local**	**Combined**	**Region**	**Local**	**Combined**		
Fort Erie	206,438	211,190	2.30%	$1,171	$1,413	$2,584	$1,153	$1,414	$2,567	-$17	-0.66%
Grimsby	359,364	379,877	5.71%	$2,038	$895	$2,933	$2,073	$892	$2,965	$32	1.09%
Lincoln	339,761	355,718	4.70%	$1,927	$1,449	$3,376	$1,941	$1,449	$3,390	$14	0.41%
Niagara Falls	242,743	252,415	3.98%	$1,377	$1,103	$2,480	$1,377	$1,101	$2,478	-$2	-0.08%
Niagara-on-the-Lake	451,899	470,194	4.05%	$2,563	$940	$3,503	$2,566	$934	$3,500	-$3	-0.09%
Pelham	340,072	350,335	3.02%	$1,928	$1,677	$3,605	$1,912	$1,674	$3,586	-$19	-0.53%
Port Colborne	195,705	200,837	2.62%	$1,110	$1,650	$2,760	$1,096	$1,646	$2,742	-$18	-0.65%
St. Catharines	244,050	251,589	3.09%	$1,384	$1,315	$2,699	$1,373	$1,308	$2,681	-$18	-0.67%
Thorold	216,895	223,065	2.84%	$1,230	$1,271	$2,501	$1,217	$1,269	$2,486	-$15	-0.60%
Wainfleet	250,430	260,335	3.96%	$1,420	$1,455	$2,875	$1,421	$1,447	$2,868	-$7	-0.24%
Welland	202,531	208,235	2.82%	$1,149	$1,569	$2,718	$1,136	$1,567	$2,703	-$15	-0.55%
West Lincoln	288,455	302,699	4.94%	$1,636	$995	$2,631	$1,652	$994	$2,646	$15	0.57%
Region Average	**259,215**	**268,598**	**3.62%**	**$1,470**	**$1,336**	**$2,806**	**$1,466**	**$1,336**	**$2,802**	**-$4**	**-0.14%**
Region Median	**226,500**	**234,500**	**3.53%**	**$1,284**	**$1,167**	**$2,451**	**$1,280**	**$1,166**	**$2,446**	**-$5**	**-0.20%**

Table 26-D
Reassessment Related CVA and CVA Tax Change: Typical Occupied Multi-Residential Properties

	Average CVA			2018 Municipal General Levy			2019 Municipal General Levy			Phase-In Related Tax Shift	
Municipality	**2018**	**2019**	**Change**	**Region**	**Local**	**Combined**	**Region**	**Local**	**Combined**		
Fort Erie	1,353,474	1,364,071	0.78%	$15,120	$18,254	$33,374	$14,665	$17,989	$32,654	-$720	-2.16%
Grimsby	2,078,250	2,138,583	2.90%	$23,217	$10,194	$33,411	$22,991	$9,892	$32,883	-$528	-1.58%
Lincoln	1,530,158	1,588,225	3.79%	$17,094	$12,852	$29,946	$17,074	$12,746	$29,820	-$126	-0.42%
Niagara Falls	2,427,686	2,543,287	4.76%	$27,121	$21,723	$48,844	$27,342	$21,853	$49,195	$351	0.72%
Niagara-on-the-Lake	7,053,775	7,235,412	2.58%	$78,801	$28,903	$107,704	$77,785	$28,313	$106,098	-$1,606	-1.49%
Pelham	1,589,273	1,598,864	0.60%	$17,754	$15,435	$33,189	$17,189	$15,052	$32,241	-$948	-2.86%
Port Colborne	1,168,530	1,172,780	0.36%	$13,054	$19,408	$32,462	$12,608	$18,932	$31,540	-$922	-2.84%
St. Catharines	3,118,202	3,239,842	3.90%	$34,835	$33,101	$67,936	$34,830	$33,184	$68,014	$78	0.11%
Thorold	1,117,886	1,139,586	1.94%	$12,488	$12,902	$25,390	$12,251	$12,769	$25,020	-$370	-1.46%
Wainfleet	456,500	456,750	0.05%	$5,100	$5,223	$10,323	$4,910	$5,003	$9,913	-$410	-3.97%
Welland	2,164,489	2,190,994	1.22%	$24,181	$33,025	$57,206	$23,555	$32,476	$56,031	-$1,175	-2.05%
West Lincoln	1,414,125	1,441,312	1.92%	$15,798	$9,613	$25,411	$15,495	$9,323	$24,818	-$593	-2.33%
Region Average	**2,390,928**	**2,472,484**	**3.41%**	**$26,710**	**$24,270**	**$50,980**	**$26,581**	**$24,229**	**$50,810**	**-$170**	**-0.33%**
Region Median	**976,000**	**1,008,000**	**3.28%**	**$10,903**	**$9,907**	**$20,810**	**$10,837**	**$9,878**	**$20,715**	**-$95**	**-0.46%**

Table 26-E
Reassessment Related CVA and CVA Tax Change: Typical Commercial Properties

	Average CVA			2018 Municipal General Levy			2019 Municipal General Levy			Phase-In Related Tax Shift	
Municipality	**2018**	**2019**	**Change**	**Region**	**Local**	**Combined**	**Region**	**Local**	**Combined**		
Fort Erie	339,270	347,778	2.51%	$3,338	$4,030	$7,368	$3,293	$4,039	$7,332	-$36	-0.49%
Grimsby	898,814	974,014	8.37%	$8,843	$3,883	$12,726	$9,222	$3,968	$13,190	$464	3.65%
Lincoln	532,601	553,157	3.86%	$5,240	$3,940	$9,180	$5,237	$3,909	$9,146	-$34	-0.37%
Niagara Falls	1,332,387	1,391,071	4.40%	$13,108	$10,499	$23,607	$13,170	$10,526	$23,696	$89	0.38%
Niagara-on-the-Lake	1,292,235	1,360,831	5.31%	$12,713	$4,663	$17,376	$12,884	$4,690	$17,574	$198	1.14%
Pelham	419,447	434,160	3.51%	$4,127	$3,587	$7,714	$4,110	$3,600	$7,710	-$4	-0.05%
Port Colborne	279,893	291,555	4.17%	$2,754	$4,094	$6,848	$2,760	$4,145	$6,905	$57	0.83%
St. Catharines	678,800	711,485	4.82%	$6,678	$6,346	$13,024	$6,736	$6,418	$13,154	$130	1.00%
Thorold	434,972	453,065	4.16%	$4,279	$4,421	$8,700	$4,289	$4,471	$8,760	$60	0.69%
Wainfleet	174,727	186,274	6.61%	$1,719	$1,761	$3,480	$1,764	$1,797	$3,561	$81	2.33%
Welland	436,801	454,005	3.94%	$4,297	$5,869	$10,166	$4,298	$5,926	$10,224	$58	0.57%
West Lincoln	342,576	351,416	2.58%	$3,370	$2,051	$5,421	$3,327	$2,002	$5,329	-$92	-1.70%
Region Average	**744,604**	**779,103**	**4.63%**	**$7,326**	**$6,656**	**$13,982**	**$7,376**	**$6,724**	**$14,100**	**$118**	**0.84%**
Region Median	**263,600**	**273,750**	**3.85%**	**$2,593**	**$2,356**	**$4,949**	**$2,592**	**$2,362**	**$4,954**	**$5**	**0.10%**

Table 26-F
Reassessment Related CVA and CVA Tax Change: Typical Industrial Properties

	Average CVA			2018 Municipal General Levy			2019 Municipal General Levy			Phase-In Related Tax Shift	
Municipality	**2018**	**2019**	**Change**	**Region**	**Local**	**Combined**	**Region**	**Local**	**Combined**		
Fort Erie	744,268	747,878	0.49%	$11,100	$13,401	$24,501	$10,734	$13,167	$23,901	-$600	-2.45%
Grimsby	1,557,132	1,664,868	6.92%	$23,223	$10,197	$33,420	$23,895	$10,281	$34,176	$756	2.26%
Lincoln	817,578	838,193	2.52%	$12,194	$9,168	$21,362	$12,030	$8,980	$21,010	-$352	-1.65%
Niagara Falls	823,446	851,884	3.45%	$12,281	$9,837	$22,118	$12,227	$9,772	$21,999	-$119	-0.54%
Niagara-on-the-Lake	584,770	610,600	4.42%	$8,721	$3,199	$11,920	$8,764	$3,190	$11,954	$34	0.29%
Pelham	174,331	185,559	6.44%	$2,600	$2,260	$4,860	$2,663	$2,332	$4,995	$135	2.78%
Port Colborne	756,609	773,746	2.27%	$11,284	$16,777	$28,061	$11,105	$16,675	$27,780	-$281	-1.00%
St. Catharines	728,746	748,640	2.73%	$10,869	$10,328	$21,197	$10,745	$10,237	$20,982	-$215	-1.01%
Thorold	658,452	668,169	1.48%	$9,820	$10,146	$19,966	$9,590	$9,995	$19,585	-$381	-1.91%
Wainfleet	242,133	250,103	3.29%	$3,611	$3,699	$7,310	$3,590	$3,657	$7,247	-$63	-0.86%
Welland	825,962	845,782	2.40%	$12,319	$16,824	$29,143	$12,139	$16,737	$28,876	-$267	-0.92%
West Lincoln	423,030	430,625	1.80%	$6,309	$3,839	$10,148	$6,180	$3,719	$9,899	-$249	-2.45%
Region Average	**725,196**	**746,101**	**2.88%**	**$10,816**	**$9,828**	**$20,644**	**$10,708**	**$9,761**	**$20,469**	**-$175**	**-0.85%**
Region Median	**335,000**	**345,750**	**3.21%**	**$4,996**	**$4,540**	**$9,536**	**$4,962**	**$4,523**	**$9,485**	**-$51**	**-0.53%**

PART FOUR: FARM CLASS AND WHOLE FARM PROPERTY TAX TREATMENT

The farm property class in the Region of Niagara are marked by fairly strong market value updates and corresponding rates of phase-in change for 2019. On a Regional basis, the overall increase in Full CVA is approximately 52.15% for the current assessment cycle, which has translated into a 2019 phase-in change of 11.28%. These changes have a high rate of occurrence with 93.74% of farm properties increasing.

These rates of change seem high in isolation but they are actually relatively modest when compared to other areas in southern Ontario. There are a host of forces behind these value changes including:

- Methodology changes and challenges at MPAC;
- Domestic (GTA) land crush issues; and even
- International weather and currency trends.

Although new notional / revenue neutral tax rates are calculated annually to compensate for the additional assessment being phased-in, these rates are calculated in response to municipal-wide assessment change and are not sensitive to any specific class of property. As such, varying rates of assessment change will inevitably result in shifts between individual properties and groups of properties. The inter-class shifts of the regional levy are previously documented in Table 17.

The rate of tax shift generally follows the rate of phase-in change a property, or group of properties is experiencing relative to the overall rate of change for the pool of assessment against which the taxes are levied. Table 27 plots the rate of phase-in change for each class in ascending order and also includes the rate of inter-class levy shift. As can be seen, those classes with overall phase-in change rates that fall below the Region-wide level may expect negative tax shifts.

Table 27
Phase-In Change and Resulting Inter-Class Tax Shifts

Realty Tax Class	Rate of Phase-In Change	Inter-Class Shift $	Inter-Class Shift %
Landfill	2.06%	-$1,034	-1.79%
Pipeline	2.58%	-$28,998	-1.28%
Multi-Residential	3.44%	-$66,918	-0.46%
Residential	3.62%	-$726,422	-0.28%
Industrial	3.83%	-$48,010	-0.42%
Total (Taxable Only)	**4.05%**	**-$133**	**0.00%**
New Multi-Residential	4.65%	$5,500	0.70%
Commercial	5.00%	$666,478	1.04%
Managed Forest	8.31%	$770	4.23%
Farm	11.28%	$198,501	7.09%

The rate of phase-in change, relative to the overall rate of change will generally determine if a tax shift will be positive or negative.

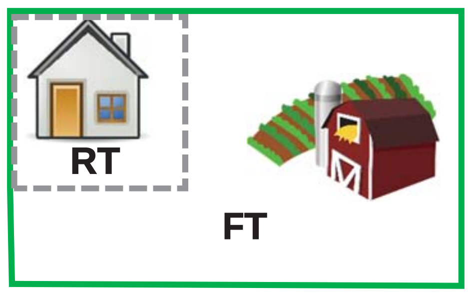
Those experiencing higher rates of change can expect their proportional share of the regional levy to increase on a year-over-year basis. This is also true at the inter-municipal and property level. Simply put, any municipality, class or other group of properties subject to a rate of phase-in change around 4.05% would likely carry a similar share of the regional levy in 2019 in 2018. Representative property groupings (class, municipality, ward, etc.) experiencing higher rates of change will attract a greater share of the overall levy; and vice-versa for those increasing at rates below the aggregate.

Farm Class vs. Whole Farm Property Tax

Although it is clear that farmland, captured by the farm property class is currently experiencing a relatively high rate of reassessment/phase-in change, this information is not sufficient to fully consider how bottom line taxes are changing for farms and farmers within the municipality.

The farm property class is considered to be a special tax incentive class and inclusion is based on a host of ownership, use and occupancy criteria. A large proportion of farms as understood outside the realm of property tax are made up of a farm class portion and portions that fall into other classes. It is important to consider these other elements in order to fully and accurately understand how farm taxes are changing.

The most common combination is a farm portion mixed with a residential portion associated with a farm house or other non-farm related improvements. Some farms also have elements classified as commercial or industrial based on use; this will be discussed later in the report.



This figure provides a simple illustration of a typical farm with a farmhouse. This property would fall under a single roll number, but would be comprised of two separate portions; a farm class portion and a residential portion.

For assessment purposes the underlying land is valued as farmland and the home and barn are valued on a replacement cost model derived from comparable farms.

One acre of land along with the farmhouse is classified and taxed as residential; the remainder of the land and all farm related out buildings are classified and taxed in the farm property class and subject to tax rates that are ¼ of those applicable to residential property.

As of roll return for 2019 taxation, there are 6,081 roll numbers (properties) in the Region that fall entirely or partially in the farm property class. The following tables have been prepared to give the reader a sense of these properties.

Table 28 shows that approximately 64% of all properties that make up the farm class have at least one other portion on the same roll number that is captured by another property class. Further, approximately 79% of farm property portions within the Region are part of multi-portion farms.

Table 28
Farm Class Rolls and Whole-Farm Property Portions

Local Municipality	Farm Class Rolls	Farm Property Portions	Farm Class Only			Multi-Portion Farms		
			Count	Share of Farm Rolls	Share of Farm Potions	Count	Share of Farm Rolls	Share of Farm Potions
Fort Erie	285	467	108	37.89%	23.13%	177	62.11%	76.87%
Grimsby	220	390	56	25.45%	14.36%	164	74.55%	85.64%
Lincoln	975	1,726	294	30.15%	17.03%	681	69.85%	82.97%
Niagara Falls	301	489	125	41.53%	25.56%	176	58.47%	74.44%
Niagara-on-the-Lake	895	1,483	360	40.22%	24.28%	535	59.78%	75.72%
Pelham	524	921	134	25.57%	14.55%	390	74.43%	85.45%
Port Colborne	291	473	115	39.52%	24.31%	176	60.48%	75.69%
St. Catharines	245	402	97	39.59%	24.13%	148	60.41%	75.87%
Thorold	202	306	100	49.50%	32.68%	102	50.50%	67.32%
Wainfleet	706	1,083	342	48.44%	31.58%	364	51.56%	68.42%
Welland	101	168	35	34.65%	20.83%	66	65.35%	79.17%
West Lincoln	1,336	2,300	422	31.59%	18.35%	914	68.41%	81.65%
Niagara Region	**6,081**	**10,208**	**2,188**	**35.98%**	**21.43%**	**3,893**	**64.02%**	**78.57%**

Typical Farm Property Changes

In light of the fact that the Region's Farms are not fully, or well represented by changes to farm class assessment and tax change alone, MTE has expanded on the typical farm property analysis.

- Table 29-A includes farm class property portions only, regardless of whether they represent the entire farm or only a component of the property;
- Table 29-B is based on single portion farms classified solely in the farm property class;
- Table 29-C looks at only those farm properties with additional non-farm portions; and
- Table 29-D includes all portions of all properties including both single and multi-portion farms.

Table 29-A
Typical Farm Class (FT) Property Portions Only: Single and Multi-Portion Farms
(2018 actual to 2019 Notional General Municipal Levy Amounts – Farm Class Tax Only)

Municipality	Average CVA 2018	Average CVA 2019	Average CVA Change	2018 Municipal General Levy Region	2018 Local	2018 Combined	2019 Municipal General Levy Region	2019 Local	2019 Combined	Phase-In Related Tax Shift	
Fort Erie	180,070	189,079	5.00%	$255	$308	$563	$258	$316	$574	$11	1.95%
Grimsby	344,093	377,873	9.82%	$488	$214	$702	$516	$222	$738	$36	5.13%
Lincoln	445,875	492,092	10.37%	$632	$475	$1,107	$671	$501	$1,172	$65	5.87%
Niagara Falls	236,918	264,488	11.64%	$336	$269	$605	$361	$288	$649	$44	7.27%
Niagara-on-the-Lake	496,492	552,532	11.29%	$704	$258	$962	$754	$274	$1,028	$66	6.86%
Pelham	273,263	299,637	9.65%	$387	$337	$724	$409	$358	$767	$43	5.94%
Port Colborne	174,557	184,769	5.85%	$247	$368	$615	$252	$379	$631	$16	2.60%
St. Catharines	470,259	521,208	10.83%	$667	$634	$1,301	$711	$677	$1,388	$87	6.69%
Thorold	232,298	245,058	5.49%	$329	$340	$669	$334	$348	$682	$13	1.94%
Wainfleet	225,642	257,103	13.94%	$320	$328	$648	$351	$357	$708	$60	9.26%
Welland	177,207	197,696	11.56%	$251	$343	$594	$270	$372	$642	$48	8.08%
West Lincoln	273,501	313,331	14.56%	$388	$236	$624	$427	$257	$684	$60	9.62%
Region Average	**324,970**	**361,619**	**11.28%**	**$461**	**$419**	**$880**	**$493**	**$450**	**$943**	**$63**	**7.16%**
Region Median	**229,450**	**259,000**	**12.88%**	**$325**	**$296**	**$621**	**$353**	**$322**	**$675**	**$54**	**8.70%**

Interpretation Note:
Based on all property in the farm property class but does not consider any portions of those properties that may be classified in other classes.

Table 29-B
Typical Single Portion / Stand-Alone Farm Class (FT) Properties
(2018 actual to 2019 Notional General Municipal Levy Amounts – Farm Class Tax Only)

	Average CVA			2018 Municipal General Levy			2019 Municipal General Levy			Phase-In Related Tax Shift	
Municipality	**2018**	**2019**	**Change**	**Region**	**Local**	**Combined**	**Region**	**Local**	**Combined**		
Fort Erie	168,265	176,167	4.70%	$239	$288	$527	$240	$295	$535	$8	1.52%
Grimsby	361,181	399,388	10.58%	$512	$225	$737	$545	$234	$779	$42	5.70%
Lincoln	436,891	483,580	10.69%	$619	$466	$1,085	$660	$492	$1,152	$67	6.18%
Niagara Falls	243,201	271,929	11.81%	$345	$276	$621	$371	$297	$668	$47	7.57%
Niagara-on-the-Lake	512,624	576,892	12.54%	$727	$267	$994	$787	$286	$1,073	$79	7.95%
Pelham	299,414	330,051	10.23%	$424	$369	$793	$450	$394	$844	$51	6.43%
Port Colborne	177,977	190,367	6.96%	$252	$375	$627	$260	$390	$650	$23	3.67%
St. Catharines	574,638	634,721	10.46%	$815	$774	$1,589	$866	$825	$1,691	$102	6.42%
Thorold	206,898	218,302	5.51%	$293	$303	$596	$298	$310	$608	$12	2.01%
Wainfleet	206,996	237,785	14.87%	$293	$301	$594	$324	$331	$655	$61	10.27%
Welland	186,597	209,257	12.14%	$265	$361	$626	$285	$394	$679	$53	8.47%
West Lincoln	253,710	293,242	15.58%	$360	$219	$579	$400	$241	$641	$62	10.71%
Niagara Region	**321,388**	**359,757**	**11.94%**	**$456**	**$328**	**$784**	**$491**	**$351**	**$842**	**$58**	**7.40%**

Interpretation Note:
This table only includes properties that are solely assessed in the farm property class. Farm properties attached to non-farm portions have been excluded.

Table 29-C
Multi-Portion Farm Properties: Farm (FT) + Mixed Portion(s)
(2018 actual to 2019 Notional General Municipal Levy Amounts for all Applicable Classes)

	Average CVA			2018 Municipal General Levy			2019 Municipal General Levy			Phase-In Related Tax Shift	
Municipality	2018	2019	Change	Region	Local	Combined	Region	Local	Combined		
Fort Erie	361,410	380,319	5.23%	$1,299	$1,569	$2,868	$1,315	$1,613	$2,928	$60	2.09%
Grimsby	558,910	602,836	7.86%	$1,751	$769	$2,520	$1,794	$772	$2,566	$46	1.83%
Lincoln	704,146	765,723	8.74%	$2,340	$1,759	$4,099	$2,413	$1,802	$4,215	$116	2.83%
Niagara Falls	488,772	533,536	9.16%	$2,113	$1,693	$3,806	$2,202	$1,760	$3,962	$156	4.10%
Niagara-on-the-Lake	764,561	833,522	9.02%	$2,626	$963	$3,589	$2,716	$989	$3,705	$116	3.23%
Pelham	490,752	525,931	7.17%	$1,692	$1,471	$3,163	$1,720	$1,506	$3,226	$63	1.99%
Port Colborne	356,793	374,711	5.02%	$1,427	$2,122	$3,549	$1,443	$2,167	$3,610	$61	1.72%
St. Catharines	662,391	723,685	9.25%	$2,270	$2,157	$4,427	$2,348	$2,237	$4,585	$158	3.57%
Thorold	465,959	490,963	5.37%	$1,565	$1,617	$3,182	$1,586	$1,653	$3,239	$57	1.79%
Wainfleet	407,394	449,662	10.38%	$1,325	$1,357	$2,682	$1,377	$1,402	$2,779	$97	3.62%
Welland	378,214	406,210	7.40%	$1,442	$1,969	$3,411	$1,461	$2,015	$3,476	$65	1.91%
West Lincoln	477,428	527,852	10.56%	$1,628	$991	$2,619	$1,680	$1,011	$2,691	$72	2.75%
Niagara Region	**549,600**	**598,167**	**8.84%**	**$1,891**	**$1,381**	**$3,272**	**$1,947**	**$1,416**	**$3,363**	**$91**	**2.78%**

89

Interpretation Note:
These results consider all multi-portion farms, which are those rolls with a farm classification and at least one other portion (residential, commercial, etc...). Properties solely assessed in the farm property class have been excluded.

Table 29-D
All Farm Rolls: Single and Multi-Portion Farms
(2018 actual to 2019 Notional General Municipal Levy Amounts for all Applicable Classes)

Municipality	Average CVA 2018	Average CVA 2019	Average CVA Change	2018 Municipal General Levy Region	2018 Local	2018 Combined	2019 Municipal General Levy Region	2019 Local	2019 Combined	Phase-In Related Tax Shift	
Fort Erie	288,218	302,956	5.11%	$897	$1,083	$1,980	$907	$1,113	$2,020	$40	2.02%
Grimsby	508,579	551,049	8.35%	$1,435	$630	$2,065	$1,476	$635	$2,111	$46	2.23%
Lincoln	623,558	680,646	9.16%	$1,821	$1,369	$3,190	$1,885	$1,407	$3,292	$102	3.20%
Niagara Falls	386,790	424,895	9.85%	$1,379	$1,105	$2,484	$1,441	$1,152	$2,593	$109	4.39%
Niagara-on-the-Lake	663,223	730,296	10.11%	$1,862	$683	$2,545	$1,940	$706	$2,646	$101	3.97%
Pelham	441,822	475,840	7.70%	$1,368	$1,189	$2,557	$1,395	$1,222	$2,617	$60	2.35%
Port Colborne	286,127	301,860	5.50%	$963	$1,432	$2,395	$975	$1,464	$2,439	$44	1.84%
St. Catharines	627,648	688,462	9.69%	$1,694	$1,609	$3,303	$1,762	$1,678	$3,440	$137	4.15%
Thorold	337,711	355,982	5.41%	$936	$967	$1,903	$948	$989	$1,937	$34	1.79%
Wainfleet	310,317	347,025	11.83%	$825	$845	$1,670	$867	$883	$1,750	$80	4.79%
Welland	311,812	337,959	8.39%	$1,034	$1,412	$2,446	$1,054	$1,453	$2,507	$61	2.49%
West Lincoln	406,763	453,746	11.55%	$1,228	$747	$1,975	$1,276	$768	$2,044	$69	3.49%
Niagara Region	**467,487**	**512,385**	**9.60%**	**$1,374**	**$1,002**	**$2,376**	**$1,423**	**$1,033**	**$2,456**	**$80**	**3.37%**

Interpretation Note:
This table shows the average assessment and corresponding taxes for all properties with a farm classification. It considers single portion farms and all elements of multi-portion farm properties.

New Agri-Food Business Subclasses for Farm Properties

As part of the previous Government's *2017 Ontario Economic Outlook and Fiscal Review (Fall Budget),* The Minister of Finance announced that new property sub-classes would be introduced to facilitate special treatment of commercial and industrial improvements on farm properties. These new sub-classes are *optional for municipal purposes* and are intended to give municipalities a means of incenting / supporting small scale Agri-Food enterprises.

It was announced that these sub-classes would apply for education purposes, regardless of whether a municipality chooses to participate. This means that local municipalities will be required to administer these new sub-classes even if they do not use them for municipal tax purposes.

The following has been prepared to provide staff and decision makers with a measure of general insight regarding the purpose, nature and potential financial implications of these new sub-classes.

As MPAC did not include these property portions on the roll as returned for 2019 it is not possible to incorporate these new sub-classes into a fully realized tax policy model. Instead, we have prepared a general qualitative overview to consider the purpose, structure and function of the new sub-classes.

Farm Class and New Sub-Class Overview

Currently Ontario's property assessment and taxation system includes two mandated sub-classes within each of the commercial and industrial property classes: vacant land and excess land. In simple terms, the vacant land sub-classes include complete parcels (rolls) that are classified as commercial or industrial due to zoning or historic use but which are completely absent of assessable improvements. The excess land sub-class is assigned to unused portions of improved property that exceed local zoning requirements[1].

The new farm sub-classes will also be constituent of the commercial and industrial classes but distinct from those described above in three critical ways:

1) They will be optional and will not apply for municipal purposes unless adopted [2];
2) They will only apply to commercial or industrial portions of rolls that also include a portion included in the farm property class; and
3) Rather than applying to a physically delineated or identifiable property or portion of property, they apply to a portion of the property's value and as such will really only exist for taxation purposes alone.

Also, with uniform class specific reductions of 75% these sub-classes will attract much larger discounts than the current sub-classes, which default at 30% and 35% for commercial and industrial respectively.

---

[1] For example: If zoning required two acres for a gas station and the property was 10 acres, the buildings and two acres may be assessed as full commercial and the remaining eight acres assessed as commercial excess.

[2] The existing sub-classes apply by default and municipalities must seek special regulatory authority to opt out.

Eligible Properties

A large proportion of *farms* as understood outside the realm of property tax are made up of a farm class portion and portions that fall into other classes. The most common combination is a farm (FT) portion mixed with a residential (RT) portion associated with a farm house or other non-farm related improvements.

Some farms do have elements classified as commercial or industrial based on use. For example, if a farmer were to operate a produce market or butcher shop as part of their overall business model, the property could be made up of three separate portions: farmland, residential and commercial.

In this example the property is captured by a single roll number but made up of three separately classified and valued portions, each of which attracts distinct tax rates for both municipal and education purposes.

Element	Classification	CVA	Ratio	Rate	Tax
Farm Land & Buildings	Farm (FT)	300,000	0.25	0.25%	$750
Home	Residential (RT)	100,000	1.00	1.00%	$1,000
Retail Store	Commercial (CT)	125,000	1.50	1.50%	$1,875
Property Total		**525,000**			**$3,625**

It is understood that these new sub-classes will be exclusive to properties such as this that have a commercial or industrial portion, but which are mainly, or at least partially, assessed in the farm property class.

If adopted, the subclass would apply to the first 50,000 of the commercial CVA, thereby splitting the property into four portions rather than three. The following table illustrates the impact on our hypothetical example.

Element	Classification	CVA	Ratio	Discount	Rate	Tax
Farm Land & Buildings	Farm (FT)	300,000	0.25	1.00	0.25%	$750
Home	Residential (RT)	100,000	1.00	1.00	1.00%	$1,000
Retail Store	*Commercial*					
	Agri-Food Sub-Class	50,000	1.50	0.25	0.38%	$188
	Fully Occupied	75,000	1.50	1.00	1.50%	$1,125
Property Total		**525,000**				**$3,063**
Without Sub-Class		**525,000**				**$3,625**
Tax Savings		**0**				**-$563**

As noted above, the application of this new treatment should not impact the overall assessment of the commercial (industrial) element or any other portion of the property. Also, unlike portions classified into one of the vacant or excess land sub-classes, the eligible element cannot be physically delineated or identified separately from the greater commercial (industrial portion).

What will really happen is that the value of the commercial portion will be split and a lower rate of taxation will be applied to the first 50,000. If the business class portion as a whole was assessed at less than 50,000 it would be captured solely by the sub-class.

As the program was conceived to be an incentive/benefit for small-scale commercial and industrial operations that are ostensibly ancillary to farming operations, they will place a ceiling of 1,000,000 of CVA on the overall value of eligible portions. As such, if our example property included a large scale industrial processing operation with over 1,000,000 in CVA, the sub-class would not apply.

This limitation is intended to ensure a level playing field among larger on-farm and off-farm commercial and industrial enterprises.

Nature of Enterprise

These sub-classes will not capture all on-farm business activities. The Regulation restricts the application to commercial and industrial activities that are derivative of the broader farm operation. Specifically, commercial and industrial activities must meet the following eligibility criteria.

Commercial: Land used primarily to sell farm products, or a product derived from a farm product or products, that are produced on the land or on land used to carry on the same farming business.

Industrial: Land used primarily to process, or manufacture something from, a farm product or products that are produced on the land or on land used to carry on the same farming business.

Although this seems to be consistent with the spirit and intent of introducing these new sub-classes we suspect that these criteria will prove exceptionally problematic. Of primary concern is the time and resources that it will take to identify and confirm the nature of each enterprise. If the Province had simply left it at on-farm commercial and industrial improvements, the new sub-classes could have been implemented easily without the need to identify what was actually going on at each site.

We anticipate this will result in implementation problems and delays and is also ripe for endless disputes and appeals over what is, and what is not, a derivative activity. Unfortunately such disputes will consume already scarce assessment resources and create additional and unnecessary points of potential frustration and conflict. Further, when we consider the quantum of tax involved here (+/- less than $700 per property), the effort and complications involved may far outweigh any benefit for taxpayers or to the overall taxation system.

PART FIVE: TAX POLICY SENSITIVITY ANALYSIS

For 2019, the *Municipal Act* continues to provide upper and single-tier municipalities with a range of tax policy tools that may be used to alter the distribution of the tax burden both within and between tax classes. The following tools may be used to change or achieve local tax policy objectives, target the benefits of growth, or redistribute the impacts of assessment change. [3]

1. Tax ratios may be adjusted to affect the level of taxation on different tax classes;
2. Optional business property classes may be employed or collapsed to alter taxation within broad commercial or industrial tax classes;
3. Sub-class discounts for vacant and excess land may be adjusted;
4. Graduated taxation schemes for the business classes can be used to impose higher rates of taxation on properties with higher current value assessment in order to provide tax relief on properties with lower assessed values.

A comprehensive examination of tax ratios and a relevant sensitivity analysis should be undertaken each year. Specific examination of the use of optional tax classes and graduated taxation are generally only required if these options are being actively considered. After considering the contents of this report Council may wish to further explore the utility and application of these alternate apportionment and mitigation strategies.

Moving Tax Ratios

Single-tier municipalities are required to establish tax ratios for the multi-residential, commercial, industrial, landfill and pipeline classes prior to finalizing tax rates for the current year's tax cycle. Established ratios will ultimately govern the relationship between the rate of taxation for each affected class and the tax rate for the residential property class.

The tax ratio for the residential class is legislated at 1.0, while the farm and managed forest classes have a prescribed tax ratio of 0.25. Municipalities do have the flexibility to set a tax ratio for the farm class that is below 0.25, however, this reduction would only apply to the municipal portion of the property tax bill.

In setting tax ratios for all other property classes, municipalities must do so within the guidelines prescribed by the Province. Council may choose to adopt: (1) either the current tax ratio for any class (2018 adopted or 2019 starting ratio where levy restriction and/or optional classes applied in 2018), (2) establish a new tax ratio for the year that is closer to or within the Range of Fairness, as shown in Table 30; or (3) utilize restated revenue neutral transition ratios to mitigate reassessment related tax shifts between classes in accordance with the regulated calculations.

[3] The by-law deadlines for many tax policy decisions is December 31st of the subject taxation year.

Table 30
Tax Ratio Summary

Realty Tax Class	2018 Ratios	2019 Start Ratios	Ranges of Fairness		Threshold Ratios	
			Lower Limit	Upper Limit	Threshold	Subject to Levy Restriction
Residential	1.000000	1.000000	1.00	1.00	-	N/A
Farm	0.250000	0.250000	0.00	0.25	-	N/A
Managed Forest	0.250000	0.250000	0.25	0.25	-	N/A
New Multi-Residential	1.000000	1.000000	1.00	1.10	-	N/A
Multi-Residential	1.970000	1.970000	1.00	1.10	2.00	No
Commercial	1.734900	1.734900	0.60	1.10	1.98	No
Industrial	2.630000	2.630000	0.60	1.10	2.63	No
Landfill	2.940261	2.940261	0.60	1.10	25.00	No
Pipeline	1.702100	1.702100	0.60	0.70	-	N/A

Where Optional Classes Apply

Where a municipality has elected to use optional tax classes, changes to tax ratios are regulated based on the relationship of the municipality's broad class ratios (the weighted average of commercial, shopping centre, office, and parking lot is equivalent to the broad commercial class, and industrial and large industrial are deemed to be the broad industrial class).

Council must ensure that the weighted average broad class ratio for the current year does not exceed the broad class ratio for the prior year. To strictly comply with the provisions of Section 308 of the *Municipal Act*, adjustments to tax ratios may be required for the commercial and industrial tax classes.

The legislated deadline that previously applied to the creation of new, or the collapsing of existing optional classes, has now been eliminated, however, municipalities that intend to make a change to the class structure need to make this decision before any tax rate or ratio by-laws can be passed. It is also critical to provide the Province with as much advanced notice of any such change, as it could impact the manner in which education tax rates are calculated and/or regulated for the taxation year.

Tax Ratios and Balance of Taxation

Tax ratios govern the tax rate of each property class in relation to the tax rate for the residential property class. Ontario's tax ratio system is not simply about expressing the relationship among tax rates, the real function of tax ratios is to manipulate the balance of taxation among property classes.

Tax ratios effectively alter the weighting, or distribution of the tax burden compared to how the total levy would be shared if each dollar of CVA was treated equally. Table 31 shows how the share of tax differs from the share of assessment for each class in accordance with the municipality's starting ratios for the year. The more dramatic the ratio, the larger the difference between the share of assessment and share of tax each class carries. By changing tax ratios, the municipality can influence and alter this balance.

Table 31
Balance of Taxation

	Assessment		General Levy	
Realty Tax Class	**2019 CVA**	**%**	**2019 Tax**	**%**
Taxable				
Residential	46,877,880,220	79.06%	$255,643,196	71.27%
Farm	2,199,003,701	3.71%	$3,000,078	0.84%
Managed Forest	13,907,719	0.02%	$18,975	0.01%
New Multi-Residential	144,085,061	0.24%	$786,297	0.22%
Multi-Residential	1,346,916,747	2.27%	$14,480,189	4.04%
Commercial	6,954,686,379	11.73%	$64,796,932	18.06%
Industrial	839,898,339	1.42%	$11,434,577	3.19%
Landfill	3,536,625	0.01%	$56,746	0.02%
Pipeline	240,756,173	0.41%	$2,236,301	0.62%
Sub-Total Taxable	**58,620,670,964**	**98.87%**	**$352,453,291**	**98.26%**
Payment in Lieu				
Residential	32,039,644	0.05%	$174,847	0.05%
Farm	461,250	0.00%	$629	0.00%
Commercial	624,897,194	1.05%	$5,873,532	1.64%
Industrial	12,594,937	0.02%	$167,080	0.05%
Landfill	1,481,925	0.00%	$23,778	0.01%
Sub-Total PIL	**671,474,950**	**1.13%**	**$6,239,866**	**1.74%**
Total (Taxable + PIL)	**59,292,145,914**	**100.00%**	**$358,693,157**	**100.00%**

Discussion and Explanation

The assistance of Municipal Tax Equity (MTE) Consultants Inc. has been sought by the Region of Niagara to generate tax rates and corresponding levy amounts which may be under consideration for 2019.

In preparing these results, MTE has relied on the following general parameters:

1. The 2019 start ratios as documented in Table 16 of the municipality's 2019 Tax Policy Study dated January 16, 2019;
2. A 2019 revenue neutral general levy of $352,453,424;
3. A 2019 target levy of $365,725,637;
4. Tax amounts represent CVA taxes, no capping adjustments have been applied; and
5. Tax rate calculations performed are based on taxable only and exclude grantable (payment in lieu) assessment, as requested by the municipality.

Scenario 1 has been prepared to set out the impact of the levy increase using status quo ratios. The results of this model have been documented in the following tables.

Table 1-A summarizes the full class municipal purpose tax rates and the 2019 tax rate increase required to raise the levy requirement using status quo tax ratios.

Table 1-A
2019 Tax Ratios and General Tax Rates
(Start Ratios)

Realty Tax Class	Start Ratios	General Levy Tax Rates Status Quo	Model	Change
Residential	1.000000	0.00545717	0.00566267	3.77%
Farm	0.250000	0.00136429	0.00141567	3.77%
Managed Forest	0.250000	0.00136429	0.00141567	3.77%
New Multi-Residential	1.000000	0.00545717	0.00566267	3.77%
Multi-Residential	1.970000	0.01075062	0.01115546	3.77%
Commercial	1.734900	0.00946764	0.00982417	3.77%
Industrial	2.630000	0.01435236	0.01489282	3.77%
Landfill	2.940261	0.01604550	0.01664973	3.77%
Pipeline	1.702100	0.00928865	0.00963843	3.77%

Table 1-B has been prepared to summarize the Region's revenue neutral (base) levy and full levy using status quo tax ratios and the tax rates set out in Table 1-A.

Table 1-B
2019 Regional General Levy Increase
(Start Ratios)

Realty Tax Class	2019 General Levy Revenue Neutral	2019 General Levy Target Levy	Levy Increase $	Levy Increase %
Taxable				
Residential	$255,643,196	$265,269,922	$9,626,726	3.77%
Farm	$3,000,078	$3,113,064	$112,986	3.77%
Managed Forest	$18,975	$19,689	$714	3.76%
New Multi-Residential	$786,297	$815,906	$29,609	3.77%
Multi-Residential	$14,480,189	$15,025,476	$545,287	3.77%
Commercial	$64,796,932	$67,237,038	$2,440,106	3.77%
Industrial	$11,434,577	$11,865,165	$430,588	3.77%
Landfill	$56,746	$58,884	$2,138	3.77%
Pipeline	$2,236,301	$2,320,512	$84,211	3.77%
Sub-Total Taxable	**$352,453,291**	**$365,725,656**	**$13,272,365**	**3.77%**
Payment in Lieu				
Residential	$174,847	$181,430	$6,583	3.77%
Farm	$629	$653	$24	3.82%
Commercial	$5,873,532	$6,094,719	$221,187	3.77%
Industrial	$167,080	$173,372	$6,292	3.77%
Landfill	$23,778	$24,674	$896	3.77%
Sub-Total PIL	**$6,239,866**	**$6,474,848**	**$234,982**	**3.77%**
Total (Taxable + PIL)	**$358,693,157**	**$372,200,504**	**$13,507,347**	**3.77%**

Table 1-C documents the net year-over-year tax change by class before and after the levy increase is applied. Status quo starting ratios are applied in both instances.

Table 1-C
2019 Regional General Levy and Year-Over-Year Tax Change

Realty Tax Class	2018 As Revised	Revenue Neutral $	Revenue Neutral %	Target Levy $	Target Levy %
Taxable					
Residential	$256,369,618	-$726,422	-0.28%	$8,900,304	3.47%
Farm	$2,801,577	$198,501	7.09%	$311,487	11.12%
Managed Forest	$18,205	$770	4.23%	$1,484	8.15%
New Multi-Residential	$780,797	$5,500	0.70%	$35,109	4.50%
Multi-Residential	$14,547,107	-$66,918	-0.46%	$478,369	3.29%
Commercial	$64,130,454	$666,478	1.04%	$3,106,584	4.84%
Industrial	$11,482,587	-$48,010	-0.42%	$382,578	3.33%
Landfill	$57,780	-$1,034	-1.79%	$1,104	1.91%
Pipeline	$2,265,299	-$28,998	-1.28%	$55,213	2.44%
Sub-Total Taxable	**$352,453,424**	**-$133**	**0.00%**	**$13,272,232**	**3.77%**
Payment in Lieu					
Residential	$167,300	$7,547	4.51%	$14,130	8.45%
Farm	$612	$17	2.78%	$41	6.70%
Commercial	$5,947,061	-$73,529	-1.24%	$147,658	2.48%
Industrial	$156,900	$10,180	6.49%	$16,472	10.50%
Landfill	$20,973	$2,805	13.37%	$3,701	17.65%
Sub-Total PIL	**$6,292,846**	**-$52,980**	**-0.84%**	**$182,002**	**2.89%**
Total (Taxable + PIL)	**$358,746,270**	**-$53,113**	**-0.01%**	**$13,454,234**	**3.75%**

Pure Impact of Phase-In Change. No additional revenue is raised and no ratios have been changed

Combined impact of Assessment Phase-In Change and Levy Increase

Table 1-D has been prepared to summarize the Region's revenue neutral (base) levy and full levy using status quo tax ratios by local municipality. Table 1-E documents the net year-over-year tax change by municipality before and after the levy increase is applied. Status quo starting ratios are applied in both instances.

Table 1-D
Regional General Levy Sensitivity
(In comparison to 2019 Base-Line Levy)

Local Municipality	Regional Levy: Revenue Neutral	Regional Levy: Target Levy	Difference: $	Difference: %
Fort Erie	$22,072,979	$22,904,183	$831,204	3.77%
Grimsby	$26,414,076	$27,408,753	$994,677	3.77%
Lincoln	$20,591,427	$21,366,842	$775,415	3.77%
Niagara Falls	$74,370,381	$77,170,956	$2,800,575	3.77%
Niagara-on-the-Lake	$30,313,217	$31,454,724	$1,141,507	3.77%
Pelham	$14,611,236	$15,161,450	$550,214	3.77%
Port Colborne	$11,484,857	$11,917,344	$432,487	3.77%
St. Catharines	$93,556,655	$97,079,729	$3,523,074	3.77%
Thorold	$14,018,740	$14,546,646	$527,906	3.77%
Wainfleet	$5,309,361	$5,509,296	$199,935	3.77%
Welland	$28,758,816	$29,841,789	$1,082,973	3.77%
West Lincoln	$10,951,546	$11,363,949	$412,403	3.77%
Niagara Region	**$352,453,291**	**$365,725,661**	**$13,272,370**	**3.77%**

Table 1-E
Regional General Levy Sensitivity / Year-Over-Year Tax Change
(In comparison to 2018 Year-End Levy)

Local Municipality	2018 As Revised	Revenue Neutral: $	Revenue Neutral: %	Target Levy: $	Target Levy: %
Fort Erie	$22,428,328	-$355,349	-1.58%	$475,855	2.12%
Grimsby	$25,883,857	$530,219	2.05%	$1,524,896	5.89%
Lincoln	$20,443,857	$147,570	0.72%	$922,985	4.51%
Niagara Falls	$74,209,801	$160,580	0.22%	$2,961,155	3.99%
Niagara-on-the-Lake	$30,082,399	$230,818	0.77%	$1,372,325	4.56%
Pelham	$14,718,064	-$106,828	-0.73%	$443,386	3.01%
Port Colborne	$11,599,092	-$114,235	-0.98%	$318,252	2.74%
St. Catharines	$93,802,595	-$245,940	-0.26%	$3,277,134	3.49%
Thorold	$14,142,691	-$123,951	-0.88%	$403,955	2.86%
Wainfleet	$5,281,328	$28,033	0.53%	$227,968	4.32%
Welland	$29,032,299	-$273,483	-0.94%	$809,490	2.79%
West Lincoln	$10,829,113	$122,433	1.13%	$534,836	4.94%
Niagara Region	**$352,453,424**	**-$133**	**0.00%**	**$13,272,237**	**3.77%**

Scenario 3 has been prepared to document the impact of utilizing 50% of the negative residential shift at revenue neutral to reduce the multi-residential ratio. All classes share equally in the levy increase.

Table 3-A summarizes both the status quo starting ratios and the alternate ratios applied in this model; only the multi-residential ratio has been adjusted. This table also contains the full class municipal purpose tax rates required to raise the levy target using both the start and modified ratios.

Table 3-A
2019 Tax Ratios and Municipal Purpose Tax Rates
(To Raise Target Levy)

	Tax Ratios			General Levy Tax Rates		
Realty Tax Class	**Start**	**Model**	**Change**	**Start**	**Model**	**Change**
Residential	1.000000	1.000000	0.00%	0.00566267	0.00567071	0.14%
Farm	0.250000	0.250000	0.00%	0.00141567	0.00141768	0.14%
Managed Forest	0.250000	0.250000	0.00%	0.00141567	0.00141768	0.14%
New Multi-Residential	1.000000	1.000000	0.00%	0.00566267	0.00567071	0.14%
Multi-Residential	1.970000	1.902000	-3.45%	0.01115546	0.01078569	-3.31%
Commercial	1.734900	1.734900	0.00%	0.00982417	0.00983811	0.14%
Industrial	2.630000	2.630000	0.00%	0.01489282	0.01491397	0.14%
Landfill	2.940261	2.940261	0.00%	0.01664973	0.01667337	0.14%
Pipeline	1.702100	1.702100	0.00%	0.00963843	0.00965212	0.14%

Both sets of tax rates have been calculated using a revenue target of $365,725,637

Table 3-B summarizes the 2019 municipal levy model prepared using the reduced multi-residential ratio.

Table 3-C compares that base-line, status-quo levy model with this revised model.

Table 3-B
2019 Regional General Levy Increase
(Reduced Multi-Residential Ratio)

	2019 General Levy		Levy Increase	
Realty Tax Class	**Revenue Neutral**	**Levy Target**	**$**	**%**
Taxable				
Residential	$256,006,250	$265,646,559	$9,640,311	3.77%
Farm	$3,004,345	$3,117,484	$113,139	3.77%
Managed Forest	$19,001	$19,717	$716	3.77%
New Multi-Residential	$787,414	$817,065	$29,651	3.77%
Multi-Residential	$14,000,230	$14,527,426	$527,197	3.77%
Commercial	$64,888,976	$67,332,445	$2,443,462	3.77%
Industrial	$11,450,813	$11,882,014	$431,200	3.77%
Landfill	$56,827	$58,967	$2,140	3.77%
Pipeline	$2,239,477	$2,323,807	$84,332	3.77%
Sub-Total Taxable	**$352,453,333**	**$365,725,484**	**$13,272,148**	**3.77%**
Payment in Lieu				
Residential	$175,091	$181,687	$6,593	3.77%
Farm	$630	$654	$24	3.81%
Commercial	$5,881,881	$6,103,367	$221,488	3.77%
Industrial	$167,317	$173,618	$6,301	3.77%
Landfill	$23,812	$24,709	$897	3.77%
Sub-Total PIL	**$6,248,731**	**$6,484,035**	**$235,303**	**3.77%**
Total (Taxable + PIL)	**$358,702,064**	**$372,209,519**	**$13,507,451**	**3.77%**

Both the revenue neutral and target levy have been calculated using the adjusted multi-residential ratio

Table 3-C
2019 Regional General Levy Interclass Shifts

Realty Tax Class	2019 General Levy Start Ratio	2019 General Levy Alternate Model	Interclass Shifts $	Interclass Shifts %
Taxable				
Residential	$265,269,922	$265,646,559	$376,637	0.14%
Farm	$3,113,064	$3,117,484	$4,420	0.14%
Managed Forest	$19,689	$19,717	$28	0.14%
New Multi-Residential	$815,906	$817,065	$1,159	0.14%
Multi-Residential	$15,025,476	$14,527,426	-$498,050	-3.31%
Commercial	$67,237,038	$67,332,445	$95,407	0.14%
Industrial	$11,865,165	$11,882,014	$16,849	0.14%
Landfill	$58,884	$58,967	$83	0.14%
Pipeline	$2,320,512	$2,323,807	$3,295	0.14%
Sub-Total Taxable	**$365,725,656**	**$365,725,484**	**-$172**	**0.00%**
Payment in Lieu				
Residential	$181,430	$181,687	$257	0.14%
Farm	$653	$654	$1	0.15%
Commercial	$6,094,719	$6,103,367	$8,648	0.14%
Industrial	$173,372	$173,618	$246	0.14%
Landfill	$24,674	$24,709	$35	0.14%
Sub-Total PIL	**$6,474,848**	**$6,484,035**	**$9,187**	**0.14%**
Total (Taxable + PIL)	**$372,200,504**	**$372,209,519**	**$9,015**	**0.00%**

Both models include levy increase

Isolated impact of pipeline tax ratio change

Table 3-D compares the net year-over-year tax change between the two models set out above. Both document the combined impacts of phase-in related tax change and municipal levy change; the alternate shift summary also reflects the multi-residential ratio change.

Table 3-D
2019 Regional General Levy Year-Over-Year Tax Change

Realty Tax Class	2018 As Revised	Start Ratio $	Start Ratio %	Alternate Model $	Alternate Model %
Taxable					
Residential	$256,369,618	$8,900,304	3.47%	$9,276,941	3.62%
Farm	$2,801,577	$311,487	11.12%	$315,907	11.28%
Managed Forest	$18,205	$1,484	8.15%	$1,512	8.31%
New Multi-Residential	$780,797	$35,109	4.50%	$36,268	4.64%
Multi-Residential	$14,547,107	$478,369	3.29%	-$19,681	-0.14%
Commercial	$64,130,454	$3,106,584	4.84%	$3,201,991	4.99%
Industrial	$11,482,587	$382,578	3.33%	$399,427	3.48%
Landfill	$57,780	$1,104	1.91%	$1,187	2.05%
Pipeline	$2,265,299	$55,213	2.44%	$58,508	2.58%
Sub-Total Taxable	**$352,453,424**	**$13,272,232**	**3.77%**	**$13,272,060**	**3.77%**
Payment in Lieu					
Residential	$167,300	$14,130	8.45%	$14,387	8.60%
Farm	$612	$41	6.70%	$42	6.86%
Commercial	$5,947,061	$147,658	2.48%	$156,306	2.63%
Industrial	$156,900	$16,472	10.50%	$16,718	10.66%
Landfill	$20,973	$3,701	17.65%	$3,736	17.81%
Sub-Total PIL	**$6,292,846**	**$182,002**	**2.89%**	**$191,189**	**3.04%**
Total (Taxable + PIL)	**$358,746,270**	**$13,454,234**	**3.75%**	**$13,463,249**	**3.75%**

Table 3-E compares the base-line, status-quo levy model with the alternate model. Table 3-F compares the net year-over-year tax change between the two models. Both document the combined impacts of phase-in related tax change and regional levy change; the alternate shift summary also reflects the multi-residential ratio change.

Table 3-E
Regional General Levy Sensitivity
(In comparison to 2019 Base-Line Levy)

	Regional Levy		Difference	
Local Municipality	**Start Ratio**	**Model**	**$**	**%**
Fort Erie	$22,904,183	$22,921,389	$17,206	0.08%
Grimsby	$27,408,753	$27,436,488	$27,735	0.10%
Lincoln	$21,366,842	$21,389,118	$22,276	0.10%
Niagara Falls	$77,170,956	$77,162,857	-$8,099	-0.01%
Niagara-on-the-Lake	$31,454,724	$31,493,800	$39,076	0.12%
Pelham	$15,161,450	$15,176,195	$14,745	0.10%
Port Colborne	$11,917,344	$11,919,324	$1,980	0.02%
St. Catharines	$97,079,729	$96,958,487	-$121,242	-0.12%
Thorold	$14,546,646	$14,551,360	$4,714	0.03%
Wainfleet	$5,509,296	$5,516,941	$7,645	0.14%
Welland	$29,841,789	$29,822,088	-$19,701	-0.07%
West Lincoln	$11,363,949	$11,377,440	$13,491	0.12%
Niagara Region	**$365,725,661**	**$365,725,487**	**-$174**	**0.00%**

Table 3-F
Regional General Levy Sensitivity / Year-Over-Year Tax Change
(In comparison to 2018 Year-End Levy)

		Status Quo		Alternate Model	
Local Municipality	**2018 As Revised**	**$**	**%**	**$**	**%**
Fort Erie	$22,428,328	$475,855	2.12%	$493,061	2.20%
Grimsby	$25,883,857	$1,524,896	5.89%	$1,552,631	6.00%
Lincoln	$20,443,857	$922,985	4.51%	$945,261	4.62%
Niagara Falls	$74,209,801	$2,961,155	3.99%	$2,953,056	3.98%
Niagara-on-the-Lake	$30,082,399	$1,372,325	4.56%	$1,411,401	4.69%
Pelham	$14,718,064	$443,386	3.01%	$458,131	3.11%
Port Colborne	$11,599,092	$318,252	2.74%	$320,232	2.76%
St. Catharines	$93,802,595	$3,277,134	3.49%	$3,155,892	3.36%
Thorold	$14,142,691	$403,955	2.86%	$408,669	2.89%
Wainfleet	$5,281,328	$227,968	4.32%	$235,613	4.46%
Welland	$29,032,299	$809,490	2.79%	$789,789	2.72%
West Lincoln	$10,829,113	$534,836	4.94%	$548,327	5.06%
Niagara Region	**$352,453,424**	**$13,272,237**	**3.77%**	**$13,272,063**	**3.77%**

Effects of Levy Restriction

Section 311 of the *Municipal Act* mandates that where a municipality's tax ratio for any of the multi-residential, or broad commercial and industrial classes is above the Provincial "threshold", the class is deemed to be *levy restricted* and is protected from the full effect of any municipal budgetary increase. When this circumstance prevails a larger share of levy change is absorbed by the unrestricted classes.

Table 30 includes a comparison of the municipality's 2018 starting tax ratios at the broad class level to the current Provincial Threshold Ratios. Where a levy restriction applies, the limitations on municipal increases must be considered relative to a specific budgetary decision. The municipality's revenue neutral tax rate, which raises the revenue limit on taxation, can be used as the benchmark.

Under certain budget increase scenarios, Council may wish to consider exercising its option to reduce the tax ratio for any restricted class(es) to or below the Provincial Threshold. By doing so, the class previously receiving the benefit of the restriction would absorb its full share of the municipality's budgetary increase. This should, however, be carefully weighed against the cost of reducing the tax ratio, which will result in tax shifts to all other classes.

The Region of Niagara is not subject to levy restriction in any class.

PART SIX: OTHER REVENUE AND LEVIES

Provincial Education Taxes

While municipalities levy and collect the education portion of the property tax bill, they have no authority over the tax rates employed for this purpose. Since 1998, education tax rates have been regulated by the Minister of Finance on an annual basis. Uniform education tax rates have been prescribed for properties in residential, multi-residential, farm and managed forest property classes, which apply across the entire province. Traditionally, annual adjustments to the uniform residential education rate have been made to maintain approximate revenue neutrality on a Province-wide basis; it will inevitably impact overall tax levels within each municipal jurisdiction, depending on how values in each area have behaved relative to Province-wide phase-in change averages.

The Province also prescribes business education (BET) rates, however, these are set at a unique level for each upper and single-tier jurisdiction. From 1998 through 2007, the Province attempted to maintain revenue neutrality at the single and upper-tier municipal level when setting education tax rates for the business classes, which meant municipal specific adjustments in reassessment years and rate freezes for non-reassessment years. This changed, however, in 2008 at which time the Minister of Finance began a migration towards uniform commercial and industrial education tax rates. This migration was slowed as of 2011, however, some progress has been made since and the schedule of rates for each year is shown below.

BET Annual Target and Ceiling Rates

Year	Uniform Residential Education Rate	Uniform Farm / Forest Education Rates	Target BET Rates (C&I)	Maximum BET Rates	
				Commercial	Industrial
2008	0.00264000	0.00066000	1.60%	2.50%	3.00%
2009	0.00252000	0.00063000	1.52%	2.30%	2.70%
2010	0.00241000	0.00060250	1.43%	2.15%	2.45%
2011	0.00231000	0.00057750	1.33%	1.73%	1.93%
2012	0.00221000	0.00055250	1.26%	1.49%	1.59%
2013	0.00212000	0.00053000	1.26%	1.49%	1.59%
2014	0.00203000	0.00050750	1.22%	1.46%	1.56%
2015	0.00195000	0.00048750	1.19%	1.43%	1.53%
2016	0.00188000	0.00047000	1.18%	1.40%	1.50%
2017	0.00179000	0.00044750	1.14%	1.39%	1.39%
2018	0.00170000	0.00042500	1.09%	1.34%	1.34%
2019	**NOT YET ANNOUNCED OR REGULATED**				

Treatment of "New Construction" Properties

Certain business properties may also receive special tax treatment for education purposes if they are eligible for inclusion in one of the "new construction" classes.

- Commercial New Construction: commercial residual, shopping centre or office building.
- Industrial New Construction: industrial residual or large industrial.

The five new construction property classes are based on the same criteria as their traditional counterpart classes, and are subject to differential treatment for education tax purposes only.

2019 Education Tax Rates Not Available as of Publication

As of the date of publication the Province has not announced or published any details regarding 2019 education tax rates. While rates have yet to be spoken about, the Province did publish its education property tax revenue projections as part of its Fall Economic Outlook and Fiscal Review, published on November 15th. The revenue estimates used are consistent with projections from the previous Government's spring budget and suggest a status quo approach to rate setting.

Based on this information, MTE has calculated hypothetical 2019 education tax rates using historic protocols traditionally employed by the Ministry of Finance in setting these rates. The purpose of this exercise is simply to illustrate how the local education levy may change on a year-over-year basis if a status-quo approach is utilized in the setting of these rates for 2019.

Table 37
2018 vs. 2019 Hypothetical Education Levy

	Education Levy		Difference	
Realty Tax Class	**2018 as Revised**	**2019 as Returned**	**$**	**%**
Taxable				
Residential	$76,924,700	$75,959,200	-$965,500	-1.26%
Farm	$840,000	$890,800	$50,800	6.05%
Managed Forest	$5,500	$5,600	$100	1.82%
New Multi-Residential	$234,100	$233,400	-$700	-0.30%
Multi-Residential	$2,213,700	$2,182,000	-$31,700	-1.43%
Commercial	$64,305,400	$65,013,500	$708,100	1.10%
Commercial New Construction	$7,868,700	$8,009,900	$141,200	1.79%
Industrial	$9,008,600	$9,067,500	$58,900	0.65%
Industrial New Construction	$1,175,300	$1,160,300	-$15,000	-1.28%
Landfill	$84,300	$84,300	$0	0.00%
Pipeline	$2,558,100	$2,527,900	-$30,200	-1.18%
Total (Taxable+ PIL)	**$165,218,400**	**$165,134,400**	**-$84,000**	**-0.05%**

Results based on Speculative / Estimated Tax Rates and are provided for illustrative purposes only.

The results contained in Table 37 could be impacted by a host of factors once final education tax rates are levied for 2019 including, but not limited to:

- Differences in data/methodology employed by the Ministry in setting tax rates;
- A decision to freeze or even increase education tax rates for 2019;
- A change in the treatment of sub-classes for education purposes; or
- A wholesale change of some description to the manner in which these rates are set or education taxes levied.

One of the reasons we chose to prepare estimated tax rates based on historic protocol was to facilitate the quantification of local impacts should a change in methodology be adopted.

Linear Properties

Unlike the types of properties discussed in preceding elements of this report, railway and power utility lands (commonly known as linear properties) are taxed on the basis of area rather than market value. To facilitate this from an assessment perspective linear properties are returned on the roll with an acreage area rather than a CVA. The tax liability of each property is calculated by applying Provincially regulated rates per acre by the reported area.

The rates per acre prescribed for municipal and education purposes are set out by geographic region in *Ontario Regulations 387/98* and *392/98* respectively. A summary of the current rates for each property type and levy is contained in Table 38. As only a single municipal rate is prescribed, municipalities within two-tier jurisdictions must calculate the upper-tier and local shares of the revenue within the context of their broader "banking" function. In its simplest form, the sharing formula relies on the proportional share each tier collects from the commercial property class.

The treatment of these properties for education purposes, and the manner in which the education portion raised is shared, varies depending on the ownership and tax status of each specific property. The education portion is remitted to the school boards unless local retention is explicitly provided for. Properties coded with an RTQ of "G" do not attract an education rate.

Table 39 provides a summary of the linear properties in each local municipality. Particular attention should be paid to the addition of the new Shortline Railway classification. These applied for 2018, but were not reflected on the original roll as returned. The reader will note that these Shortline Railways are exempt from the municipal rate increases imposed in 2017 and again in 2018 and are therefore subject to a lower rate per acre.

Table 38
Rate per Acre Summary

	2018 Rates Per Acre	
Linear Property Type	**Municipal**	**Education**
Utility Corridors	396.09	436.50
Railway Right-of-Way	277.83	291.60
Shortline Railway Right-of-Way	264.83	291.60

Linear Rate Critical Notes

The rates utilized herein are those most recently regulated by the Ministry of Finance. It is unknown if rates will be updated for 2019. Municipalities must confirm final application of rates prior to billing.

Table 40 has been prepared to assist the municipality in quantifying the revenue that may be collected from these properties. These results are summarized by local municipality and RTC-Q. The retention of education levy amounts is discussed further in this report.

Table 39
Linear Property Summary

Local Municipality	RTC / RTQ	Category	2018 Roll Return Count	2018 Roll Return Acreage	2018 Revised / 2019 Roll Return Count	2018 Revised / 2019 Roll Return Acreage
Fort Erie	WT	Railway	2	263.67	2	263.67
	UT	Utility	3	74.57	3	76.07
Grimsby	WT	Railway	2	105.24	2	105.24
	UH	Utility	1	91.70	1	91.70
Lincoln	WT	Railway	1	150.69	1	150.69
	UH	Utility	1	246.76	1	246.76
Niagara Falls	WT	Railway	2	339.72	2	339.72
	UT	Utility	1	19.89	1	19.89
	UH	Utility	1	739.63	1	729.21
NOTL	UH	Utility	1	0.44	1	0.44
Pelham	WT	Railway	1	62.01	1	62.01
	UH	Utility	1	398.34	1	398.34
Port Colborne	WT	Railway	2	149.14	2	149.14
	WF	Railway	4	145.83	1	96.13
	BT	Shortline Rail	0	0.00	3	49.70
St. Catharines	WT	Railway	2	176.77	1	107.07
	BT	Shortline Rail	0	0.00	2	69.70
	UH	Utility	1	102.15	1	102.15
Thorold	WT	Railway	2	244.97	1	124.47
	BT	Shortline Rail	0	0.00	2	120.50
	UH	Utility	1	547.76	1	547.76
Wainfleet	WT	Railway	5	221.02	3	160.02
	BT	Shortline Rail	0	0.00	2	61.00
Welland	WT	Railway	5	223.80	2	51.35
	BT	Shortline Rail	0	0.00	3	172.45
	UH	Utility	1	143.66	1	143.66
West Lincoln	WT	Railway	1	146.00	1	146.00
	UH	Utility	1	1,123.09	1	1,123.09
Total			**42**	**5,716.85**	**44**	**5,707.93**

Municipalities that have had shortline railways added should check to ensure all appropriate adjustments have been made.

Table 40
Linear Property Levy Summary

Local Municipality / Category		2018 Roll Return		2018 Roll Revised		Change	
		Municipal	Education	Municipal	Education	Municipal	Education
Fort Erie							
	WT	$73,255	$76,886	$73,255	$76,886	$0	$0
	UT	$29,536	$32,550	$30,131	$33,205	$595	$655
Grimsby							
	WT	$29,239	$30,688	$29,239	$30,688	$0	$0
	UH	$36,321	$40,027	$36,321	$40,027	$0	$0
Lincoln							
	WT	$41,866	$43,941	$41,866	$43,941	$0	$0
	UH	$97,739	$107,711	$97,739	$107,711	$0	$0
Niagara Falls							
	WT	$94,384	$99,062	$94,384	$99,062	$0	$0
	UT	$7,878	$8,682	$7,878	$8,682	$0	$0
	UH	$292,960	$322,848	$288,833	$318,300	-$4,127	-$4,548
NOTL							
	UH	$174	$192	$174	$192	$0	$0
Pelham							
	WT	$17,228	$18,082	$17,228	$18,082	$0	$0
	UH	$157,778	$173,875	$157,778	$173,875	$0	$0
Port Colborne							
	WT	$41,436	$43,489	$41,436	$43,489	$0	$0
	WF	$40,516	$42,524	$26,708	$28,032	-$13,808	-$14,492
	BT	$0	$0	$13,162	$14,493	$13,162	$14,493
St. Catharines							
	WT	$49,112	$51,546	$29,747	$31,222	-$19,365	-$20,324
	BT	$0	$0	$18,459	$20,325	$18,459	$20,325
	UH	$40,461	$44,588	$40,461	$44,588	$0	$0
Thorold							
	WT	$68,060	$71,433	$34,582	$36,295	-$33,478	-$35,138
	BT	$0	$0	$31,912	$35,138	$31,912	$35,138
	UH	$216,962	$239,097	$216,962	$239,097	$0	$0
Wainfleet							
	WT	$61,406	$64,449	$44,458	$46,662	-$16,948	-$17,787
	BT	$0	$0	$16,155	$17,788	$16,155	$17,788
Welland							
	WT	$62,178	$65,260	$14,267	$14,974	-$47,911	-$50,286
	BT	$0	$0	$45,670	$50,286	$45,670	$50,286
	UH	$56,902	$62,708	$56,902	$62,708	$0	$0
West Lincoln							
	WT	$40,563	$42,574	$40,563	$42,574	$0	$0
	UH	$444,845	$490,229	$444,845	$490,229	$0	$0
Total		**$2,000,799**	**$2,172,441**	**$1,991,115**	**$2,168,551**	**-$9,684**	**-$3,890**

It is critical for the reader to note that Table 40 is based on the linear rates regulated for the 2018 taxation year. It is unknown if or how these rates may be adjusted for 2019. If they remain unchanged, the municipality can expect its 2019 linear property levies to match the 2018 levies as revised.

Retained Education Levies for Certain Payment in Lieu Properties

Federal and Provincially owned and occupied properties are exempt from both municipal and Provincial (education) property taxes. Both levels of government do, however, maintain programs whereby payments are made to local governments in lieu of the taxes that would otherwise be applicable to property that they own and occupy.

PIL payments are made and administered under a variety of Federal and Provincial statutes and regulations, including the federal *Payment in Lieu of Taxes Act,* and Ontario's *Municipal Tax Assistance Act, Municipal Act, 2001, Assessment Act,* and various supporting regulations. This collection of statutes and regulations prescribe not only the circumstances and amounts of PILs that are made, but also the manner in which the payments are shared and distributed.

Of particular interest regarding the sharing of revenues raised against PIL properties is the fact that in certain circumstances the local municipality retains the education portion of the levy as local revenue. This is provided for under sections 2 and 3 of *Ontario Regulation 392/98, which* state that in the case of payments made under a number of specific authorities, the "education" portion is ultimately retained by the local municipality. The eligible payments captured by these rules, are those made in accordance with:

- Subsection 27 (3) of the *Assessment Act*;
- The *Municipal Grants Act* (Canada), which may be referenced as the Payment in Lieu of Taxes Act; and
- Subsections 84(2), (3) or (5) of the *Electricity Act*.

Table 41 provides a speculative summary of the education levy amounts that may be raised under these authorities and which may be retained by the local municipality. As discussed above, all 2019 calculations are based on speculative / estimated tax rates and are provided for general illustrative purposes only.

Table 41
Retained Education Levy Amounts
(Based on Hypothetical 2019 Rates – For Illustrative Purposes only)

	Education Levy		Change	
RTC/RTQ	**2018**	**2019**	**$**	**%**
Fort Erie				
CF	$107,217	$104,674	-$2,543	-2.37%
Total Fort Erie	**$107,217**	**$104,674**	**-$2,543**	**-2.37%**
Grimsby				
CF	$184,317	$194,825	$10,508	5.70%
CH	$12,535	$13,550	$1,015	8.10%
IH	$743	$886	$143	19.25%
UH	$40,027	$40,027	$0	0.00%
Total Grimsby	**$237,622**	**$249,288**	**$11,666**	**4.91%**
Lincoln				
CF	$54,477	$54,966	$489	0.90%
CH	$9,785	$10,291	$506	5.17%
IH	$6,977	$7,853	$876	12.56%
IK	$1,004	$1,301	$297	29.58%
UH	$107,711	$107,711	$0	0.00%
Total Lincoln	**$179,954**	**$182,122**	**$2,168**	**1.20%**
Niagara Falls				
CF	$237,493	$242,440	$4,947	2.08%
CH	$73,452	$77,563	$4,111	5.60%
CJ	$7,007	$7,030	$23	0.33%
CK	$6,904	$6,650	-$254	-3.68%
IH	$41,817	$46,117	$4,300	10.28%
IJ	$175	$170	-$5	-2.86%
IK	$2,359	$2,708	$349	14.79%
UH	$322,848	$318,300	-$4,548	-1.41%
Total Niagara Falls	**$692,055**	**$700,978**	**$8,923**	**1.29%**
Niagara-on-the-Lake				
CF	$268,392	$269,955	$1,563	0.58%
CH	$11,044	$11,411	$367	3.32%
CJ	$1,399	$1,390	-$9	-0.64%
CK	$384	$397	$13	3.39%
CV	$16,783	$17,459	$676	4.03%
IH	$1,702	$1,859	$157	9.22%
IJ	$13,864	$15,151	$1,287	9.28%
UH	$192	$192	$0	0.00%
Total NOTL	**$313,760**	**$317,814**	**$4,054**	**1.29%**
Pelham				
CF	$9,310	$9,238	-$72	-0.77%
IH	$310	$333	$23	7.42%
UH	$173,875	$173,875	$0	0.00%
Total Pelham	**$183,495**	**$183,446**	**-$49**	**-0.03%**

Table 41 Continued
Retained Education Levy Amounts
(Based on Hypothetical 2019 Rates – For Illustrative Purposes only)

	Education Levy		Change	
RTC/RTQ	**2018**	**2019**	**$**	**%**
Port Colborne				
CF	$117,861	$116,711	-$1,150	-0.98%
IH	$1,014	$999	-$15	-1.48%
WF	$42,524	$28,032	-$14,492	-34.08%
Total Port Colborne	**$161,399**	**$145,742**	**-$15,657**	**-9.70%**
St. Catharines				
CF	$382,032	$376,663	-$5,369	-1.41%
CH	$59,943	$59,339	-$604	-1.01%
CK	$4,184	$4,116	-$68	-1.63%
IH	$23,421	$25,155	$1,734	7.40%
IK	$5,057	$5,084	$27	0.53%
UH	$44,588	$44,588	$0	0.00%
Total St. Catharines	**$519,225**	**$514,945**	**-$4,280**	**-0.82%**
Thorold				
CF	$68,330	$69,422	$1,092	1.60%
CH	$6,938	$7,043	$105	1.51%
IF	$1,695	$1,680	-$15	-0.88%
IH	$20,360	$20,271	-$89	-0.44%
UH	$239,097	$239,097	$0	0.00%
Total Thorold	**$336,420**	**$337,513**	**$1,093**	**0.32%**
Wainfleet				
IH	$137	$136	-$1	-0.73%
Total Wainfleet	**$137**	**$136**	**-$1**	**-0.73%**
Welland				
CF	$103,764	$102,189	-$1,575	-1.52%
CH	$13,999	$13,485	-$514	-3.67%
CK	$250	$240	-$10	-4.00%
IH	$6,230	$6,401	$171	2.74%
IJ	$15	$15	$0	0.00%
HF	$15,819	$18,653	$2,834	17.92%
UH	$62,708	$62,708	$0	0.00%
Total Welland	**$202,785**	**$203,691**	**$906**	**0.45%**
West Lincoln				
CF	$21,689	$21,205	-$484	-2.23%
IH	$1,306	$1,317	$11	0.84%
HF	$6,636	$6,245	-$391	-5.89%
UH	$490,229	$490,229	$0	0.00%
Total West Lincoln	**$519,860**	**$518,996**	**-$864**	**-0.17%**
Total Niagara Region	**$3,453,929**	**$3,459,345**	**$5,416**	**0.16%**

PART SEVEN: BUSINESS TAX CAPPING

Since 1998, property in the multi-residential, commercial and industrial tax classes have been subject to mandatory tax impact mitigation measures that are intended to protect them from year-over-year increases in taxation above maximum thresholds, exclusive of any municipal budgetary change.

Over time, a variety of modified tax capping protection regimes have been implemented, replacing earlier incarnations with more permanent forms of relief. This tradition has created a long legacy of inequity within the multi-residential, commercial and industrial tax classes, which has effectively undermined the original goals of a stable, fair, transparent, and easily administered assessment and property tax system in the Province of Ontario.

The following has been prepared as an overview of the newly expanded slate of capping tools and exit options, and to provide the municipality with an understanding of what its locally specific policy options and program outcomes may be for 2018. The first step is to discuss the options and local eligibility for immediate and/or phased opt-out. The municipality must then consider the newly expanded capping calculation options and the local implications of various strategic combinations.

Expanded Local Capping Options

The Minister of Finance passed legislation that granted municipalities more local autonomy in respect of the business tax capping program as of 2016. The increased options included the ability for municipalities to opt-out of capping altogether if no properties remained eligible for protection. Where properties remained eligible for protection, progress towards full CVA tax (assessment X applicable tax rates) could be further accelerated using the expanded and newly added calculation parameter options. These options were further enhanced and expanded as of the 2017 taxation year.

Similar to the traditional capping calculation/parameter options, the options to opt-out of the business tax capping program have been provided on a class-by-class basis, as are the constraints and limitations being imposed for their use. As such, municipalities must consider both the availability and desirability of these opt-out provisions for each of the multi-residential, commercial and industrial property classes. These options are summarized below.

Immediate Opt-Out: A municipality may exclude a class from the capping program in its entirety if no property within that class was subject to a capping adjustment as of final 2018 tax billing.

Phased Opt-Out: If properties continue to be eligible for capping adjustments, but no property classified as occupied (CT vs. CX, IT vs. IX, etc.) received a capping credit greater than 50% of its total un-capped tax liability for the previous taxation year, the municipality may initiate a staged, four-year exit plan for that class.

In addition to the opt-out and phase-out options, municipalities may also choose to limit protection levels to any outstanding capping protection related to prior reassessment cycles, while flowing through any tax increases resulting from the current reassessment. In effect, this means that taxpayers will not have historic protection removed, but new increases will not be capped.

Capping Decisions

Where a property class is eligible for immediate opt-out, and the municipality chooses this option, the implications are simple; capping will not apply to that class for the tax year in respect of which the policy option is taken, or any subsequent taxation year.

For all other property classes, including those eligible to enter a four-year phase-out, the municipality must establish a complete set of capping parameters for the year, and undertake all of the elements of the capping exercise as in the past. The phase-out will be applied by means of reducing any calculated capping protection by staged percentages. The mechanics of this program are detailed later in this section.

It is important to note that as with any change to a municipality's tax policy, opting out of capping does not apply to prior taxation years, or any adjustment made in respect of a prior taxation year. That is, if a municipality were to exclude the commercial property class for 2018, it would continue to be responsible for considering, and applying any capping protection (or claw-back) that might apply should a recalculation of taxes be required for a prior year.

For any class not eligible for immediate opt-out, or where that option is not exercised, it remains mandatory for the municipality to establish the local capping parameters via by-law before final billing can occur. The range of optional capping tools available fall into three distinct categories and any may be used on their own, or in combination, and be applied differently to each capped class. These categories are:

1) Calculation Parameters;
2) Property Specific Exclusions; and
3) Phase-Out and Flow-Through of Current Cycle Increases.

Calculation Parameters

The first category includes options for adjusting the parameters/thresholds applied in the capping calculation itself. Under these options, municipalities now have the flexibility to:

- Increase the annual cap from 5% of the previous year's final (annualized) capped taxes up to 10%;
- Set a second limit for annual increases of up to 10% of the previous year's annualized CVA (uncapped) taxes;
- Institute a threshold of up to $500 for increasing properties, decreasing properties, or both. Where a threshold is set, and the difference between a property's capped tax and CVA tax is less than the threshold amount, that property is moved directly to its CVA tax destination; and/or
- For any class with no occupied properties eligible for protection in excess of 50% of CVA tax, initiate the first year of a four-year phase-out.

What is important to take note of in respect of these first two options is the fact that the 10% of Prior Year's CVA Tax limit will always exceed the maximum tax calculated against the Prior Year's Annualized Capped Tax. When the CVA tax limit was restricted to 5%, these two tests were mutually exclusive with one always being greater than the other; this is no longer the case.

Property Specific Exclusions

The second category consists of elements that can be employed to exclude properties from the cap based on the relationship between a property's "Capped tax" and "CVA tax" liability. These options, which may be adopted on their own or in combination with one another, are as follows:

- Exclude properties that reach their CVA tax destination; under this option a property is excluded from the current year's capping program if its final (capped) taxes for the previous year were equal to its CVA taxes for that year;
- Exclude properties that are subject to a cap in one year, and if it were not for the exclusion, would be subject to a claw-back in the next; and/or
- Exclude properties that are subject to claw-back in one year, and if it were not for the exclusion, would be subject to capping in the next.

Although the availability of these various tools has not eliminated all issues related to capping, their use, particularly in light of the enhancements, can be used to effectively move towards a full capping opt-out.

Phase-Out and Current Cycle Flow-Through

For properties in a class that has entered a phase-out plan, a final adjustment will be made to any amount of capping protection calculated for the year, allowing only a portion of the capping credit to flow through. For example, a property that would otherwise be entitled to a $1,000 capping credit would only receive a $750 credit in Year 1 of a phase-out plan; the other 25% of this credit would be *phased-out*.

The proportion of the calculated billing adjustment to be added back in, or phased-out, will be based on an annual phase-out factor that will increase from 25% to 100% over four years.

Phase-Out Year	Phase-Out Factor
Pre-Qualifying Year	Once no adjustment exceeds 50%
Year 1	25%
Year 2	33%
Year 3	50%
Year 4	100%

As a class must meet an eligibility requirement before entering Year 1 of the phase-out, the percentages change based on the program year, not the calendar year and different classes may be subject to different phase-out factors. In our example below, the hypothetical multi-residential and commercial classes are in Year 1, while the industrial class has not yet qualified for the phase-out program. If the 2019 capping campaign resulted in all occupied industrial properties being billed at greater than 50% of their CVA tax liability, the industrial class would be eligible for Year 1 treatment in 2019.

The following example has been prepared to illustrate how the phase-out will work in its simplest form. We have used the property with the lowest tax level in each class in order to illustrate how both eligibility for the phase-out and the phase-out itself function.

Illustrative Eligibility and Phase-Out Model

Capping Calculation Elements	Capped / Increasing Properties Multi-Residential	Commercial	Industrial
2018 CVA Tax	$9,000	$9,000	$9,000
2018 Capped Tax	$5,000	$8,065	$4,000
2018 Tax Level	55%	90%	44%
2019 CVA Tax	$9,500	$9,500	$9,500
Maximum Increase (10% Limit)	$500	$807	$400
Pre Phase-Out Maximum Tax	$5,500	$8,872	$4,400
Pre Phase-Out Billing Adjustment	-$4,000	-$628	-$5,100
Threshold Test - $500	No	No	No
Eligible for Capping Phase-Out*	Yes	Yes	No
Phase-Out Factor	25%	25%	-
Capping Phase-Out Adjustment	$1,000	$157	-
Final Billing Adjustment	**-$3,000**	**-$471**	**-$5,100**
Final Capped Tax	**$6,500**	**$9,029**	**$4,400**

Eligibility determination made at the class, not the property level

The option to allow current reassessment cycle increases to flow-through functions in a manner quite similar to the phase-out tool in that it layers on an additional tax increase for eligible properties after the core capping calculation has been completed.

With the traditional capping calculation, we adjust based on the relationship between the previous year's actual capped (base) tax and the current year's CVA (destination) tax. To effectively allow current cycle increases to flow-through, while continuing to provide mitigation for prior cycle increases, this new tool considers the tax change that would have occurred if the property had not been capped. The basic mechanics of this tool can be best explained by using the multi-residential property above as an illustrative example. In this simplified model, we have considered the difference between how two identical properties would experience the current cycle reassessment change if one was capped in 2018 and the other was already at its CVA tax destination.

Illustrative Example: Current Cycle Increase Flow-Through

	No 2018 Capping	Capped in 2018 No Flow-Through	Flow-Through
2018 CVA Tax	$9,000	$9,000	$9,000
2018 Capped Tax	$9,000	$5,000	$5,000
2019 CVA Tax	$9,500	$9,500	$9,500
CVA Tax Change	$500	$500	$500
Amount Subject to Capping	$0	$4,500	$4,500
Pre Flow-Through Billing Adjustment	$0	-$3,000	-$3,000
Pre Flow-Through Adjusted Tax	$9,500	$6,500	$6,500
Current Cycle Flow-Through	**-**	**-**	**$500**
Final Billing Adjustment	**$0**	**-$3,000**	**-$2,500**
Final Capped Tax	**$9,500**	**$6,500**	**$7,000**

As with all capping calculations there are a number of complications and nuances that the Provincial regulations impose, however, the general phase-out and flow-through mechanisms will see the final billing adjustments for increasing properties reduced ***after*** the traditional capping calculations have been completed. Where a property is deemed eligible for a phase-out, that adjustment will be the last step in the calculation and the threshold test will not be re-applied.

No Final Threshold Test for Increasing/Capped Properties

The manner in which the threshold will be applied for increasing properties is illustrated in our commercial class example above where the Pre Phase-Out billing adjustment does not meet the threshold test but the final billing adjustment does. Even though the final billing adjustment is less than $500, we do not move the property to CVA tax after the phase-out has been applied. The logic behind this is that a taxpayer should not be moved too many steps in one year. The logic/reasoning does not give consideration to the movement of decreasing/clawed back properties, which might otherwise benefit from the increasing threshold being applied as a final test.

Understanding the Municipality's Capping Dynamics

In light of the significant number of capping options, an even broader range of possible combinations, and the potential for revenue shortfalls to materialize, undertaking a comprehensive pro forma capping analysis is an educational exercise that remains a critical element of Council's annual tax policy decision making process.

To document the implications of the options available to the municipality, MTE has modelled the effects of different combinations of these tools in an effort to ensure that these capping options are given comprehensive treatment and consideration as part of the 2018 tax policy development process.

The pro forma capping models that have been produced and presented in this section of the report are intended to give the reader an understanding as to how the overall capping dynamic will be manifested in each eligible property class this year. The models have been prepared on the following basis:

1. 2018 (final) capped tax figures are employed as the "previous year's base taxes";
2. 2019 CVA taxes are determined by applying revenue neutral tax rates for municipal purposes and 2018 actual education tax rates against the 2019 phased CVA for each property; and
3. Overall levy change is set at zero, as revenue neutral tax rates are employed.

While these results remain speculative in light of the outstanding details regarding how each specific test will be operationalized, they will provide the municipality with some valuable preliminary indications as to the potential capping outcomes for 2019, including:

1. Which, if any, classes the municipality may be able to opt-out of capping completely;
2. Which classes may be eligible for the initiation of a four-year phase-out;
3. The progress of the local capping program, where protection remains mandatory;
4. How the enhanced parameters may be applied to further accelerate properties to their full CVA tax; and
5. Where preliminary results indicate undesirable, or less than ideal outcomes could materialize as part of the actual 2018 capping campaign, this "early warning" allows for the exploration and modelling of alternative options and/or cost recovery strategies.

Preliminary Pro forma Results

As the availability of some policy options depends on the current or anticipated state of the local capping program, Table 42 has been prepared to summarize what the municipality's range of options may be for 2019.

Table 42
2019 Capping Options

	Multi-Residential	Commercial	Industrial
Full Opt-Out			
Number of Properties Protected for 2018	0	2	0
Anticipated Protected Property Count for 2019	0	0	0
Eligible for Full / Immediate Opt-Out	✓	✗	✓
Program Phase-Out			
Minimum Tax Level in 2018	-	92%	-
Eligible for Four-Year Phase-Out	-	**Y3**	-
Flow-Through Current Cycle Increase	-	✓	-
Calculation Parameters and Limits			
0% - 10% of Prior Year's CVA Tax Limit	-	✓	-
5% - 10% of Prior Year's Capped Tax Limit	-	✓	-
$0 - $500 Threshold: Increasing Properties	-	✓	-
$0 - $500 Threshold: Decreasing Properties	-	✓	-
Property Specific Exclusions			
At CVA Tax Exclusion Option	-	✓	-
Cross CVA Tax Exclusion – Claw-back to Cap	-	✓	-
Cross CVA Tax Exclusion – Cap to Claw-back	-	✓	-
Cost Recovery			
Claw-back	-	✓	-
Forgone Revenue	-	✓	-

The Region has already opted out of capping for multi-residential class and will be able to opt out of the industrial class in 2019. Pro forma results for the commercial class are contained in Table 43. The first column summarizes the 2018 actual capping results at the time that the cap was run for final billing. The second column represents a 2019 pro forma model based on the recommended mix of capping tools for 2019.

Table 43
2019 Pro Forma Capping

	Commercial	
	2018 Actual	**2019 Pro Forma**
Class Level Opt-Out	Not Eligible	Not Eligible
Capping Phase-Out	Y2	Y3
Flow-Through Current Cycle Increase	Yes	Yes
Annualized Tax Limit	10%	10%
Prior Year CVA Tax Limit	10%	10%
CVA Tax Threshold – Increasers	$500	$500
CVA Tax Threshold – Decreasers	$50	$50
At CVA Tax Exclusion Option	Yes	Yes
Cross CVA Tax Exclusion: CB to Cap	Yes	Yes
Cross CVA Tax Exclusion: Cap to CB	Yes	Yes
Cost of Capping Protection	$5,570	$0
Decrease Retained	97.4%	100%
Decrease Clawed Back	2.5%	0%
Net Class Impact	$0	$0
Number of Properties Capped	2	0
Number of Properties Clawed Back	19	0

Pro Forma Commentary
It is anticipated that all properties in the commercial class will reach full CVA tax in 2019, allowing the Region to opt out of capping entirely for 2020.

PART EIGHT: GENERAL SUMMARY AND NEXT STEPS

PURPOSE AND SCOPE

The following notes, commentary and suggestions represent a compilation of the observations and thoughts that arose throughout the preparation and review of this report. This qualitative content does not represent a comprehensive commentary on any issue and it is not intended to be provided as policy advice. No financial, taxation or municipal policy decisions should be made on the basis of these comments; they are intended only as general observations, which may or may not be of interest to the reader.

ASSESSMENT AND REVENUE GROWTH

The Region's assessment and revenue growth remained steady in 2018 with the regional general levy revenue growth standing at 1.61% which is similar to last year's growth of 1.58%.

This is in part driven by positive growth trends and efforts to update/correct the assessment roll throughout the year. This may also be impacted by the new ARB rules and scheduling protocols, which are putting appeal matters off further into the assessment cycle than in the past. The municipality is advised to monitor assessment and taxes at risk closely.

BUSINESS TAX CAPPING

The Region's' commercial class will remain subject to business tax capping rules for 2019, however, there is the potential that the commercial class will see no actual adjustments. If this materializes, the commercial class will be eligible for full exclusion in 2020.

POTENTIAL FOR PROVINCIAL TAX POLICY CHANGES

As of publication the new Provincial Government has been virtually silent on municipal finance matters which could mean that no significant changes are being contemplated for 2019, however, in the absence of any information we must be prepared for any matter of change or adjustment. Should any changes be announced, the contents of this study will provide a solid baseline against which local impacts can be measured.

Decision makers should also be well informed of the potential for Provincial tax policy changes. Additional care should be taken in announcing any tax outcomes for the coming year.

RECOMMENDED NEXT STEPS

1) It is recommended that specific tax policy options be modelled and considered with care before any annual decisions are made. For 2019 we also recommend that no final decisions be put before Council prior to receiving word from the Province with regards to their 2019 tax policy intentions.

2) Staff will want to keep a keen eye on any Provincial policy changes or suggestions in respect of multi-residential treatment or tax policy rules in general for 2019. MTE will keep the Region informed as we become aware of any information in this regard.

3) The municipality may wish to update the education levy results contained herein once final decisions have been announced in regards to those levies for 2019.

4) Where specific tax policy challenges or pressures are anticipated, early attention should be devoted in order to effectively address and understand any potential challenges, opportunities and/or tax implications.

5) Staff are also encouraged to take steps necessary to ensure that both Council and the public are well informed regarding base line tax impacts and any implications related to potential policy change. MTE would be pleased to provide any level or type of support that may be deemed appropriate and/or necessary in this regard.

Local Results Table 1
2018 Local Assessment Growth
(Full / Non Phase-Adjusted CVA)

Fort Erie	2018 Full CVA		Full CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	3,340,920,372	3,434,792,472	93,872,100	2.81%
Farm	59,595,600	56,455,300	-3,140,300	-5.27%
Managed Forest	1,212,400	1,461,200	248,800	20.52%
New Multi-Residential	47,900	47,900	0	0.00%
Multi-Residential	40,015,400	40,015,400	0	0.00%
Commercial	272,240,409	269,280,809	-2,959,600	-1.09%
Industrial	48,992,791	49,745,291	752,500	1.54%
Pipeline	15,286,000	15,468,000	182,000	1.19%
Sub-Total: Taxable	**3,778,310,872**	**3,867,266,372**	**88,955,500**	**2.35%**
Payment In Lieu				
Residential	1,111,500	1,111,500	0	0.00%
Commercial	13,166,900	12,156,900	-1,010,000	-7.67%
Industrial	54,000	54,000	0	0.00%
Sub-Total: Payment In Lieu	**14,332,400**	**13,322,400**	**-1,010,000**	**-7.05%**
Total (Taxable + PIL)	**3,792,643,272**	**3,880,588,772**	**87,945,500**	**2.32%**

Local Results Table 1-B
Year-To-Year Assessment Growth Comparison
(Full / Non Phase-Adjusted CVA)

Fort Erie

Realty Tax Class	2017 Full CVA Growth $	2017 Full CVA Growth %	2018 Full CVA Growth $	2018 Full CVA Growth %
Taxable				
Residential	46,944,482	1.43%	93,872,100	2.81%
Farm	-491,100	-0.82%	-3,140,300	-5.27%
Managed Forest	-63,300	-4.96%	248,800	20.52%
New Multi-Residential	0	0.00%	0	0.00%
Multi-Residential	0	0.00%	0	0.00%
Commercial	1,395,309	0.52%	-2,959,600	-1.09%
Industrial	388,391	0.80%	752,500	1.54%
Pipeline	222,000	1.47%	182,000	1.19%
Sub-Total: Taxable	**48,395,782**	**1.30%**	**88,955,500**	**2.35%**
Payment In Lieu				
Residential	0	0.00%	0	0.00%
Commercial	2,447,700	22.83%	-1,010,000	-7.67%
Industrial	0	0.00%	0	0.00%
Sub-Total: Payment In Lieu	**2,447,700**	**20.60%**	**-1,010,000**	**-7.05%**
Total (Taxable + PIL)	**50,843,482**	**1.36%**	**87,945,500**	**2.32%**

Local Results Table 2
2018 Local Assessment Growth
(Phase-Adjusted CVA)

Fort Erie	2018 Phased CVA		Phased CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	3,191,825,704	3,283,595,985	91,770,281	2.88%
Farm	54,179,128	51,319,965	-2,859,163	-5.28%
Managed Forest	1,155,706	1,399,686	243,980	21.11%
New Multi-Residential	41,450	41,450	0	0.00%
Multi-Residential	39,400,733	39,400,733	0	0.00%
Commercial	259,220,846	256,617,503	-2,603,343	-1.00%
Industrial	47,299,751	48,102,009	802,258	1.70%
Pipeline	14,593,000	14,766,749	173,749	1.19%
Sub-Total: Taxable	**3,607,716,318**	**3,695,244,080**	**87,527,762**	**2.43%**
Payment In Lieu				
Residential	1,111,000	1,111,000	0	0.00%
Commercial	12,773,000	11,779,800	-993,200	-7.78%
Industrial	52,000	52,000	0	0.00%
Sub-Total: Payment In Lieu	**13,936,000**	**12,942,800**	**-993,200**	**-7.13%**
Total (Taxable + PIL)	**3,621,652,318**	**3,708,186,880**	**86,534,562**	**2.39%**

Local Results Table 3
2018 Local Revenue Growth
(Annualized)

Fort Erie	2018 Local General Levy		Annualized Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$21,851,654	$22,479,926	$628,271	2.88%
Farm	$92,729	$87,836	-$4,894	-5.28%
Managed Forest	$1,978	$2,396	$418	21.13%
New Multi-Residential	$284	$284	$0	0.00%
Multi-Residential	$531,393	$531,393	$0	0.00%
Commercial	$2,992,945	$2,960,197	-$32,748	-1.09%
Industrial	$828,321	$842,766	$14,445	1.74%
Pipeline	$170,049	$172,074	$2,025	1.19%
Sub-Total: Taxable	**$26,469,353**	**$27,076,872**	**$607,517**	**2.30%**
Payment In Lieu				
Residential	$7,606	$7,606	$0	0.00%
Commercial	$151,709	$139,912	-$11,797	-7.78%
Industrial	$655	$655	$0	0.00%
Sub-Total: Payment In Lieu	**$159,970**	**$148,173**	**-$11,797**	**-7.37%**
Total (Taxable + PIL)	**$26,629,323**	**$27,225,045**	**$595,720**	**2.24%**

Local Results Table 3-B
Year-To-Year Annualized Local Revenue Growth Comparison

(Local General Purpose Levy)

Fort Erie

Realty Tax Class	2017 Local Annualized Revenue Growth $	%	2018 Local Annualized Revenue Growth $	%
Taxable				
Residential	$306,405	1.47%	$628,271	2.88%
Farm	-$684	-0.78%	-$4,894	-5.28%
Managed Forest	-$99	-4.92%	$418	21.13%
New Multi-Residential	$0	0.00%	$0	0.00%
Multi-Residential	$0	0.00%	$0	0.00%
Commercial	-$2,467	-0.08%	-$32,748	-1.09%
Industrial	$14,687	1.85%	$14,445	1.74%
Pipeline	$2,399	1.48%	$2,025	1.19%
Sub-Total: Taxable	**$320,241**	**1.26%**	**$607,517**	**2.30%**
Payment In Lieu				
Residential	$0	0.00%	$0	0.00%
Commercial	$28,491	23.44%	-$11,797	-7.78%
Industrial	$0	0.00%	$0	0.00%
Sub-Total: Payment In Lieu	**$28,491**	**21.96%**	**-$11,797**	**-7.37%**
Total (Taxable + PIL)	**$348,732**	**1.37%**	**$595,720**	**2.24%**

Local Results Table 4
Year-Over-Year Phase-In Change

(2018 to 2019 Phased CVA)

Fort Erie	Phase Adjusted CVA		Change	
Realty Tax Class	**2018 Revised**	**2019 Returned**	**$**	**%**
Taxable				
Residential	3,283,595,985	3,359,194,245	75,598,260	2.30%
Farm	51,319,965	53,887,634	2,567,669	5.00%
Managed Forest	1,399,686	1,430,442	30,756	2.20%
New Multi-Residential	41,450	44,675	3,225	7.78%
Multi-Residential	39,400,733	39,708,066	307,333	0.78%
Commercial	256,617,503	262,949,157	6,331,654	2.47%
Industrial	48,102,009	48,923,650	821,641	1.71%
Pipeline	14,766,749	15,117,375	350,626	2.37%
Sub-Total: Taxable	**3,695,244,080**	**3,781,255,244**	**86,011,164**	**2.33%**
Payment In Lieu				
Residential	1,111,000	1,111,250	250	0.02%
Commercial	11,779,800	11,968,350	188,550	1.60%
Industrial	52,000	53,000	1,000	1.92%
Sub-Total: Payment In Lieu	**12,942,800**	**13,132,600**	**189,800**	**1.47%**
Total (Taxable + PIL)	**3,708,186,880**	**3,794,387,844**	**86,200,964**	**2.32%**

Local Results Table 5
Starting Ratios and Revenue Neutral (Notional) Tax Rates
(Local General Levy)

Fort Erie

Realty Tax Class	Tax Ratios: 2018 Actual	Tax Ratios: 2019 Start Ratio	Tax Ratios: Change %	Tax Rates: 2018 Actual	Tax Rates: 2019 Revenue Netural (Notional)	Tax Rates: Change %
Taxable						
Residential	1.000000	1.000000	0.00%	0.00684613	0.00669430	-2.22%
Farm	0.250000	0.250000	0.00%	0.00171153	0.00167358	-2.22%
Managed Forest	0.250000	0.250000	0.00%	0.00171153	0.00167358	-2.22%
New Multi-Residential	1.000000	1.000000	0.00%	0.00684613	0.00669430	-2.22%
Multi-Residential	1.970000	1.970000	0.00%	0.01348688	0.01318777	-2.22%
Commercial	1.734900	1.734900	0.00%	0.01187735	0.01161394	-2.22%
Industrial	2.630000	2.630000	0.00%	0.01800532	0.01760601	-2.22%
Pipeline	1.702100	1.702100	0.00%	0.01165280	0.01139437	-2.22%
Sub-Total of Taxable Levy				**$27,076,872**	**$27,076,885**	**0.00%**
Payment In Lieu						
Residential	1.000000	1.000000	0.00%	0.00684613	0.00669430	-2.22%
Commercial	1.734900	1.734900	0.00%	0.01187735	0.01161394	-2.22%
Industrial	2.630000	2.630000	0.00%	0.01800532	0.01760601	-2.22%
Sub-Total of Payment In Lieu Levy				**$148,173**	**$147,092**	**-0.73%**
Total Taxable + PIL Levies Based on Rate Set				**$27,225,045**	**$27,223,977**	**0.00%**

NOTE: These results are based on preliminary start ratios and notional levy amounts and are subject to change based on municipal policy decisions, spending decisions and/or Provincial tax policy updates. No rates or ratios should be considered final, or used for actual taxation purposes until final by-laws are passed.

Local Results Table 6
Year-Over-Year Interclass Tax Shifts
(Local General Levy)

Fort Erie	Local General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$22,479,926	$22,487,454	$7,528	0.03%
Farm	$87,836	$90,185	$2,349	2.67%
Managed Forest	$2,396	$2,394	-$2	-0.08%
New Multi-Residential	$284	$299	$15	5.28%
Multi-Residential	$531,393	$523,661	-$7,732	-1.46%
Commercial	$2,960,197	$2,965,441	$5,244	0.18%
Industrial	$842,766	$835,198	-$7,568	-0.90%
Pipeline	$172,074	$172,253	$179	0.10%
Sub-Total: Taxable	**$27,076,872**	**$27,076,885**	**$13**	**0.00%**
Payment In Lieu				
Residential	$7,606	$7,439	-$167	-2.20%
Commercial	$139,912	$139,000	-$912	-0.65%
Industrial	$655	$653	-$2	-0.31%
Sub-Total: Payment In Lieu	**$148,173**	**$147,092**	**-$1,081**	**-0.73%**
Total (Taxable + PIL)	**$27,225,045**	**$27,223,977**	**-$1,068**	**0.00%**

Local Results Table 7
Year-Over-Year Upper-Tier Levy Shifts
(Upper-Tier General Levy)

Fort Erie	Upper-Tier General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$18,620,583	$18,331,694	-$288,889	-1.55%
Farm	$72,756	$73,518	$762	1.05%
Managed Forest	$1,984	$1,952	-$32	-1.61%
New Multi-Residential	$235	$244	$9	3.83%
Multi-Residential	$440,164	$426,886	-$13,278	-3.02%
Commercial	$2,451,993	$2,417,415	-$34,578	-1.41%
Industrial	$698,081	$680,850	-$17,231	-2.47%
Pipeline	$142,532	$140,420	-$2,112	-1.48%
Sub-Total: Taxable	**$22,428,328**	**$22,072,979**	**-$355,349**	**-1.58%**
Payment In Lieu				
Residential	$6,300	$6,064	-$236	-3.75%
Commercial	$115,893	$113,311	-$2,582	-2.23%
Industrial	$543	$532	-$11	-2.03%
Sub-Total: Payment In Lieu	**$122,736**	**$119,907**	**-$2,829**	**-2.30%**
Total (Taxable + PIL)	**$22,551,064**	**$22,192,886**	**-$358,178**	**-1.59%**

Local Results Table 8
Year-Over-Year Municipal Levy Shifts

(Upper-Tier and Local General Levy Amounts)

Fort Erie	Municipal General Levies (UT + Local)		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$41,100,509	$40,819,148	-$281,361	-0.68%
Farm	$160,592	$163,703	$3,111	1.94%
Managed Forest	$4,380	$4,346	-$34	-0.78%
New Multi-Residential	$519	$543	$24	4.62%
Multi-Residential	$971,557	$950,547	-$21,010	-2.16%
Commercial	$5,412,190	$5,382,856	-$29,334	-0.54%
Industrial	$1,540,847	$1,516,048	-$24,799	-1.61%
Pipeline	$314,606	$312,673	-$1,933	-0.61%
Sub-Total: Taxable	**$49,505,200**	**$49,149,864**	**-$355,336**	**-0.72%**
Payment In Lieu				
Residential	$13,906	$13,503	-$403	-2.90%
Commercial	$255,805	$252,311	-$3,494	-1.37%
Industrial	$1,198	$1,185	-$13	-1.09%
Sub-Total: Payment In Lieu	**$270,909**	**$266,999**	**-$3,910**	**-1.44%**
Total (Taxable + PIL)	**$49,776,109**	**$49,416,863**	**-$359,246**	**-0.72%**

Local Results Table 1
2018 Local Assessment Growth
(Full / Non Phase-Adjusted CVA)

Grimsby	2018 Full CVA		Full CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	4,144,665,522	4,274,136,031	129,470,509	3.12%
Farm	92,321,395	90,563,795	-1,757,600	-1.90%
Managed Forest	907,400	913,800	6,400	0.71%
Multi-Residential	29,469,000	29,772,000	303,000	1.03%
Commercial	349,888,500	359,891,900	10,003,400	2.86%
Industrial	53,036,400	56,906,800	3,870,400	7.30%
Pipeline	7,741,000	7,831,000	90,000	1.16%
Sub-Total: Taxable	**4,678,029,217**	**4,820,015,326**	**141,986,109**	**3.04%**
Payment In Lieu				
Residential	4,797,300	4,797,300	0	0.00%
Commercial	35,211,700	35,211,700	0	0.00%
Industrial	80,800	80,800	0	0.00%
Sub-Total: Payment In Lieu	**40,089,800**	**40,089,800**	**0**	**0.00%**
Total (Taxable + PIL)	**4,718,119,017**	**4,860,105,126**	**141,986,109**	**3.01%**

Local Results Table 1-B
Year-To-Year Assessment Growth Comparison
(Full / Non Phase-Adjusted CVA)

Grimsby	2017 Full CVA Growth		2018 Full CVA Growth	
Realty Tax Class	**$**	**%**	**$**	**%**
Taxable				
Residential	72,279,723	1.77%	129,470,509	3.12%
Farm	1,802,895	1.99%	-1,757,600	-1.90%
Managed Forest	0	0.00%	6,400	0.71%
Multi-Residential	2,151,000	7.87%	303,000	1.03%
Commercial	-9,909,300	-2.75%	10,003,400	2.86%
Industrial	-3,659,200	-6.45%	3,870,400	7.30%
Pipeline	-12,000	-0.15%	90,000	1.16%
Sub-Total: Taxable	**62,653,118**	**1.36%**	**141,986,109**	**3.04%**
Payment In Lieu				
Residential	0	0.00%	0	0.00%
Commercial	0	0.00%	0	0.00%
Industrial	0	0.00%	0	0.00%
Sub-Total: Payment In Lieu	**0**	**0.00%**	**0**	**0.00%**
Total (Taxable + PIL)	**62,653,118**	**1.35%**	**141,986,109**	**3.01%**

Local Results Table 2
2018 Local Assessment Growth
(Phase-Adjusted CVA)

Grimsby	2018 Phased CVA		Phased CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	3,719,249,292	3,836,277,963	117,028,671	3.15%
Farm	77,100,310	75,700,412	-1,399,898	-1.82%
Managed Forest	763,200	769,196	5,996	0.79%
Multi-Residential	28,062,758	28,202,445	139,687	0.50%
Commercial	299,143,522	307,399,787	8,256,265	2.76%
Industrial	45,613,945	49,011,380	3,397,435	7.45%
Pipeline	7,443,961	7,530,507	86,546	1.16%
Sub-Total: Taxable	**4,177,376,988**	**4,304,891,690**	**127,514,702**	**3.05%**
Payment In Lieu				
Residential	3,965,750	3,965,750	0	0.00%
Commercial	28,499,350	28,499,350	0	0.00%
Industrial	55,450	55,450	0	0.00%
Sub-Total: Payment In Lieu	**32,520,550**	**32,520,550**	**0**	**0.00%**
Total (Taxable + PIL)	**4,209,897,538**	**4,337,412,240**	**127,514,702**	**3.03%**

Local Results Table 3
2018 Local Revenue Growth
(Annualized)

Grimsby	2018 Local General Levy		Annualized Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$9,247,779	$9,539,167	$291,388	3.15%
Farm	$47,993	$47,121	-$871	-1.81%
Managed Forest	$475	$479	$4	0.84%
Multi-Residential	$137,650	$138,335	$685	0.50%
Commercial	$1,263,413	$1,298,006	$34,594	2.74%
Industrial	$290,063	$309,834	$19,771	6.82%
Pipeline	$31,548	$31,915	$367	1.16%
Sub-Total: Taxable	**$11,018,921**	**$11,364,857**	**$345,938**	**3.14%**
Payment In Lieu				
Residential	$9,874	$9,874	$0	0.00%
Commercial	$114,451	$114,451	$0	0.00%
Industrial	$363	$363	$0	0.00%
Sub-Total: Payment In Lieu	**$124,688**	**$124,688**	**$0**	**0.00%**
Total (Taxable + PIL)	**$11,143,609**	**$11,489,545**	**$345,938**	**3.10%**

Local Results Table 3-B
Year-To-Year Annualized Local Revenue Growth Comparison

(Local General Purpose Levy)

Grimsby

Realty Tax Class	2017 Local Annualized Revenue Growth $	2017 Local Annualized Revenue Growth %	2018 Local Annualized Revenue Growth $	2018 Local Annualized Revenue Growth %
Taxable				
Residential	$157,766	1.81%	$291,388	3.15%
Farm	$1,081	2.52%	-$871	-1.81%
Managed Forest	$0	0.00%	$4	0.84%
Multi-Residential	$10,307	8.04%	$685	0.50%
Commercial	-$32,077	-2.62%	$34,594	2.74%
Industrial	-$14,582	-5.09%	$19,771	6.82%
Pipeline	-$49	-0.16%	$367	1.16%
Sub-Total: Taxable	**$122,446**	**1.17%**	**$345,938**	**3.14%**
Payment In Lieu				
Residential	$0	0.00%	$0	0.00%
Commercial	$0	0.00%	$0	0.00%
Industrial	$0	0.00%	$0	0.00%
Sub-Total: Payment In Lieu	**$0**	**0.00%**	**$0**	**0.00%**
Total (Taxable + PIL)	**$122,446**	**1.16%**	**$345,938**	**3.10%**

Local Results Table 4
Year-Over-Year Phase-In Change
(2018 to 2019 Phased CVA)

Grimsby	Phase Adjusted CVA		Change	
Realty Tax Class	**2018 Revised**	**2019 Returned**	**$**	**%**
Taxable				
Residential	3,836,277,963	4,055,206,983	218,929,020	5.71%
Farm	75,700,412	83,132,103	7,431,691	9.82%
Managed Forest	769,196	841,498	72,302	9.40%
Multi-Residential	28,202,445	28,987,222	784,777	2.78%
Commercial	307,399,787	333,645,846	26,246,059	8.54%
Industrial	49,011,380	52,959,089	3,947,709	8.05%
Pipeline	7,530,507	7,680,754	150,247	2.00%
Sub-Total: Taxable	**4,304,891,690**	**4,562,453,495**	**257,561,805**	**5.98%**
Payment In Lieu				
Residential	3,965,750	4,381,525	415,775	10.48%
Commercial	28,499,350	31,855,525	3,356,175	11.78%
Industrial	55,450	68,125	12,675	22.86%
Sub-Total: Payment In Lieu	**32,520,550**	**36,305,175**	**3,784,625**	**11.64%**
Total (Taxable + PIL)	**4,337,412,240**	**4,598,758,670**	**261,346,430**	**6.03%**

Local Results Table 5
Starting Ratios and Revenue Neutral (Notional) Tax Rates
(Local General Levy)

Grimsby

Realty Tax Class	----Tax Ratios---- 2018 Actual	2019 Start Ratio	Change %	----Tax Rates---- 2018 Actual	2019 Revenue Netural (Notional)	Change %
Taxable						
Residential	1.000000	1.000000	0.00%	0.00248988	0.00234799	-5.70%
Farm	0.250000	0.250000	0.00%	0.00062247	0.00058700	-5.70%
Managed Forest	0.250000	0.250000	0.00%	0.00062247	0.00058700	-5.70%
Multi-Residential	1.970000	1.970000	0.00%	0.00490507	0.00462554	-5.70%
Commercial	1.734900	1.734900	0.00%	0.00431970	0.00407353	-5.70%
Industrial	2.630000	2.630000	0.00%	0.00654839	0.00617521	-5.70%
Pipeline	1.702100	1.702100	0.00%	0.00423803	0.00399651	-5.70%
Sub-Total of Taxable Levy				**$11,364,857**	**$11,364,863**	**0.00%**
Payment In Lieu						
Residential	1.000000	1.000000	0.00%	0.00248988	0.00234799	-5.70%
Commercial	1.734900	1.734900	0.00%	0.00431970	0.00407353	-5.70%
Industrial	2.630000	2.630000	0.00%	0.00654839	0.00617521	-5.70%
Sub-Total of Payment In Lieu Levy				**$124,688**	**$131,433**	**5.41%**
Total Taxable + PIL Levies Based on Rate Set				**$11,489,545**	**$11,496,296**	**0.06%**

NOTE: These results are based on preliminary start ratios and notional levy amounts and are subject to change based on municipal policy decisions, spending decisions and/or Provincial tax policy updates. No rates or ratios should be considered final, or used for actual taxation purposes until final by-laws are passed.

Local Results Table 6
Year-Over-Year Interclass Tax Shifts

(Local General Levy)

Grimsby Realty Tax Class	Local General Levy 2018 as Revised	2019 Notional	Change $	%
Taxable				
Residential	$9,539,167	$9,509,050	-$30,117	-0.32%
Farm	$47,121	$48,799	$1,678	3.56%
Managed Forest	$479	$494	$15	3.13%
Multi-Residential	$138,335	$134,082	-$4,253	-3.07%
Commercial	$1,298,006	$1,326,848	$28,842	2.22%
Industrial	$309,834	$314,894	$5,060	1.63%
Pipeline	$31,915	$30,696	-$1,219	-3.82%
Sub-Total: Taxable	**$11,364,857**	**$11,364,863**	**$6**	**0.00%**
Payment In Lieu				
Residential	$9,874	$10,288	$414	4.19%
Commercial	$114,451	$120,724	$6,273	5.48%
Industrial	$363	$421	$58	15.98%
Sub-Total: Payment In Lieu	**$124,688**	**$131,433**	**$6,745**	**5.41%**
Total (Taxable + PIL)	**$11,489,545**	**$11,496,296**	**$6,751**	**0.06%**

Local Results Table 7
Year-Over-Year Upper-Tier Levy Shifts
(Upper-Tier General Levy)

Grimsby	Upper-Tier General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$21,725,791	$22,100,819	$375,028	1.73%
Farm	$107,320	$113,416	$6,096	5.68%
Managed Forest	$1,090	$1,148	$58	5.32%
Multi-Residential	$315,062	$311,631	-$3,431	-1.09%
Commercial	$2,956,251	$3,083,842	$127,591	4.32%
Industrial	$705,657	$731,876	$26,219	3.72%
Pipeline	$72,686	$71,344	-$1,342	-1.85%
Sub-Total: Taxable	**$25,883,857**	**$26,414,076**	**$530,219**	**2.05%**
Payment In Lieu				
Residential	$22,489	$23,911	$1,422	6.32%
Commercial	$260,665	$280,588	$19,923	7.64%
Industrial	$827	$978	$151	18.26%
Sub-Total: Payment In Lieu	**$283,981**	**$305,477**	**$21,496**	**7.57%**
Total (Taxable + PIL)	**$26,167,838**	**$26,719,553**	**$551,715**	**2.11%**

Local Results Table 8
Year-Over-Year Municipal Levy Shifts

(Upper-Tier and Local General Levy Amounts)

Grimsby	Municipal General Levies (UT + Local)		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$31,264,958	$31,609,869	$344,911	1.10%
Farm	$154,441	$162,215	$7,774	5.03%
Managed Forest	$1,569	$1,642	$73	4.65%
Multi-Residential	$453,397	$445,713	-$7,684	-1.69%
Commercial	$4,254,257	$4,410,690	$156,433	3.68%
Industrial	$1,015,491	$1,046,770	$31,279	3.08%
Pipeline	$104,601	$102,040	-$2,561	-2.45%
Sub-Total: Taxable	**$37,248,714**	**$37,778,939**	**$530,225**	**1.42%**
Payment In Lieu				
Residential	$32,363	$34,199	$1,836	5.67%
Commercial	$375,116	$401,312	$26,196	6.98%
Industrial	$1,190	$1,399	$209	17.56%
Sub-Total: Payment In Lieu	**$408,669**	**$436,910**	**$28,241**	**6.91%**
Total (Taxable + PIL)	**$37,657,383**	**$38,215,849**	**$558,466**	**1.48%**

Local Results Table 1
2018 Local Assessment Growth
(Full / Non Phase-Adjusted CVA)

Lincoln	2018 Full CVA		Full CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	3,038,939,656	3,090,842,665	51,903,009	1.71%
Farm	538,161,200	524,850,700	-13,310,500	-2.47%
Managed Forest	1,024,100	1,024,100	0	0.00%
Multi-Residential	22,996,000	21,808,500	-1,187,500	-5.16%
Commercial	219,369,900	220,776,700	1,406,800	0.64%
Industrial	104,898,000	105,122,600	224,600	0.21%
Pipeline	20,572,000	20,580,000	8,000	0.04%
Sub-Total: Taxable	**3,945,960,856**	**3,985,005,265**	**39,044,409**	**0.99%**
Payment In Lieu				
Residential	5,320,200	5,320,200	0	0.00%
Commercial	17,969,900	18,195,900	226,000	1.26%
Industrial	2,131,500	2,131,500	0	0.00%
Sub-Total: Payment In Lieu	**25,421,600**	**25,647,600**	**226,000**	**0.89%**
Total (Taxable + PIL)	**3,971,382,456**	**4,010,652,865**	**39,270,409**	**0.99%**

Local Results Table 1-B
Year-To-Year Assessment Growth Comparison
(Full / Non Phase-Adjusted CVA)

Lincoln

Realty Tax Class	2017 Full CVA Growth $	2017 Full CVA Growth %	2018 Full CVA Growth $	2018 Full CVA Growth %
Taxable				
Residential	35,676,920	1.19%	51,903,009	1.71%
Farm	2,966,000	0.55%	-13,310,500	-2.47%
Managed Forest	75,900	8.00%	0	0.00%
Multi-Residential	-813,000	-3.41%	-1,187,500	-5.16%
Commercial	117,400	0.05%	1,406,800	0.64%
Industrial	1,275,300	1.23%	224,600	0.21%
Pipeline	60,000	0.29%	8,000	0.04%
Sub-Total: Taxable	**39,358,520**	**1.01%**	**39,044,409**	**0.99%**
Payment In Lieu				
Residential	0	0.00%	0	0.00%
Commercial	0	0.00%	226,000	1.26%
Industrial	0	0.00%	0	0.00%
Sub-Total: Payment In Lieu	**0**	**0.00%**	**226,000**	**0.89%**
Total (Taxable + PIL)	**39,358,520**	**1.00%**	**39,270,409**	**0.99%**

Local Results Table 2
2018 Local Assessment Growth
(Phase-Adjusted CVA)

Lincoln	2018 Phased CVA		Phased CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	2,776,672,062	2,825,453,252	48,781,190	1.76%
Farm	445,646,389	434,728,211	-10,918,178	-2.45%
Managed Forest	877,352	877,352	0	0.00%
Multi-Residential	20,968,650	19,991,400	-977,250	-4.66%
Commercial	202,418,299	203,881,217	1,462,918	0.72%
Industrial	98,795,528	99,107,189	311,661	0.32%
Pipeline	19,422,000	19,429,618	7,618	0.04%
Sub-Total: Taxable	**3,564,800,280**	**3,603,468,239**	**38,667,959**	**1.08%**
Payment In Lieu				
Residential	4,661,900	4,661,900	0	0.00%
Commercial	15,825,350	16,051,350	226,000	1.43%
Industrial	1,641,250	1,641,250	0	0.00%
Sub-Total: Payment In Lieu	**22,128,500**	**22,354,500**	**226,000**	**1.02%**
Total (Taxable + PIL)	**3,586,928,780**	**3,625,822,739**	**38,893,959**	**1.08%**

Local Results Table 3
2018 Local Revenue Growth
(Annualized)

Lincoln	2018 Local General Levy		Annualized Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$11,838,702	$12,046,687	$207,985	1.76%
Farm	$475,019	$463,381	-$11,638	-2.45%
Managed Forest	$935	$935	$0	0.00%
Multi-Residential	$176,123	$167,915	-$8,208	-4.66%
Commercial	$1,462,780	$1,473,250	$10,470	0.72%
Industrial	$1,074,696	$1,077,714	$3,018	0.28%
Pipeline	$140,948	$141,003	$55	0.04%
Sub-Total: Taxable	**$15,169,203**	**$15,370,885**	**$201,682**	**1.33%**
Payment In Lieu				
Residential	$19,876	$19,876	$0	0.00%
Commercial	$117,060	$118,731	$1,672	1.43%
Industrial	$16,775	$16,775	$0	0.00%
Sub-Total: Payment In Lieu	**$153,711**	**$155,382**	**$1,672**	**1.09%**
Total (Taxable + PIL)	**$15,322,914**	**$15,526,267**	**$203,354**	**1.33%**

Local Results Table 3-B
Year-To-Year Annualized Local Revenue Growth Comparison

(Local General Purpose Levy)

Lincoln

Realty Tax Class	2017 Local Annualized Revenue Growth $	2017 Local Annualized Revenue Growth %	2018 Local Annualized Revenue Growth $	2018 Local Annualized Revenue Growth %
Taxable				
Residential	$150,163	1.36%	$207,985	1.76%
Farm	$3,214	0.77%	-$11,638	-2.45%
Managed Forest	$57	7.19%	$0	0.00%
Multi-Residential	-$5,502	-3.16%	-$8,208	-4.66%
Commercial	$5,670	0.40%	$10,470	0.72%
Industrial	$9,551	0.93%	$3,018	0.28%
Pipeline	$395	0.29%	$55	0.04%
Sub-Total: Taxable	**$163,548**	**1.15%**	**$201,682**	**1.33%**
Payment In Lieu				
Residential	$0	0.00%	$0	0.00%
Commercial	$0	0.00%	$1,672	1.43%
Industrial	-$237	-1.65%	$0	0.00%
Sub-Total: Payment In Lieu	**-$237**	**-0.17%**	**$1,672**	**1.09%**
Total (Taxable + PIL)	**$163,311**	**1.14%**	**$203,354**	**1.33%**

Local Results Table 4
Year-Over-Year Phase-In Change

(2018 to 2019 Phased CVA)

Lincoln	Phase Adjusted CVA		Change	
Realty Tax Class	**2018 Revised**	**2019 Returned**	**$**	**%**
Taxable				
Residential	2,825,453,252	2,958,147,963	132,694,711	4.70%
Farm	434,728,211	479,789,455	45,061,244	10.37%
Managed Forest	877,352	950,726	73,374	8.36%
Multi-Residential	19,991,400	20,899,950	908,550	4.54%
Commercial	203,881,217	212,328,963	8,447,746	4.14%
Industrial	99,107,189	102,114,895	3,007,706	3.03%
Pipeline	19,429,618	20,004,809	575,191	2.96%
Sub-Total: Taxable	**3,603,468,239**	**3,794,236,761**	**190,768,522**	**5.29%**
Payment In Lieu				
Residential	4,661,900	4,991,050	329,150	7.06%
Commercial	16,051,350	17,123,625	1,072,275	6.68%
Industrial	1,641,250	1,886,375	245,125	14.94%
Sub-Total: Payment In Lieu	**22,354,500**	**24,001,050**	**1,646,550**	**7.37%**
Total (Taxable + PIL)	**3,625,822,739**	**3,818,237,811**	**192,415,072**	**5.31%**

Local Results Table 5
Starting Ratios and Revenue Neutral (Notional) Tax Rates
(Local General Levy)

Lincoln

Realty Tax Class	Tax Ratios			Tax Rates		
	2018 Actual	2019 Start Ratio	Change %	2018 Actual	2019 Revenue Netural (Notional)	Change %
Taxable						
Residential	1.000000	1.000000	0.00%	0.00426363	0.00407361	-4.46%
Farm	0.250000	0.250000	0.00%	0.00106591	0.00101840	-4.46%
Managed Forest	0.250000	0.250000	0.00%	0.00106591	0.00101840	-4.46%
Multi-Residential	1.970000	1.970000	0.00%	0.00839936	0.00802501	-4.46%
Commercial	1.734900	1.734900	0.00%	0.00739698	0.00706731	-4.46%
Industrial	2.630000	2.630000	0.00%	0.01121336	0.01071359	-4.46%
Pipeline	1.702100	1.702100	0.00%	0.00725713	0.00693369	-4.46%
Sub-Total of Taxable Levy				**$15,370,885**	**$15,370,870**	**0.00%**
Payment In Lieu						
Residential	1.000000	1.000000	0.00%	0.00426363	0.00407361	-4.46%
Commercial	1.734900	1.734900	0.00%	0.00739698	0.00706731	-4.46%
Industrial	2.630000	2.630000	0.00%	0.01121336	0.01071359	-4.46%
Sub-Total of Payment In Lieu Levy				**$155,382**	**$159,763**	**2.82%**
Total Taxable + PIL Levies Based on Rate Set				**$15,526,267**	**$15,530,633**	**0.03%**

NOTE: These results are based on preliminary start ratios and notional levy amounts and are subject to change based on municipal policy decisions, spending decisions and/or Provincial tax policy updates. No rates or ratios should be considered final, or used for actual taxation purposes until final by-laws are passed.

Local Results Table 6
Year-Over-Year Interclass Tax Shifts
(Local General Levy)

Lincoln	Local General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$12,046,687	$12,050,341	$3,654	0.03%
Farm	$463,381	$488,618	$25,237	5.45%
Managed Forest	$935	$968	$33	3.53%
Multi-Residential	$167,915	$167,722	-$193	-0.11%
Commercial	$1,473,250	$1,465,054	-$8,196	-0.56%
Industrial	$1,077,714	$1,059,460	-$18,254	-1.69%
Pipeline	$141,003	$138,707	-$2,296	-1.63%
Sub-Total: Taxable	**$15,370,885**	**$15,370,870**	**-$15**	**0.00%**
Payment In Lieu				
Residential	$19,876	$20,331	$455	2.29%
Commercial	$118,731	$121,018	$2,287	1.93%
Industrial	$16,775	$18,414	$1,639	9.77%
Sub-Total: Payment In Lieu	**$155,382**	**$159,763**	**$4,381**	**2.82%**
Total (Taxable + PIL)	**$15,526,267**	**$15,530,633**	**$4,366**	**0.03%**

Local Results Table 7
Year-Over-Year Upper-Tier Levy Shifts
(Upper-Tier General Levy)

Lincoln Realty Tax Class	Upper-Tier General Levy 2018 as Revised	2019 Notional	Change $	%
Taxable				
Residential	$16,022,552	$16,143,116	$120,564	0.75%
Farm	$616,314	$654,572	$38,258	6.21%
Managed Forest	$1,244	$1,297	$53	4.26%
Multi-Residential	$223,333	$224,687	$1,354	0.61%
Commercial	$1,959,475	$1,962,642	$3,167	0.16%
Industrial	$1,433,399	$1,419,295	-$14,104	-0.98%
Pipeline	$187,540	$185,818	-$1,722	-0.92%
Sub-Total: Taxable	**$20,443,857**	**$20,591,427**	**$147,570**	**0.72%**
Payment In Lieu				
Residential	$26,437	$27,237	$800	3.03%
Commercial	$157,917	$162,120	$4,203	2.66%
Industrial	$22,313	$24,667	$2,354	10.55%
Sub-Total: Payment In Lieu	**$206,667**	**$214,024**	**$7,357**	**3.56%**
Total (Taxable + PIL)	**$20,650,524**	**$20,805,451**	**$154,927**	**0.75%**

Local Results Table 8
Year-Over-Year Municipal Levy Shifts
(Upper-Tier and Local General Levy Amounts)

Lincoln	Municipal General Levies (UT + Local)		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$28,069,239	$28,193,457	$124,218	0.44%
Farm	$1,079,695	$1,143,190	$63,495	5.88%
Managed Forest	$2,179	$2,265	$86	3.95%
Multi-Residential	$391,248	$392,409	$1,161	0.30%
Commercial	$3,432,725	$3,427,696	-$5,029	-0.15%
Industrial	$2,511,113	$2,478,755	-$32,358	-1.29%
Pipeline	$328,543	$324,525	-$4,018	-1.22%
Sub-Total: Taxable	**$35,814,742**	**$35,962,297**	**$147,555**	**0.41%**
Payment In Lieu				
Residential	$46,313	$47,568	$1,255	2.71%
Commercial	$276,648	$283,138	$6,490	2.35%
Industrial	$39,088	$43,081	$3,993	10.22%
Sub-Total: Payment In Lieu	**$362,049**	**$373,787**	**$11,738**	**3.24%**
Total (Taxable + PIL)	**$36,176,791**	**$36,336,084**	**$159,293**	**0.44%**

Local Results Table 1
2018 Local Assessment Growth
(Full / Non Phase-Adjusted CVA)

Niagara Falls	2018 Full CVA		Full CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	8,396,305,518	8,649,976,918	253,671,400	3.02%
Farm	91,092,000	87,909,600	-3,182,400	-3.49%
Managed Forest	1,328,900	1,285,400	-43,500	-3.27%
New Multi-Residential	10,875,500	10,875,500	0	0.00%
Multi-Residential	317,187,900	318,844,900	1,657,000	0.52%
Commercial	2,623,424,600	2,615,800,203	-7,624,397	-0.29%
Industrial	139,031,700	145,046,700	6,015,000	4.33%
Landfill	3,152,500	3,152,500	0	0.00%
Pipeline	44,280,000	44,541,000	261,000	0.59%
Sub-Total: Taxable	**11,626,678,618**	**11,877,432,721**	**250,754,103**	**2.16%**
Payment In Lieu				
Residential	8,314,904	8,278,104	-36,800	-0.44%
Commercial	408,830,399	406,950,499	-1,879,900	-0.46%
Industrial	4,336,700	4,336,700	0	0.00%
Sub-Total: Payment In Lieu	**421,482,003**	**419,565,303**	**-1,916,700**	**-0.45%**
Total (Taxable + PIL)	**12,048,160,621**	**12,296,998,024**	**248,837,403**	**2.07%**

Local Results Table 1-B
Year-To-Year Assessment Growth Comparison

(Full / Non Phase-Adjusted CVA)

Niagara Falls

Realty Tax Class	2017 Full CVA Growth $	2017 Full CVA Growth %	2018 Full CVA Growth $	2018 Full CVA Growth %
Taxable				
Residential	238,309,500	2.92%	253,671,400	3.02%
Farm	-775,200	-0.84%	-3,182,400	-3.49%
Managed Forest	-10,800	-0.81%	-43,500	-3.27%
New Multi-Residential	0	0.00%	0	0.00%
Multi-Residential	-1,204,000	-0.38%	1,657,000	0.52%
Commercial	34,581,900	1.34%	-7,624,397	-0.29%
Industrial	-5,018,400	-3.48%	6,015,000	4.33%
Landfill	-4,728,500	-60.00%	0	0.00%
Pipeline	347,000	0.79%	261,000	0.59%
Sub-Total: Taxable	**261,501,500**	**2.30%**	**250,754,103**	**2.16%**
Payment In Lieu				
Residential	0	0.00%	-36,800	-0.44%
Commercial	-1,969,000	-0.48%	-1,879,900	-0.46%
Industrial	0	0.00%	0	0.00%
Sub-Total: Payment In Lieu	**-1,969,000**	**-0.46%**	**-1,916,700**	**-0.45%**
Total (Taxable + PIL)	**259,532,500**	**2.20%**	**248,837,403**	**2.07%**

Local Results Table 2
2018 Local Assessment Growth
(Phase-Adjusted CVA)

Niagara Falls	2018 Phased CVA		Phased CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	7,776,970,360	8,011,639,770	234,669,410	3.02%
Farm	74,074,020	71,312,416	-2,761,604	-3.73%
Managed Forest	1,143,800	1,106,600	-37,200	-3.25%
New Multi-Residential	9,776,820	9,776,820	0	0.00%
Multi-Residential	289,823,716	291,354,594	1,530,878	0.53%
Commercial	2,416,962,774	2,409,648,342	-7,314,432	-0.30%
Industrial	123,768,402	130,046,074	6,277,672	5.07%
Landfill	3,152,500	3,152,500	0	0.00%
Pipeline	42,334,000	42,519,092	185,092	0.44%
Sub-Total: Taxable	**10,738,006,392**	**10,970,556,208**	**232,549,816**	**2.17%**
Payment In Lieu				
Residential	6,381,552	6,357,126	-24,426	-0.38%
Commercial	396,311,400	395,036,364	-1,275,036	-0.32%
Industrial	3,390,900	3,390,900	0	0.00%
Sub-Total: Payment In Lieu	**406,083,852**	**404,784,390**	**-1,299,462**	**-0.32%**
Total (Taxable + PIL)	**11,144,090,244**	**11,375,340,598**	**231,250,354**	**2.08%**

Local Results Table 3
2018 Local Revenue Growth
(Annualized)

Niagara Falls	2018 Local General Levy		Annualized Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$35,284,380	$36,350,268	$1,065,888	3.02%
Farm	$84,113	$80,977	-$3,136	-3.73%
Managed Forest	$1,299	$1,257	-$42	-3.23%
New Multi-Residential	$44,407	$44,407	$0	0.00%
Multi-Residential	$2,593,314	$2,607,012	$13,698	0.53%
Commercial	$18,607,723	$18,550,222	-$57,501	-0.31%
Industrial	$1,372,160	$1,434,171	$62,009	4.52%
Landfill	$42,101	$42,101	$0	0.00%
Pipeline	$327,287	$328,718	$1,431	0.44%
Sub-Total: Taxable	**$58,356,784**	**$59,439,133**	**$1,082,347**	**1.85%**
Payment In Lieu				
Residential	$28,986	$28,875	-$111	-0.38%
Commercial	$3,116,158	$3,106,110	-$10,047	-0.32%
Industrial	$39,537	$39,537	$0	0.00%
Sub-Total: Payment In Lieu	**$3,184,681**	**$3,174,522**	**-$10,158**	**-0.32%**
Total (Taxable + PIL)	**$61,541,465**	**$62,613,655**	**$1,072,189**	**1.74%**

Local Results Table 3-B
Year-To-Year Annualized Local Revenue Growth Comparison

(Local General Purpose Levy)

Niagara Falls

Realty Tax Class	2017 Local Annualized Revenue Growth $	2017 Local Annualized Revenue Growth %	2018 Local Annualized Revenue Growth $	2018 Local Annualized Revenue Growth %
Taxable				
Residential	$961,510	2.85%	$1,065,888	3.02%
Farm	-$491	-0.64%	-$3,136	-3.73%
Managed Forest	-$12	-0.97%	-$42	-3.23%
New Multi-Residential	$0	0.00%	$0	0.00%
Multi-Residential	-$12,089	-0.47%	$13,698	0.53%
Commercial	$276,735	1.52%	-$57,501	-0.31%
Industrial	-$37,048	-2.72%	$62,009	4.52%
Landfill	$0	0.00%	$0	0.00%
Pipeline	$2,465	0.76%	$1,431	0.44%
Sub-Total: Taxable	**$1,191,070**	**2.12%**	**$1,082,347**	**1.85%**
Payment In Lieu				
Residential	$0	0.00%	-$111	-0.38%
Commercial	$194,180	6.51%	-$10,047	-0.32%
Industrial	-$753	-2.12%	$0	0.00%
Sub-Total: Payment In Lieu	**$193,427**	**6.35%**	**-$10,158**	**-0.32%**
Total (Taxable + PIL)	**$1,384,497**	**2.33%**	**$1,072,189**	**1.74%**

Local Results Table 4
Year-Over-Year Phase-In Change

(2018 to 2019 Phased CVA)

Niagara Falls	Phase Adjusted CVA		Change	
Realty Tax Class	**2018 Revised**	**2019 Returned**	**$**	**%**
Taxable				
Residential	8,011,639,770	8,330,808,344	319,168,574	3.98%
Farm	71,312,416	79,611,005	8,298,589	11.64%
Managed Forest	1,106,600	1,196,000	89,400	8.08%
New Multi-Residential	9,776,820	10,326,160	549,340	5.62%
Multi-Residential	291,354,594	305,099,748	13,745,154	4.72%
Commercial	2,409,648,342	2,512,724,285	103,075,943	4.28%
Industrial	130,046,074	137,546,388	7,500,314	5.77%
Landfill	3,152,500	3,152,500	0	0.00%
Pipeline	42,519,092	43,530,046	1,010,954	2.38%
Sub-Total: Taxable	**10,970,556,208**	**11,423,994,476**	**453,438,268**	**4.13%**
Payment In Lieu				
Residential	6,357,126	7,317,615	960,489	15.11%
Commercial	395,036,364	400,993,431	5,957,067	1.51%
Industrial	3,390,900	3,863,800	472,900	13.95%
Sub-Total: Payment In Lieu	**404,784,390**	**412,174,846**	**7,390,456**	**1.83%**
Total (Taxable + PIL)	**11,375,340,598**	**11,836,169,322**	**460,828,724**	**4.05%**

Local Results Table 5
Starting Ratios and Revenue Neutral (Notional) Tax Rates
(Local General Levy)

Niagara Falls

Realty Tax Class	Tax Ratios: 2018 Actual	Tax Ratios: 2019 Start Ratio	Tax Ratios: Change %	Tax Rates: 2018 Actual	Tax Rates: 2019 Revenue Netural (Notional)	Tax Rates: Change %
Taxable						
Residential	1.000000	1.000000	0.00%	0.00454208	0.00436154	-3.97%
Farm	0.250000	0.250000	0.00%	0.00113552	0.00109039	-3.97%
Managed Forest	0.250000	0.250000	0.00%	0.00113552	0.00109039	-3.97%
New Multi-Residential	1.000000	1.000000	0.00%	0.00454208	0.00436154	-3.97%
Multi-Residential	1.970000	1.970000	0.00%	0.00894790	0.00859223	-3.97%
Commercial	1.734900	1.734900	0.00%	0.00788005	0.00756684	-3.97%
Industrial	2.630000	2.630000	0.00%	0.01194567	0.01147085	-3.97%
Landfill	2.940261	2.940261	0.00%	0.01335490	0.01282407	-3.97%
Pipeline	1.702100	1.702100	0.00%	0.00773107	0.00742378	-3.97%
Sub-Total of Taxable Levy				**$59,439,133**	**$59,439,137**	**0.00%**
Payment In Lieu						
Residential	1.000000	1.000000	0.00%	0.00454208	0.00436154	-3.97%
Commercial	1.734900	1.734900	0.00%	0.00788005	0.00756684	-3.97%
Industrial	2.630000	2.630000	0.00%	0.01194567	0.01147085	-3.97%
Sub-Total of Payment In Lieu Levy				**$3,174,522**	**$3,102,678**	**-2.26%**
Total Taxable + PIL Levies Based on Rate Set				**$62,613,655**	**$62,541,815**	**-0.11%**

NOTE: These results are based on preliminary start ratios and notional levy amounts and are subject to change based on municipal policy decisions, spending decisions and/or Provincial tax policy updates. No rates or ratios should be considered final, or used for actual taxation purposes until final by-laws are passed.

Local Results Table 6
Year-Over-Year Interclass Tax Shifts

(Local General Levy)

Niagara Falls	Local General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$36,350,268	$36,296,118	-$54,150	-0.15%
Farm	$80,977	$86,807	$5,830	7.20%
Managed Forest	$1,257	$1,304	$47	3.74%
New Multi-Residential	$44,407	$45,038	$631	1.42%
Multi-Residential	$2,607,012	$2,621,487	$14,475	0.56%
Commercial	$18,550,222	$18,578,140	$27,918	0.15%
Industrial	$1,434,171	$1,446,658	$12,487	0.87%
Landfill	$42,101	$40,428	-$1,673	-3.97%
Pipeline	$328,718	$323,157	-$5,561	-1.69%
Sub-Total: Taxable	**$59,439,133**	**$59,439,137**	**$4**	**0.00%**
Payment In Lieu				
Residential	$28,875	$31,917	$3,042	10.54%
Commercial	$3,106,110	$3,027,528	-$78,582	-2.53%
Industrial	$39,537	$43,233	$3,696	9.35%
Sub-Total: Payment In Lieu	**$3,174,522**	**$3,102,678**	**-$71,844**	**-2.26%**
Total (Taxable + PIL)	**$62,613,655**	**$62,541,815**	**-$71,840**	**-0.11%**

Local Results Table 7
Year-Over-Year Upper-Tier Levy Shifts
(Upper-Tier General Levy)

Niagara Falls	Upper-Tier General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$45,383,334	$45,413,796	$30,462	0.07%
Farm	$101,100	$108,612	$7,512	7.43%
Managed Forest	$1,569	$1,632	$63	4.02%
New Multi-Residential	$55,442	$56,352	$910	1.64%
Multi-Residential	$3,254,856	$3,280,011	$25,155	0.77%
Commercial	$23,159,969	$23,244,997	$85,028	0.37%
Industrial	$1,790,562	$1,810,063	$19,501	1.09%
Landfill	$52,564	$50,583	-$1,981	-3.77%
Pipeline	$410,405	$404,335	-$6,070	-1.48%
Sub-Total: Taxable	**$74,209,801**	**$74,370,381**	**$160,580**	**0.22%**
Payment In Lieu				
Residential	$36,049	$39,934	$3,885	10.78%
Commercial	$3,877,981	$3,788,046	-$89,935	-2.32%
Industrial	$49,363	$54,093	$4,730	9.58%
Sub-Total: Payment In Lieu	**$3,963,393**	**$3,882,073**	**-$81,320**	**-2.05%**
Total (Taxable + PIL)	**$78,173,194**	**$78,252,454**	**$79,260**	**0.10%**

Local Results Table 8
Year-Over-Year Municipal Levy Shifts

(Upper-Tier and Local General Levy Amounts)

Niagara Falls	Municipal General Levies (UT + Local)		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$81,733,602	$81,709,914	-$23,688	-0.03%
Farm	$182,077	$195,419	$13,342	7.33%
Managed Forest	$2,826	$2,936	$110	3.89%
New Multi-Residential	$99,849	$101,390	$1,541	1.54%
Multi-Residential	$5,861,868	$5,901,498	$39,630	0.68%
Commercial	$41,710,191	$41,823,137	$112,946	0.27%
Industrial	$3,224,733	$3,256,721	$31,988	0.99%
Landfill	$94,665	$91,011	-$3,654	-3.86%
Pipeline	$739,123	$727,492	-$11,631	-1.57%
Sub-Total: Taxable	**$133,648,934**	**$133,809,518**	**$160,584**	**0.12%**
Payment In Lieu				
Residential	$64,924	$71,851	$6,927	10.67%
Commercial	$6,984,091	$6,815,574	-$168,517	-2.41%
Industrial	$88,900	$97,326	$8,426	9.48%
Sub-Total: Payment In Lieu	**$7,137,915**	**$6,984,751**	**-$153,164**	**-2.15%**
Total (Taxable + PIL)	**$140,786,849**	**$140,794,269**	**$7,420**	**0.01%**

Local Results Table 1
2018 Local Assessment Growth
(Full / Non Phase-Adjusted CVA)

Niagara-on-the-Lake	2018 Full CVA		Full CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	4,023,147,349	4,115,522,067	92,374,718	2.30%
Farm	545,818,225	544,672,725	-1,145,500	-0.21%
Managed Forest	1,048,000	1,392,300	344,300	32.85%
Multi-Residential	17,351,100	14,834,100	-2,517,000	-14.51%
Commercial	783,587,909	803,040,009	19,452,100	2.48%
Industrial	50,674,300	48,768,900	-1,905,400	-3.76%
Pipeline	18,402,000	18,492,000	90,000	0.49%
Sub-Total: Taxable	**5,440,028,883**	**5,546,722,101**	**106,693,218**	**1.96%**
Payment In Lieu				
Residential	3,552,600	3,687,600	135,000	3.80%
Commercial	38,965,000	38,965,000	0	0.00%
Industrial	2,011,000	2,011,000	0	0.00%
Sub-Total: Payment In Lieu	**44,528,600**	**44,663,600**	**135,000**	**0.30%**
Total (Taxable + PIL)	**5,484,557,483**	**5,591,385,701**	**106,828,218**	**1.95%**

Local Results Table 1-B
Year-To-Year Assessment Growth Comparison
(Full / Non Phase-Adjusted CVA)

Niagara-on-the-Lake	**2017 Full CVA Growth**		**2018 Full CVA Growth**	
Realty Tax Class	**$**	**%**	**$**	**%**
Taxable				
Residential	134,043,429	3.45%	92,374,718	2.30%
Farm	-8,828,875	-1.59%	-1,145,500	-0.21%
Managed Forest	8,500	0.82%	344,300	32.85%
Multi-Residential	183,000	1.07%	-2,517,000	-14.51%
Commercial	1,033,900	0.13%	19,452,100	2.48%
Industrial	-820,700	-1.59%	-1,905,400	-3.76%
Pipeline	116,000	0.63%	90,000	0.49%
Sub-Total: Taxable	**125,735,254**	**2.37%**	**106,693,218**	**1.96%**
Payment In Lieu				
Residential	-531,000	-13.00%	135,000	3.80%
Commercial	78,000	0.20%	0	0.00%
Industrial	0	0.00%	0	0.00%
Sub-Total: Payment In Lieu	**-453,000**	**-1.01%**	**135,000**	**0.30%**
Total (Taxable + PIL)	**125,282,254**	**2.34%**	**106,828,218**	**1.95%**

Local Results Table 2
2018 Local Assessment Growth
(Phase-Adjusted CVA)

Niagara-on-the-Lake	2018 Phased CVA		Phased CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	3,719,402,387	3,807,248,706	87,846,319	2.36%
Farm	445,463,201	444,360,219	-1,102,982	-0.25%
Managed Forest	797,000	1,071,889	274,889	34.49%
Multi-Residential	16,526,990	14,107,550	-2,419,440	-14.64%
Commercial	698,572,754	714,904,257	16,331,503	2.34%
Industrial	44,092,981	42,721,844	-1,371,137	-3.11%
Pipeline	17,390,000	17,475,757	85,757	0.49%
Sub-Total: Taxable	**4,942,245,313**	**5,041,890,222**	**99,644,909**	**2.02%**
Payment In Lieu				
Residential	3,194,400	3,294,960	100,560	3.15%
Commercial	34,893,012	34,893,012	0	0.00%
Industrial	1,605,000	1,605,000	0	0.00%
Sub-Total: Payment In Lieu	**39,692,412**	**39,792,972**	**100,560**	**0.25%**
Total (Taxable + PIL)	**4,981,937,725**	**5,081,683,194**	**99,745,469**	**2.00%**

Local Results Table 3
2018 Local Revenue Growth
(Annualized)

Niagara-on-the-Lake	2018 Local General Levy		Annualized Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$7,736,209	$7,918,926	$182,717	2.36%
Farm	$231,637	$231,063	-$573	-0.25%
Managed Forest	$414	$557	$143	34.54%
Multi-Residential	$67,720	$57,806	-$9,914	-14.64%
Commercial	$2,491,440	$2,551,973	$60,535	2.43%
Industrial	$217,109	$211,574	-$5,536	-2.55%
Pipeline	$61,566	$61,869	$304	0.49%
Sub-Total: Taxable	**$10,806,095**	**$11,033,768**	**$227,676**	**2.11%**
Payment In Lieu				
Residential	$6,645	$6,854	$209	3.15%
Commercial	$122,765	$122,765	$0	0.00%
Industrial	$6,355	$6,355	$0	0.00%
Sub-Total: Payment In Lieu	**$135,765**	**$135,974**	**$209**	**0.15%**
Total (Taxable + PIL)	**$10,941,860**	**$11,169,742**	**$227,885**	**2.08%**

Local Results Table 3-B
Year-To-Year Annualized Local Revenue Growth Comparison

(Local General Purpose Levy)

Niagara-on-the-Lake	2017 Local Annualized Revenue Growth		2018 Local Annualized Revenue Growth	
Realty Tax Class	**$**	**%**	**$**	**%**
Taxable				
Residential	$262,345	3.62%	$182,717	2.36%
Farm	-$3,140	-1.49%	-$573	-0.25%
Managed Forest	$3	0.86%	$143	34.54%
Multi-Residential	$702	1.05%	-$9,914	-14.64%
Commercial	$12,552	0.53%	$60,535	2.43%
Industrial	-$1,598	-0.78%	-$5,536	-2.55%
Pipeline	$380	0.63%	$304	0.49%
Sub-Total: Taxable	**$271,244**	**2.67%**	**$227,676**	**2.11%**
Payment In Lieu				
Residential	-$1,065	-14.38%	$209	3.15%
Commercial	$289	0.24%	$0	0.00%
Industrial	$0	0.00%	$0	0.00%
Sub-Total: Payment In Lieu	**-$776**	**-0.59%**	**$209**	**0.15%**
Total (Taxable + PIL)	**$270,468**	**2.63%**	**$227,885**	**2.08%**

Local Results Table 4
Year-Over-Year Phase-In Change

(2018 to 2019 Phased CVA)

Niagara-on-the-Lake	**Phase Adjusted CVA**		**Change**	
Realty Tax Class	**2018 Revised**	**2019 Returned**	**$**	**%**
Taxable				
Residential	3,807,248,706	3,961,385,384	154,136,678	4.05%
Farm	444,360,219	494,516,457	50,156,238	11.29%
Managed Forest	1,071,889	1,232,094	160,205	14.95%
Multi-Residential	14,107,550	14,470,825	363,275	2.58%
Commercial	714,904,257	758,972,139	44,067,882	6.16%
Industrial	42,721,844	45,745,372	3,023,528	7.08%
Pipeline	17,475,757	17,983,879	508,122	2.91%
Sub-Total: Taxable	**5,041,890,222**	**5,294,306,150**	**252,415,928**	**5.01%**
Payment In Lieu				
Residential	3,294,960	3,491,280	196,320	5.96%
Commercial	34,893,012	36,929,006	2,035,994	5.83%
Industrial	1,605,000	1,808,000	203,000	12.65%
Sub-Total: Payment In Lieu	**39,792,972**	**42,228,286**	**2,435,314**	**6.12%**
Total (Taxable + PIL)	**5,081,683,194**	**5,336,534,436**	**254,851,242**	**5.02%**

Local Results Table 5
Starting Ratios and Revenue Neutral (Notional) Tax Rates
(Local General Levy)

Niagara-on-the-Lake

Realty Tax Class	Tax Ratios: 2018 Actual	Tax Ratios: 2019 Start Ratio	Tax Ratios: Change %	Tax Rates: 2018 Actual	Tax Rates: 2019 Revenue Netural (Notional)	Tax Rates: Change %
Taxable						
Residential	1.000000	1.000000	0.00%	0.00207996	0.00198637	-4.50%
Farm	0.250000	0.250000	0.00%	0.00051999	0.00049659	-4.50%
Managed Forest	0.250000	0.250000	0.00%	0.00051999	0.00049659	-4.50%
Multi-Residential	1.970000	1.970000	0.00%	0.00409752	0.00391315	-4.50%
Commercial	1.734900	1.734900	0.00%	0.00360852	0.00344615	-4.50%
Industrial	2.630000	2.630000	0.00%	0.00547029	0.00522415	-4.50%
Pipeline	1.702100	1.702100	0.00%	0.00354030	0.00338100	-4.50%
Sub-Total of Taxable Levy				**$11,033,768**	**$11,033,788**	**0.00%**
Payment In Lieu						
Residential	1.000000	1.000000	0.00%	0.00207996	0.00198637	-4.50%
Commercial	1.734900	1.734900	0.00%	0.00360852	0.00344615	-4.50%
Industrial	2.630000	2.630000	0.00%	0.00547029	0.00522415	-4.50%
Sub-Total of Payment In Lieu Levy				**$135,974**	**$137,761**	**1.31%**
Total Taxable + PIL Levies Based on Rate Set				**$11,169,742**	**$11,171,549**	**0.02%**

NOTE: These results are based on preliminary start ratios and notional levy amounts and are subject to change based on municipal policy decisions, spending decisions and/or Provincial tax policy updates. No rates or ratios should be considered final, or used for actual taxation purposes until final by-laws are passed.

Local Results Table 6
Year-Over-Year Interclass Tax Shifts

(Local General Levy)

Niagara-on-the-Lake	**Local General Levy**		**Change**	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$7,918,926	$7,868,777	-$50,149	-0.63%
Farm	$231,063	$245,572	$14,509	6.28%
Managed Forest	$557	$612	$55	9.87%
Multi-Residential	$57,806	$56,627	-$1,179	-2.04%
Commercial	$2,551,973	$2,586,262	$34,289	1.34%
Industrial	$211,574	$215,135	$3,561	1.68%
Pipeline	$61,869	$60,803	-$1,066	-1.72%
Sub-Total: Taxable	**$11,033,768**	**$11,033,788**	**$20**	**0.00%**
Payment In Lieu				
Residential	$6,854	$6,935	$81	1.18%
Commercial	$122,765	$123,990	$1,225	1.00%
Industrial	$6,355	$6,836	$481	7.57%
Sub-Total: Payment In Lieu	**$135,974**	**$137,761**	**$1,787**	**1.31%**
Total (Taxable + PIL)	**$11,169,742**	**$11,171,549**	**$1,807**	**0.02%**

Local Results Table 7
Year-Over-Year Upper-Tier Levy Shifts
(Upper-Tier General Levy)

Niagara-on-the-Lake	Upper-Tier General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$21,590,108	$21,617,953	$27,845	0.13%
Farm	$629,970	$674,664	$44,694	7.09%
Managed Forest	$1,520	$1,681	$161	10.59%
Multi-Residential	$157,602	$155,570	-$2,032	-1.29%
Commercial	$6,957,686	$7,105,261	$147,575	2.12%
Industrial	$576,833	$591,042	$14,209	2.46%
Pipeline	$168,680	$167,046	-$1,634	-0.97%
Sub-Total: Taxable	**$30,082,399**	**$30,313,217**	**$230,818**	**0.77%**
Payment In Lieu				
Residential	$18,684	$19,053	$369	1.97%
Commercial	$334,709	$340,641	$5,932	1.77%
Industrial	$17,324	$18,780	$1,456	8.40%
Sub-Total: Payment In Lieu	**$370,717**	**$378,474**	**$7,757**	**2.09%**
Total (Taxable + PIL)	**$30,453,116**	**$30,691,691**	**$238,575**	**0.78%**

Local Results Table 8
Year-Over-Year Municipal Levy Shifts
(Upper-Tier and Local General Levy Amounts)

Niagara-on-the-Lake	Municipal General Levies (UT + Local)		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$29,509,034	$29,486,730	-$22,304	-0.08%
Farm	$861,033	$920,236	$59,203	6.88%
Managed Forest	$2,077	$2,293	$216	10.40%
Multi-Residential	$215,408	$212,197	-$3,211	-1.49%
Commercial	$9,509,659	$9,691,523	$181,864	1.91%
Industrial	$788,407	$806,177	$17,770	2.25%
Pipeline	$230,549	$227,849	-$2,700	-1.17%
Sub-Total: Taxable	**$41,116,167**	**$41,347,005**	**$230,838**	**0.56%**
Payment In Lieu				
Residential	$25,538	$25,988	$450	1.76%
Commercial	$457,474	$464,631	$7,157	1.56%
Industrial	$23,679	$25,616	$1,937	8.18%
Sub-Total: Payment In Lieu	**$506,691**	**$516,235**	**$9,544**	**1.88%**
Total (Taxable + PIL)	**$41,622,858**	**$41,863,240**	**$240,382**	**0.58%**

Local Results Table 1
2018 Local Assessment Growth
(Full / Non Phase-Adjusted CVA)

Pelham	2018 Full CVA		Full CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	2,429,599,737	2,480,194,170	50,594,433	2.08%
Farm	170,646,633	170,829,633	183,000	0.11%
Managed Forest	2,236,700	2,871,500	634,800	28.38%
New Multi-Residential	0	544,000	544,000	100.00%
Multi-Residential	17,693,000	17,693,000	0	0.00%
Commercial	91,534,600	94,616,397	3,081,797	3.37%
Industrial	3,541,930	3,294,700	-247,230	-6.98%
Pipeline	17,146,000	17,324,000	178,000	1.04%
Sub-Total: Taxable	**2,732,398,600**	**2,787,367,400**	**54,968,800**	**2.01%**
Payment In Lieu				
Residential	3,000	3,000	0	0.00%
Commercial	2,954,600	2,954,600	0	0.00%
Industrial	28,100	28,100	0	0.00%
Sub-Total: Payment In Lieu	**2,985,700**	**2,985,700**	**0**	**0.00%**
Total (Taxable + PIL)	**2,735,384,300**	**2,790,353,100**	**54,968,800**	**2.01%**

Local Results Table 1-B
Year-To-Year Assessment Growth Comparison
(Full / Non Phase-Adjusted CVA)

Pelham	2017 Full CVA Growth		2018 Full CVA Growth	
Realty Tax Class	**$**	**%**	**$**	**%**
Taxable				
Residential	68,646,902	2.91%	50,594,433	2.08%
Farm	-3,913,467	-2.24%	183,000	0.11%
Managed Forest	65,500	3.02%	634,800	28.38%
New Multi-Residential			544,000	100.00%
Multi-Residential	0	0.00%	0	0.00%
Commercial	9,384,359	11.42%	3,081,797	3.37%
Industrial	-1,637,570	-31.62%	-247,230	-6.98%
Pipeline	356,000	2.12%	178,000	1.04%
Sub-Total: Taxable	**72,901,724**	**2.74%**	**54,968,800**	**2.01%**
Payment In Lieu				
Residential	0	0.00%	0	0.00%
Commercial	-461,000	-13.50%	0	0.00%
Industrial	0	0.00%	0	0.00%
Sub-Total: Payment In Lieu	**-461,000**	**-13.38%**	**0**	**0.00%**
Total (Taxable + PIL)	**72,440,724**	**2.72%**	**54,968,800**	**2.01%**

Local Results Table 2
2018 Local Assessment Growth
(Phase-Adjusted CVA)

Pelham	2018 Phased CVA		Phased CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	2,291,395,631	2,339,018,348	47,622,717	2.08%
Farm	143,204,190	143,189,756	-14,434	-0.01%
Managed Forest	1,961,922	2,531,083	569,161	29.01%
New Multi-Residential	0	544,000	544,000	100.00%
Multi-Residential	17,482,000	17,482,000	0	0.00%
Commercial	84,021,436	86,971,992	2,950,556	3.51%
Industrial	3,038,822	2,908,852	-129,970	-4.28%
Pipeline	16,213,500	16,384,186	170,686	1.05%
Sub-Total: Taxable	**2,557,317,501**	**2,609,030,217**	**51,712,716**	**2.02%**
Payment In Lieu				
Residential	2,500	2,500	0	0.00%
Commercial	2,888,100	2,888,100	0	0.00%
Industrial	23,100	23,100	0	0.00%
Sub-Total: Payment In Lieu	**2,913,700**	**2,913,700**	**0**	**0.00%**
Total (Taxable + PIL)	**2,560,231,201**	**2,611,943,917**	**51,712,716**	**2.02%**

Local Results Table 3
2018 Local Revenue Growth
(Annualized)

Pelham	2018 Local General Levy		Annualized Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$11,296,398	$11,531,174	$234,776	2.08%
Farm	$176,496	$176,479	-$18	-0.01%
Managed Forest	$2,418	$3,120	$701	28.99%
New Multi-Residential	$0	$2,682	$2,682	100.00%
Multi-Residential	$169,784	$169,784	$0	0.00%
Commercial	$710,546	$737,228	$26,684	3.76%
Industrial	$38,935	$37,250	-$1,685	-4.33%
Pipeline	$136,051	$137,483	$1,432	1.05%
Sub-Total: Taxable	**$12,530,628**	**$12,795,200**	**$264,572**	**2.11%**
Payment In Lieu				
Residential	$12	$12	$0	0.00%
Commercial	$24,702	$24,702	$0	0.00%
Industrial	$300	$300	$0	0.00%
Sub-Total: Payment In Lieu	**$25,014**	**$25,014**	**$0**	**0.00%**
Total (Taxable + PIL)	**$12,555,642**	**$12,820,214**	**$264,572**	**2.11%**

Local Results Table 3-B
Year-To-Year Annualized Local Revenue Growth Comparison

(Local General Purpose Levy)

Pelham Realty Tax Class	2017 Local Annualized Revenue Growth $	2017 Local Annualized Revenue Growth %	2018 Local Annualized Revenue Growth $	2018 Local Annualized Revenue Growth %
Taxable				
Residential	$310,855	2.92%	$234,776	2.08%
Farm	-$2,683	-1.65%	-$18	-0.01%
Managed Forest	$61	2.79%	$701	28.99%
New Multi-Residential			$2,682	100.00%
Multi-Residential	$0	0.00%	$0	0.00%
Commercial	$60,940	9.70%	$26,684	3.76%
Industrial	-$14,711	-29.16%	-$1,685	-4.33%
Pipeline	$2,736	2.11%	$1,432	1.05%
Sub-Total: Taxable	**$357,198**	**3.03%**	**$264,572**	**2.11%**
Payment In Lieu				
Residential	$0	0.00%	$0	0.00%
Commercial	-$3,117	-11.18%	$0	0.00%
Industrial	$0	0.00%	$0	0.00%
Sub-Total: Payment In Lieu	**-$3,117**	**-11.07%**	**$0**	**0.00%**
Total (Taxable + PIL)	**$354,081**	**3.00%**	**$264,572**	**2.11%**

Local Results Table 4
Year-Over-Year Phase-In Change

(2018 to 2019 Phased CVA)

Pelham	Phase Adjusted CVA		Change	
Realty Tax Class	**2018 Revised**	**2019 Returned**	**$**	**%**
Taxable				
Residential	2,339,018,348	2,409,606,273	70,587,925	3.02%
Farm	143,189,756	157,009,692	13,819,936	9.65%
Managed Forest	2,531,083	2,701,293	170,210	6.72%
New Multi-Residential	544,000	544,000	0	0.00%
Multi-Residential	17,482,000	17,587,500	105,500	0.60%
Commercial	86,971,992	90,794,195	3,822,203	4.39%
Industrial	2,908,852	3,101,776	192,924	6.63%
Pipeline	16,384,186	16,854,093	469,907	2.87%
Sub-Total: Taxable	**2,609,030,217**	**2,698,198,822**	**89,168,605**	**3.42%**
Payment In Lieu				
Residential	2,500	2,750	250	10.00%
Commercial	2,888,100	2,921,350	33,250	1.15%
Industrial	23,100	25,600	2,500	10.82%
Sub-Total: Payment In Lieu	**2,913,700**	**2,949,700**	**36,000**	**1.24%**
Total (Taxable + PIL)	**2,611,943,917**	**2,701,148,522**	**89,204,605**	**3.42%**

Local Results Table 5
Starting Ratios and Revenue Neutral (Notional) Tax Rates
(Local General Levy)

Pelham

Realty Tax Class	Tax Ratios: 2018 Actual	Tax Ratios: 2019 Start Ratio	Tax Ratios: Change %	Tax Rates: 2018 Actual	Tax Rates: 2019 Revenue Netural (Notional)	Tax Rates: Change %
Taxable						
Residential	1.000000	1.000000	0.00%	0.00492992	0.00477890	-3.06%
Farm	0.250000	0.250000	0.00%	0.00123248	0.00119473	-3.06%
Managed Forest	0.250000	0.250000	0.00%	0.00123248	0.00119473	-3.06%
New Multi-Residential	1.000000	1.000000	0.00%	0.00492992	0.00477890	-3.06%
Multi-Residential	1.970000	1.970000	0.00%	0.00971194	0.00941443	-3.06%
Commercial	1.734900	1.734900	0.00%	0.00855292	0.00829091	-3.06%
Industrial	2.630000	2.630000	0.00%	0.01296569	0.01256851	-3.06%
Pipeline	1.702100	1.702100	0.00%	0.00839122	0.00813417	-3.06%
Sub-Total of Taxable Levy				**$12,795,200**	**$12,795,210**	**0.00%**
Payment In Lieu						
Residential	1.000000	1.000000	0.00%	0.00492992	0.00477890	-3.06%
Commercial	1.734900	1.734900	0.00%	0.00855292	0.00829091	-3.06%
Industrial	2.630000	2.630000	0.00%	0.01296569	0.01256851	-3.06%
Sub-Total of Payment In Lieu Levy				**$25,014**	**$24,556**	**-1.83%**
Total Taxable + PIL Levies Based on Rate Set				**$12,820,214**	**$12,819,766**	**0.00%**

NOTE: These results are based on preliminary start ratios and notional levy amounts and are subject to change based on municipal policy decisions, spending decisions and/or Provincial tax policy updates. No rates or ratios should be considered final, or used for actual taxation purposes until final by-laws are passed.

Local Results Table 6
Year-Over-Year Interclass Tax Shifts
(Local General Levy)

Pelham	Local General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$11,531,174	$11,515,267	-$15,907	-0.14%
Farm	$176,479	$187,584	$11,105	6.29%
Managed Forest	$3,120	$3,227	$107	3.43%
New Multi-Residential	$2,682	$2,600	-$82	-3.06%
Multi-Residential	$169,784	$165,576	-$4,208	-2.48%
Commercial	$737,228	$745,378	$8,150	1.11%
Industrial	$37,250	$38,484	$1,234	3.31%
Pipeline	$137,483	$137,094	-$389	-0.28%
Sub-Total: Taxable	**$12,795,200**	**$12,795,210**	**$10**	**0.00%**
Payment In Lieu				
Residential	$12	$13	$1	8.33%
Commercial	$24,702	$24,221	-$481	-1.95%
Industrial	$300	$322	$22	7.33%
Sub-Total: Payment In Lieu	**$25,014**	**$24,556**	**-$458**	**-1.83%**
Total (Taxable + PIL)	**$12,820,214**	**$12,819,766**	**-$448**	**0.00%**

Local Results Table 7
Year-Over-Year Upper-Tier Levy Shifts
(Upper-Tier General Levy)

Pelham	Upper-Tier General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$13,264,082	$13,149,631	-$114,451	-0.86%
Farm	$203,000	$214,207	$11,207	5.52%
Managed Forest	$3,588	$3,685	$97	2.70%
New Multi-Residential	$3,085	$2,969	-$116	-3.76%
Multi-Residential	$195,299	$189,077	-$6,222	-3.19%
Commercial	$848,018	$851,170	$3,152	0.37%
Industrial	$42,848	$43,945	$1,097	2.56%
Pipeline	$158,144	$156,552	-$1,592	-1.01%
Sub-Total: Taxable	**$14,718,064**	**$14,611,236**	**-$106,828**	**-0.73%**
Payment In Lieu				
Residential	$14	$15	$1	7.14%
Commercial	$28,414	$27,658	-$756	-2.66%
Industrial	$345	$367	$22	6.38%
Sub-Total: Payment In Lieu	**$28,773**	**$28,040**	**-$733**	**-2.55%**
Total (Taxable + PIL)	**$14,746,837**	**$14,639,276**	**-$107,561**	**-0.73%**

Local Results Table 8
Year-Over-Year Municipal Levy Shifts

(Upper-Tier and Local General Levy Amounts)

Pelham	Municipal General Levies (UT + Local)		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$24,795,256	$24,664,898	-$130,358	-0.53%
Farm	$379,479	$401,791	$22,312	5.88%
Managed Forest	$6,708	$6,912	$204	3.04%
New Multi-Residential	$5,767	$5,569	-$198	-3.43%
Multi-Residential	$365,083	$354,653	-$10,430	-2.86%
Commercial	$1,585,246	$1,596,548	$11,302	0.71%
Industrial	$80,098	$82,429	$2,331	2.91%
Pipeline	$295,627	$293,646	-$1,981	-0.67%
Sub-Total: Taxable	**$27,513,264**	**$27,406,446**	**-$106,818**	**-0.39%**
Payment In Lieu				
Residential	$26	$28	$2	7.69%
Commercial	$53,116	$51,879	-$1,237	-2.33%
Industrial	$645	$689	$44	6.82%
Sub-Total: Payment In Lieu	**$53,787**	**$52,596**	**-$1,191**	**-2.21%**
Total (Taxable + PIL)	**$27,567,051**	**$27,459,042**	**-$108,009**	**-0.39%**

Local Results Table 1
2018 Local Assessment Growth
(Full / Non Phase-Adjusted CVA)

Port Colborne	2018 Full CVA		Full CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	1,592,946,136	1,607,142,914	14,196,778	0.89%
Farm	56,827,000	56,739,600	-87,400	-0.15%
Managed Forest	882,700	882,700	0	0.00%
New Multi-Residential	600,000	600,000	0	0.00%
Multi-Residential	38,878,000	38,878,000	0	0.00%
Commercial	136,216,700	139,770,654	3,553,954	2.61%
Industrial	85,488,500	81,511,968	-3,976,532	-4.65%
Pipeline	10,512,000	10,484,000	-28,000	-0.27%
Sub-Total: Taxable	**1,922,351,036**	**1,936,009,836**	**13,658,800**	**0.71%**
Payment In Lieu				
Residential	1,491,400	1,491,400	0	0.00%
Commercial	10,470,800	11,917,800	1,447,000	13.82%
Industrial	78,000	78,000	0	0.00%
Sub-Total: Payment In Lieu	**12,040,200**	**13,487,200**	**1,447,000**	**12.02%**
Total (Taxable + PIL)	**1,934,391,236**	**1,949,497,036**	**15,105,800**	**0.78%**

Local Results Table 1-B
Year-To-Year Assessment Growth Comparison

(Full / Non Phase-Adjusted CVA)

Port Colborne

Realty Tax Class	2017 Full CVA Growth $	2017 Full CVA Growth %	2018 Full CVA Growth $	2018 Full CVA Growth %
Taxable				
Residential	9,161,500	0.58%	14,196,778	0.89%
Farm	-639,800	-1.11%	-87,400	-0.15%
Managed Forest	-195,000	-18.09%	0	0.00%
New Multi-Residential	600,000	100.00%	0	0.00%
Multi-Residential	-242,000	-0.62%	0	0.00%
Commercial	-562,200	-0.41%	3,553,954	2.61%
Industrial	2,417,700	2.91%	-3,976,532	-4.65%
Pipeline	22,000	0.21%	-28,000	-0.27%
Sub-Total: Taxable	**10,562,200**	**0.55%**	**13,658,800**	**0.71%**
Payment In Lieu				
Residential	0	0.00%	0	0.00%
Commercial	25,000	0.24%	1,447,000	13.82%
Industrial	0	0.00%	0	0.00%
Sub-Total: Payment In Lieu	**25,000**	**0.21%**	**1,447,000**	**12.02%**
Total (Taxable + PIL)	**10,587,200**	**0.55%**	**15,105,800**	**0.78%**

Local Results Table 2
2018 Local Assessment Growth
(Phase-Adjusted CVA)

Port Colborne	2018 Phased CVA		Phased CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	1,514,141,526	1,527,066,995	12,925,469	0.85%
Farm	50,878,746	50,796,146	-82,600	-0.16%
Managed Forest	832,709	832,709	0	0.00%
New Multi-Residential	600,000	600,000	0	0.00%
Multi-Residential	38,593,250	38,593,250	0	0.00%
Commercial	123,510,984	126,841,407	3,330,423	2.70%
Industrial	78,030,884	76,081,016	-1,949,868	-2.50%
Pipeline	9,991,268	9,964,591	-26,677	-0.27%
Sub-Total: Taxable	**1,816,579,367**	**1,830,776,114**	**14,196,747**	**0.78%**
Payment In Lieu				
Residential	1,102,300	1,102,300	0	0.00%
Commercial	9,872,500	11,312,923	1,440,423	14.59%
Industrial	75,650	75,650	0	0.00%
Sub-Total: Payment In Lieu	**11,050,450**	**12,490,873**	**1,440,423**	**13.03%**
Total (Taxable + PIL)	**1,827,629,817**	**1,843,266,987**	**15,637,170**	**0.86%**

Local Results Table 3
2018 Local Revenue Growth
(Annualized)

Port Colborne	2018 Local General Levy		Annualized Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$12,762,940	$12,871,903	$108,964	0.85%
Farm	$107,240	$107,066	-$174	-0.16%
Managed Forest	$1,755	$1,755	$0	0.00%
New Multi-Residential	$5,059	$5,059	$0	0.00%
Multi-Residential	$641,000	$641,000	$0	0.00%
Commercial	$1,795,173	$1,844,392	$49,219	2.74%
Industrial	$1,659,856	$1,630,743	-$29,114	-1.75%
Pipeline	$143,379	$142,996	-$383	-0.27%
Sub-Total: Taxable	**$17,116,402**	**$17,244,914**	**$128,512**	**0.75%**
Payment In Lieu				
Residential	$9,293	$9,293	$0	0.00%
Commercial	$144,405	$165,475	$21,069	14.59%
Industrial	$1,677	$1,677	$0	0.00%
Sub-Total: Payment In Lieu	**$155,375**	**$176,445**	**$21,069**	**13.56%**
Total (Taxable + PIL)	**$17,271,777**	**$17,421,359**	**$149,581**	**0.87%**

Local Results Table 3-B
Year-To-Year Annualized Local Revenue Growth Comparison

(Local General Purpose Levy)

Port Colborne

Realty Tax Class	2017 Local Annualized Revenue Growth $	2017 Local Annualized Revenue Growth %	2018 Local Annualized Revenue Growth $	2018 Local Annualized Revenue Growth %
Taxable				
Residential	$81,370	0.68%	$108,964	0.85%
Farm	-$1,184	-1.19%	-$174	-0.16%
Managed Forest	-$347	-17.35%	$0	0.00%
New Multi-Residential	$4,910	100.00%	$0	0.00%
Multi-Residential	-$2,979	-0.47%	$0	0.00%
Commercial	-$2,755	-0.16%	$49,219	2.74%
Industrial	$36,746	2.44%	-$29,114	-1.75%
Pipeline	$20	0.01%	-$383	-0.27%
Sub-Total: Taxable	**$115,781**	**0.72%**	**$128,512**	**0.75%**
Payment In Lieu				
Residential	$0	0.00%	$0	0.00%
Commercial	$349	0.25%	$21,069	14.59%
Industrial	$0	0.00%	$0	0.00%
Sub-Total: Payment In Lieu	**$349**	**0.24%**	**$21,069**	**13.56%**
Total (Taxable + PIL)	**$116,130**	**0.72%**	**$149,581**	**0.87%**

Local Results Table 4
Year-Over-Year Phase-In Change

(2018 to 2019 Phased CVA)

Port Colborne	Phase Adjusted CVA		Change	
Realty Tax Class	**2018 Revised**	**2019 Returned**	**$**	**%**
Taxable				
Residential	1,527,066,995	1,567,104,955	40,037,960	2.62%
Farm	50,796,146	53,767,874	2,971,728	5.85%
Managed Forest	832,709	857,705	24,996	3.00%
New Multi-Residential	600,000	600,000	0	0.00%
Multi-Residential	38,593,250	38,735,625	142,375	0.37%
Commercial	126,841,407	133,306,029	6,464,622	5.10%
Industrial	76,081,016	78,796,493	2,715,477	3.57%
Pipeline	9,964,591	10,224,296	259,705	2.61%
Sub-Total: Taxable	**1,830,776,114**	**1,883,392,977**	**52,616,863**	**2.87%**
Payment In Lieu				
Residential	1,102,300	1,296,850	194,550	17.65%
Commercial	11,312,923	11,615,362	302,439	2.67%
Industrial	75,650	76,825	1,175	1.55%
Sub-Total: Payment In Lieu	**12,490,873**	**12,989,037**	**498,164**	**3.99%**
Total (Taxable + PIL)	**1,843,266,987**	**1,896,382,014**	**53,115,027**	**2.88%**

Confidential

Local Results Table 5
Starting Ratios and Revenue Neutral (Notional) Tax Rates
(Local General Levy)

Port Colborne

Realty Tax Class	Tax Ratios: 2018 Actual	Tax Ratios: 2019 Start Ratio	Tax Ratios: Change %	Tax Rates: 2018 Actual	Tax Rates: 2019 Revenue Netural (Notional)	Tax Rates: Change %
Taxable						
Residential	1.000000	1.000000	0.00%	0.00843103	0.00819413	-2.81%
Farm	0.250000	0.250000	0.00%	0.00210776	0.00204853	-2.81%
Managed Forest	0.250000	0.250000	0.00%	0.00210776	0.00204853	-2.81%
New Multi-Residential	1.000000	1.000000	0.00%	0.00843103	0.00819413	-2.81%
Multi-Residential	1.970000	1.970000	0.00%	0.01660912	0.01614244	-2.81%
Commercial	1.734900	1.734900	0.00%	0.01462699	0.01421600	-2.81%
Industrial	2.630000	2.630000	0.00%	0.02217360	0.02155056	-2.81%
Pipeline	1.702100	1.702100	0.00%	0.01435045	0.01394723	-2.81%
Sub-Total of Taxable Levy				**$17,244,914**	**$17,244,910**	**0.00%**
Payment In Lieu						
Residential	1.000000	1.000000	0.00%	0.00843103	0.00819413	-2.81%
Commercial	1.734900	1.734900	0.00%	0.01462699	0.01421600	-2.81%
Industrial	2.630000	2.630000	0.00%	0.02217360	0.02155056	-2.81%
Sub-Total of Payment In Lieu Levy				**$176,445**	**$177,406**	**0.54%**
Total Taxable + PIL Levies Based on Rate Set				**$17,421,359**	**$17,422,316**	**0.01%**

NOTE: These results are based on preliminary start ratios and notional levy amounts and are subject to change based on municipal policy decisions, spending decisions and/or Provincial tax policy updates. No rates or ratios should be considered final, or used for actual taxation purposes until final by-laws are passed.

Local Results Table 6
Year-Over-Year Interclass Tax Shifts
(Local General Levy)

Port Colborne	Local General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$12,871,903	$12,838,234	-$33,669	-0.26%
Farm	$107,066	$110,145	$3,079	2.88%
Managed Forest	$1,755	$1,757	$2	0.11%
New Multi-Residential	$5,059	$4,916	-$143	-2.83%
Multi-Residential	$641,000	$625,288	-$15,712	-2.45%
Commercial	$1,844,392	$1,884,119	$39,727	2.15%
Industrial	$1,630,743	$1,637,850	$7,107	0.44%
Pipeline	$142,996	$142,601	-$395	-0.28%
Sub-Total: Taxable	**$17,244,914**	**$17,244,910**	**-$4**	**0.00%**
Payment In Lieu				
Residential	$9,293	$10,626	$1,333	14.34%
Commercial	$165,475	$165,124	-$351	-0.21%
Industrial	$1,677	$1,656	-$21	-1.25%
Sub-Total: Payment In Lieu	**$176,445**	**$177,406**	**$961**	**0.54%**
Total (Taxable + PIL)	**$17,421,359**	**$17,422,316**	**$957**	**0.01%**

Local Results Table 7
Year-Over-Year Upper-Tier Levy Shifts
(Upper-Tier General Levy)

Port Colborne	Upper-Tier General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$8,657,763	$8,550,075	-$107,688	-1.24%
Farm	$72,014	$73,355	$1,341	1.86%
Managed Forest	$1,181	$1,170	-$11	-0.93%
New Multi-Residential	$3,402	$3,274	-$128	-3.76%
Multi-Residential	$431,143	$416,432	-$14,711	-3.41%
Commercial	$1,240,555	$1,254,795	$14,240	1.15%
Industrial	$1,096,853	$1,090,786	-$6,067	-0.55%
Pipeline	$96,181	$94,970	-$1,211	-1.26%
Sub-Total: Taxable	**$11,599,092**	**$11,484,857**	**-$114,235**	**-0.98%**
Payment In Lieu				
Residential	$6,251	$7,078	$827	13.23%
Commercial	$111,299	$109,970	-$1,329	-1.19%
Industrial	$1,128	$1,103	-$25	-2.22%
Sub-Total: Payment In Lieu	**$118,678**	**$118,151**	**-$527**	**-0.44%**
Total (Taxable + PIL)	**$11,717,770**	**$11,603,008**	**-$114,762**	**-0.98%**

Local Results Table 8
Year-Over-Year Municipal Levy Shifts
(Upper-Tier and Local General Levy Amounts)

Port Colborne	Municipal General Levies (UT + Local)		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$21,529,666	$21,388,309	-$141,357	-0.66%
Farm	$179,080	$183,500	$4,420	2.47%
Managed Forest	$2,936	$2,927	-$9	-0.31%
New Multi-Residential	$8,461	$8,190	-$271	-3.20%
Multi-Residential	$1,072,143	$1,041,720	-$30,423	-2.84%
Commercial	$3,084,947	$3,138,914	$53,967	1.75%
Industrial	$2,727,596	$2,728,636	$1,040	0.04%
Pipeline	$239,177	$237,571	-$1,606	-0.67%
Sub-Total: Taxable	**$28,844,006**	**$28,729,767**	**-$114,239**	**-0.40%**
Payment In Lieu				
Residential	$15,544	$17,704	$2,160	13.90%
Commercial	$276,774	$275,094	-$1,680	-0.61%
Industrial	$2,805	$2,759	-$46	-1.64%
Sub-Total: Payment In Lieu	**$295,123**	**$295,557**	**$434**	**0.15%**
Total (Taxable + PIL)	**$29,139,129**	**$29,025,324**	**-$113,805**	**-0.39%**

Local Results Table 1
2018 Local Assessment Growth
(Full / Non Phase-Adjusted CVA)

St. Catharines	2018 Full CVA		Full CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	12,013,898,248	12,159,948,664	146,050,416	1.22%
Farm	141,783,700	140,178,200	-1,605,500	-1.13%
New Multi-Residential	60,879,500	62,266,242	1,386,742	2.28%
Multi-Residential	730,548,400	697,136,240	-33,412,160	-4.57%
Commercial	2,074,924,805	2,084,678,616	9,753,811	0.47%
Industrial	206,825,600	189,966,400	-16,859,200	-8.15%
Pipeline	30,868,000	31,079,000	211,000	0.68%
Sub-Total: Taxable	**15,259,728,253**	**15,365,253,362**	**105,525,109**	**0.69%**
Payment In Lieu				
Residential	3,141,200	3,304,200	163,000	5.19%
Commercial	88,439,200	87,198,200	-1,241,000	-1.40%
Industrial	2,726,300	2,726,300	0	0.00%
Sub-Total: Payment In Lieu	**94,306,700**	**93,228,700**	**-1,078,000**	**-1.14%**
Total (Taxable + PIL)	**15,354,034,953**	**15,458,482,062**	**104,447,109**	**0.68%**

Local Results Table 1-B
Year-To-Year Assessment Growth Comparison

(Full / Non Phase-Adjusted CVA)

St. Catharines

Realty Tax Class	2017 Full CVA Growth $	2017 Full CVA Growth %	2018 Full CVA Growth $	2018 Full CVA Growth %
Taxable				
Residential	57,692,103	0.48%	146,050,416	1.22%
Farm	-404,500	-0.28%	-1,605,500	-1.13%
New Multi-Residential	28,223,900	86.43%	1,386,742	2.28%
Multi-Residential	350,200	0.05%	-33,412,160	-4.57%
Commercial	10,504,205	0.51%	9,753,811	0.47%
Industrial	6,700	0.00%	-16,859,200	-8.15%
Pipeline	112,000	0.36%	211,000	0.68%
Sub-Total: Taxable	**96,484,608**	**0.64%**	**105,525,109**	**0.69%**
Payment In Lieu				
Residential	-24,000	-0.76%	163,000	5.19%
Commercial	-328,000	-0.37%	-1,241,000	-1.40%
Industrial	0	0.00%	0	0.00%
Sub-Total: Payment In Lieu	**-352,000**	**-0.37%**	**-1,078,000**	**-1.14%**
Total (Taxable + PIL)	**96,132,608**	**0.63%**	**104,447,109**	**0.68%**

Local Results Table 2
2018 Local Assessment Growth
(Phase-Adjusted CVA)

St. Catharines	2018 Phased CVA		Phased CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	11,314,778,782	11,453,055,159	138,276,377	1.22%
Farm	116,556,433	115,213,486	-1,342,947	-1.15%
New Multi-Residential	53,780,980	55,283,360	1,502,380	2.79%
Multi-Residential	678,157,533	646,503,582	-31,653,951	-4.67%
Commercial	1,867,087,017	1,875,070,050	7,983,033	0.43%
Industrial	195,506,482	181,136,013	-14,370,469	-7.35%
Pipeline	29,657,500	29,815,359	157,859	0.53%
Sub-Total: Taxable	**14,255,524,727**	**14,356,077,009**	**100,552,282**	**0.71%**
Payment In Lieu				
Residential	2,875,600	3,029,347	153,747	5.35%
Commercial	83,254,565	82,005,894	-1,248,671	-1.50%
Industrial	2,311,501	2,311,501	0	0.00%
Sub-Total: Payment In Lieu	**88,441,666**	**87,346,742**	**-1,094,924**	**-1.24%**
Total (Taxable + PIL)	**14,343,966,393**	**14,443,423,751**	**99,457,358**	**0.69%**

Local Results Table 3
2018 Local Revenue Growth
(Annualized)

St. Catharines	2018 Local General Levy		Annualized Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$60,905,378	$61,650,484	$745,106	1.22%
Farm	$157,017	$155,208	-$1,809	-1.15%
New Multi-Residential	$289,800	$297,896	$8,096	2.79%
Multi-Residential	$7,198,913	$6,862,894	-$336,019	-4.67%
Commercial	$17,366,805	$17,446,538	$79,729	0.46%
Industrial	$2,641,892	$2,447,152	-$194,741	-7.37%
Pipeline	$272,013	$273,461	$1,448	0.53%
Sub-Total: Taxable	**$88,831,818**	**$89,133,633**	**$301,810**	**0.34%**
Payment In Lieu				
Residential	$15,495	$16,324	$828	5.34%
Commercial	$774,254	$762,581	-$11,673	-1.51%
Industrial	$30,362	$30,362	$0	0.00%
Sub-Total: Payment In Lieu	**$820,111**	**$809,267**	**-$10,845**	**-1.32%**
Total (Taxable + PIL)	**$89,651,929**	**$89,942,900**	**$290,965**	**0.32%**

Local Results Table 3-B
Year-To-Year Annualized Local Revenue Growth Comparison

(Local General Purpose Levy)

St. Catharines	2017 Local Annualized Revenue Growth		2018 Local Annualized Revenue Growth	
Realty Tax Class	**$**	**%**	**$**	**%**
Taxable				
Residential	$344,565	0.58%	$745,106	1.22%
Farm	$52	0.04%	-$1,809	-1.15%
New Multi-Residential	$120,540	78.64%	$8,096	2.79%
Multi-Residential	$24,979	0.35%	-$336,019	-4.67%
Commercial	$107,772	0.64%	$79,729	0.46%
Industrial	$1,592	0.06%	-$194,741	-7.37%
Pipeline	$970	0.36%	$1,448	0.53%
Sub-Total: Taxable	**$600,470**	**0.70%**	**$301,810**	**0.34%**
Payment In Lieu				
Residential	-$45	-0.30%	$828	5.34%
Commercial	-$3,181	-0.41%	-$11,673	-1.51%
Industrial	$0	0.00%	$0	0.00%
Sub-Total: Payment In Lieu	**-$3,226**	**-0.40%**	**-$10,845**	**-1.32%**
Total (Taxable + PIL)	**$597,244**	**0.69%**	**$290,965**	**0.32%**

Local Results Table 4
Year-Over-Year Phase-In Change
(2018 to 2019 Phased CVA)

St. Catharines	Phase Adjusted CVA		Change	
Realty Tax Class	**2018 Revised**	**2019 Returned**	**$**	**%**
Taxable				
Residential	11,453,055,159	11,806,501,916	353,446,757	3.09%
Farm	115,213,486	127,695,843	12,482,357	10.83%
New Multi-Residential	55,283,360	58,774,801	3,491,441	6.32%
Multi-Residential	646,503,582	671,819,914	25,316,332	3.92%
Commercial	1,875,070,050	1,979,874,356	104,804,306	5.59%
Industrial	181,136,013	185,551,208	4,415,195	2.44%
Pipeline	29,815,359	30,447,179	631,820	2.12%
Sub-Total: Taxable	**14,356,077,009**	**14,860,665,217**	**504,588,208**	**3.51%**
Payment In Lieu				
Residential	3,029,347	3,166,774	137,427	4.54%
Commercial	82,005,894	84,602,048	2,596,154	3.17%
Industrial	2,311,501	2,518,900	207,399	8.97%
Sub-Total: Payment In Lieu	**87,346,742**	**90,287,722**	**2,940,980**	**3.37%**
Total (Taxable + PIL)	**14,443,423,751**	**14,950,952,939**	**507,529,188**	**3.51%**

Local Results Table 5
Starting Ratios and Revenue Neutral (Notional) Tax Rates
(Local General Levy)

St. Catharines **Realty Tax Class**	Tax Ratios: 2018 Actual	Tax Ratios: 2019 Start Ratio	Tax Ratios: Change %	Tax Rates: 2018 Actual	Tax Rates: 2019 Revenue Netural (Notional)	Tax Rates: Change %
Taxable						
Residential	1.000000	1.000000	0.00%	0.00538853	0.00519917	-3.51%
Farm	0.250000	0.250000	0.00%	0.00134713	0.00129979	-3.51%
New Multi-Residential	1.000000	1.000000	0.00%	0.00538853	0.00519917	-3.51%
Multi-Residential	1.970000	1.970000	0.00%	0.01061540	0.01024236	-3.51%
Commercial	1.734900	1.734900	0.00%	0.00934856	0.00902004	-3.51%
Industrial	2.630000	2.630000	0.00%	0.01417183	0.01367382	-3.51%
Pipeline	1.702100	1.702100	0.00%	0.00917182	0.00884951	-3.51%
Sub-Total of Taxable Levy				**$89,133,633**	**$89,133,564**	**0.00%**
Payment In Lieu						
Residential	1.000000	1.000000	0.00%	0.00538853	0.00519917	-3.51%
Commercial	1.734900	1.734900	0.00%	0.00934856	0.00902004	-3.51%
Industrial	2.630000	2.630000	0.00%	0.01417183	0.01367382	-3.51%
Sub-Total of Payment In Lieu Levy				**$809,267**	**$807,567**	**-0.21%**
Total Taxable + PIL Levies Based on Rate Set				**$89,942,900**	**$89,941,131**	**0.00%**

NOTE: These results are based on preliminary start ratios and notional levy amounts and are subject to change based on municipal policy decisions, spending decisions and/or Provincial tax policy updates. No rates or ratios should be considered final, or used for actual taxation purposes until final by-laws are passed.

Local Results Table 6
Year-Over-Year Interclass Tax Shifts
(Local General Levy)

St. Catharines	Local General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$61,650,484	$61,321,636	-$328,848	-0.53%
Farm	$155,208	$165,978	$10,770	6.94%
New Multi-Residential	$297,896	$305,580	$7,684	2.58%
Multi-Residential	$6,862,894	$6,881,021	$18,127	0.26%
Commercial	$17,446,538	$17,775,228	$328,690	1.88%
Industrial	$2,447,152	$2,414,678	-$32,474	-1.33%
Pipeline	$273,461	$269,443	-$4,018	-1.47%
Sub-Total: Taxable	**$89,133,633**	**$89,133,564**	**-$69**	**0.00%**
Payment In Lieu				
Residential	$16,324	$16,464	$140	0.86%
Commercial	$762,581	$759,056	-$3,525	-0.46%
Industrial	$30,362	$32,047	$1,685	5.55%
Sub-Total: Payment In Lieu	**$809,267**	**$807,567**	**-$1,700**	**-0.21%**
Total (Taxable + PIL)	**$89,942,900**	**$89,941,131**	**-$1,769**	**0.00%**

Local Results Table 7
Year-Over-Year Upper-Tier Levy Shifts
(Upper-Tier General Levy)

St. Catharines	Upper-Tier General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$64,879,836	$64,364,618	-$515,218	-0.79%
Farm	$163,338	$174,214	$10,876	6.66%
New Multi-Residential	$313,500	$320,744	$7,244	2.31%
Multi-Residential	$7,222,389	$7,222,481	$92	0.00%
Commercial	$18,360,408	$18,657,285	$296,877	1.62%
Industrial	$2,575,339	$2,534,500	-$40,839	-1.59%
Pipeline	$287,785	$282,813	-$4,972	-1.73%
Sub-Total: Taxable	**$93,802,595**	**$93,556,655**	**-$245,940**	**-0.26%**
Payment In Lieu				
Residential	$17,179	$17,282	$103	0.60%
Commercial	$802,525	$796,721	-$5,804	-0.72%
Industrial	$31,952	$33,637	$1,685	5.27%
Sub-Total: Payment In Lieu	**$851,656**	**$847,640**	**-$4,016**	**-0.47%**
Total (Taxable + PIL)	**$94,654,251**	**$94,404,295**	**-$249,956**	**-0.26%**

Local Results Table 8
Year-Over-Year Municipal Levy Shifts

(Upper-Tier and Local General Levy Amounts)

St. Catharines	Municipal General Levies (UT + Local)		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$126,530,320	$125,686,254	-$844,066	-0.67%
Farm	$318,546	$340,192	$21,646	6.80%
New Multi-Residential	$611,396	$626,324	$14,928	2.44%
Multi-Residential	$14,085,283	$14,103,502	$18,219	0.13%
Commercial	$35,806,946	$36,432,513	$625,567	1.75%
Industrial	$5,022,491	$4,949,178	-$73,313	-1.46%
Pipeline	$561,246	$552,256	-$8,990	-1.60%
Sub-Total: Taxable	**$182,936,228**	**$182,690,219**	**-$246,009**	**-0.13%**
Payment In Lieu				
Residential	$33,503	$33,746	$243	0.73%
Commercial	$1,565,106	$1,555,777	-$9,329	-0.60%
Industrial	$62,314	$65,684	$3,370	5.41%
Sub-Total: Payment In Lieu	**$1,660,923**	**$1,655,207**	**-$5,716**	**-0.34%**
Total (Taxable + PIL)	**$184,597,151**	**$184,345,426**	**-$251,725**	**-0.14%**

Local Results Table 1
2018 Local Assessment Growth
(Full / Non Phase-Adjusted CVA)

Thorold	2018 Full CVA		Full CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	1,841,863,900	1,953,311,560	111,447,660	6.05%
Farm	55,098,600	52,079,240	-3,019,360	-5.48%
Managed Forest	526,600	526,600	0	0.00%
New Multi-Residential	65,945,300	65,945,300	0	0.00%
Multi-Residential	42,120,300	42,120,300	0	0.00%
Commercial	182,905,200	183,881,900	976,700	0.53%
Industrial	74,617,500	72,432,100	-2,185,400	-2.93%
Pipeline	25,451,000	25,610,000	159,000	0.62%
Sub-Total: Taxable	**2,288,528,400**	**2,395,907,000**	**107,378,600**	**4.69%**
Payment In Lieu				
Residential	5,242,400	4,974,400	-268,000	-5.11%
Farm	491,000	491,000	0	0.00%
Commercial	11,552,400	12,091,400	539,000	4.67%
Industrial	1,597,200	1,731,200	134,000	8.39%
Sub-Total: Payment In Lieu	**18,883,000**	**19,288,000**	**405,000**	**2.14%**
Total (Taxable + PIL)	**2,307,411,400**	**2,415,195,000**	**107,783,600**	**4.67%**

Local Results Table 1-B
Year-To-Year Assessment Growth Comparison
(Full / Non Phase-Adjusted CVA)

Thorold

	2017 Full CVA Growth		2018 Full CVA Growth	
Realty Tax Class	**$**	**%**	**$**	**%**
Taxable				
Residential	47,125,500	2.63%	111,447,660	6.05%
Farm	-17,294,700	-23.89%	-3,019,360	-5.48%
Managed Forest	99,600	23.33%	0	0.00%
New Multi-Residential	0	0.00%	0	0.00%
Multi-Residential	853,300	2.07%	0	0.00%
Commercial	-1,455,100	-0.79%	976,700	0.53%
Industrial	-2,502,800	-3.25%	-2,185,400	-2.93%
Pipeline	322,000	1.28%	159,000	0.62%
Sub-Total: Taxable	**27,147,800**	**1.20%**	**107,378,600**	**4.69%**
Payment In Lieu				
Residential	0	0.00%	-268,000	-5.11%
Farm	0	0.00%	0	0.00%
Commercial	0	0.00%	539,000	4.67%
Industrial	0	0.00%	134,000	8.39%
Sub-Total: Payment In Lieu	**0**	**0.00%**	**405,000**	**2.14%**
Total (Taxable + PIL)	**27,147,800**	**1.19%**	**107,783,600**	**4.67%**

Local Results Table 2
2018 Local Assessment Growth
(Phase-Adjusted CVA)

Thorold	2018 Phased CVA		Phased CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	1,741,742,306	1,848,166,089	106,423,783	6.11%
Farm	49,761,655	46,924,130	-2,837,525	-5.70%
Managed Forest	464,631	464,631	0	0.00%
New Multi-Residential	61,583,150	61,583,150	0	0.00%
Multi-Residential	40,542,894	40,542,894	0	0.00%
Commercial	167,991,038	168,980,091	989,053	0.59%
Industrial	70,156,956	68,141,746	-2,015,210	-2.87%
Pipeline	24,133,000	24,284,559	151,559	0.63%
Sub-Total: Taxable	**2,156,375,630**	**2,259,087,290**	**102,711,660**	**4.76%**
Payment In Lieu				
Residential	4,719,430	4,456,200	-263,230	-5.58%
Farm	431,500	431,500	0	0.00%
Commercial	10,799,600	11,337,344	537,744	4.98%
Industrial	1,516,950	1,645,882	128,932	8.50%
Sub-Total: Payment In Lieu	**17,467,480**	**17,870,926**	**403,446**	**2.31%**
Total (Taxable + PIL)	**2,173,843,110**	**2,276,958,216**	**103,115,106**	**4.74%**

Local Results Table 3
2018 Local Revenue Growth
(Annualized)

Thorold	2018 Local General Levy		Annualized Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$10,204,537	$10,828,055	$623,517	6.11%
Farm	$72,886	$68,730	-$4,156	-5.70%
Managed Forest	$681	$681	$0	0.00%
New Multi-Residential	$360,804	$360,804	$0	0.00%
Multi-Residential	$467,940	$467,940	$0	0.00%
Commercial	$1,674,220	$1,681,627	$7,408	0.44%
Industrial	$988,214	$961,595	-$26,618	-2.69%
Pipeline	$240,661	$242,172	$1,511	0.63%
Sub-Total: Taxable	**$14,009,943**	**$14,611,604**	**$601,662**	**4.29%**
Payment In Lieu				
Residential	$27,650	$26,107	-$1,542	-5.58%
Farm	$632	$632	$0	0.00%
Commercial	$109,773	$115,238	$5,466	4.98%
Industrial	$23,374	$25,361	$1,987	8.50%
Sub-Total: Payment In Lieu	**$161,429**	**$167,338**	**$5,911**	**3.66%**
Total (Taxable + PIL)	**$14,171,372**	**$14,778,942**	**$607,573**	**4.29%**

Local Results Table 3-B
Year-To-Year Annualized Local Revenue Growth Comparison

(Local General Purpose Levy)

Thorold

Realty Tax Class	2017 Local Annualized Revenue Growth $	2017 Local Annualized Revenue Growth %	2018 Local Annualized Revenue Growth $	2018 Local Annualized Revenue Growth %
Taxable				
Residential	$289,969	3.02%	$623,517	6.11%
Farm	-$6,458	-8.57%	-$4,156	-5.70%
Managed Forest	$103	19.40%	$0	0.00%
New Multi-Residential	$0	0.00%	$0	0.00%
Multi-Residential	$11,266	2.48%	$0	0.00%
Commercial	-$7,856	-0.48%	$7,408	0.44%
Industrial	-$32,354	-3.26%	-$26,618	-2.69%
Pipeline	$2,900	1.26%	$1,511	0.63%
Sub-Total: Taxable	**$257,570**	**1.93%**	**$601,662**	**4.29%**
Payment In Lieu				
Residential	$0	0.00%	-$1,542	-5.58%
Farm	$0	0.00%	$0	0.00%
Commercial	$0	0.00%	$5,466	4.98%
Industrial	$0	0.00%	$1,987	8.50%
Sub-Total: Payment In Lieu	**$0**	**0.00%**	**$5,911**	**3.66%**
Total (Taxable + PIL)	**$257,570**	**1.91%**	**$607,573**	**4.29%**

Local Results Table 4
Year-Over-Year Phase-In Change
(2018 to 2019 Phased CVA)

Thorold	Phase Adjusted CVA		Change	
Realty Tax Class	**2018 Revised**	**2019 Returned**	**$**	**%**
Taxable				
Residential	1,848,166,089	1,900,738,851	52,572,762	2.84%
Farm	46,924,130	49,501,686	2,577,556	5.49%
Managed Forest	464,631	495,616	30,985	6.67%
New Multi-Residential	61,583,150	63,764,225	2,181,075	3.54%
Multi-Residential	40,542,894	41,331,597	788,703	1.95%
Commercial	168,980,091	176,430,999	7,450,908	4.41%
Industrial	68,141,746	70,286,923	2,145,177	3.15%
Pipeline	24,284,559	24,947,280	662,721	2.73%
Sub-Total: Taxable	**2,259,087,290**	**2,327,497,177**	**68,409,887**	**3.03%**
Payment In Lieu				
Residential	4,456,200	4,715,300	259,100	5.81%
Farm	431,500	461,250	29,750	6.89%
Commercial	11,337,344	11,714,372	377,028	3.33%
Industrial	1,645,882	1,688,541	42,659	2.59%
Sub-Total: Payment In Lieu	**17,870,926**	**18,579,463**	**708,537**	**3.96%**
Total (Taxable + PIL)	**2,276,958,216**	**2,346,076,640**	**69,118,424**	**3.04%**

Local Results Table 5
Starting Ratios and Revenue Neutral (Notional) Tax Rates
(Local General Levy)

Thorold

Realty Tax Class	Tax Ratios: 2018 Actual	Tax Ratios: 2019 Start Ratio	Tax Ratios: Change %	Tax Rates: 2018 Actual	Tax Rates: 2019 Revenue Netural (Notional)	Tax Rates: Change %
Taxable						
Residential	1.000000	1.000000	0.00%	0.00585881	0.00568796	-2.92%
Farm	0.250000	0.250000	0.00%	0.00146470	0.00142199	-2.92%
Managed Forest	0.250000	0.250000	0.00%	0.00146470	0.00142199	-2.92%
New Multi-Residential	1.000000	1.000000	0.00%	0.00585881	0.00568796	-2.92%
Multi-Residential	1.970000	1.970000	0.00%	0.01154186	0.01120528	-2.92%
Commercial	1.734900	1.734900	0.00%	0.01016445	0.00986804	-2.92%
Industrial	2.630000	2.630000	0.00%	0.01540867	0.01495933	-2.92%
Pipeline	1.702100	1.702100	0.00%	0.00997228	0.00968148	-2.92%
Sub-Total of Taxable Levy				**$14,611,604**	**$14,611,609**	**0.00%**
Payment In Lieu						
Residential	1.000000	1.000000	0.00%	0.00585881	0.00568796	-2.92%
Farm	0.250000	0.250000	0.00%	0.00146470	0.00142199	-2.92%
Commercial	1.734900	1.734900	0.00%	0.01016445	0.00986804	-2.92%
Industrial	2.630000	2.630000	0.00%	0.01540867	0.01495933	-2.92%
Sub-Total of Payment In Lieu Levy				**$167,338**	**$168,334**	**0.60%**
Total Taxable + PIL Levies Based on Rate Set				**$14,778,942**	**$14,779,943**	**0.01%**

NOTE: These results are based on preliminary start ratios and notional levy amounts and are subject to change based on municipal policy decisions, spending decisions and/or Provincial tax policy updates. No rates or ratios should be considered final, or used for actual taxation purposes until final by-laws are passed.

Local Results Table 6
Year-Over-Year Interclass Tax Shifts
(Local General Levy)

Thorold	Local General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$10,828,055	$10,811,327	-$16,728	-0.15%
Farm	$68,730	$70,391	$1,661	2.42%
Managed Forest	$681	$705	$24	3.52%
New Multi-Residential	$360,804	$362,688	$1,884	0.52%
Multi-Residential	$467,940	$463,132	-$4,808	-1.03%
Commercial	$1,681,627	$1,703,445	$21,818	1.30%
Industrial	$961,595	$958,394	-$3,201	-0.33%
Pipeline	$242,172	$241,527	-$645	-0.27%
Sub-Total: Taxable	**$14,611,604**	**$14,611,609**	**$5**	**0.00%**
Payment In Lieu				
Residential	$26,107	$26,821	$714	2.73%
Farm	$632	$656	$24	3.80%
Commercial	$115,238	$115,598	$360	0.31%
Industrial	$25,361	$25,259	-$102	-0.40%
Sub-Total: Payment In Lieu	**$167,338**	**$168,334**	**$996**	**0.60%**
Total (Taxable + PIL)	**$14,778,942**	**$14,779,943**	**$1,001**	**0.01%**

Local Results Table 7
Year-Over-Year Upper-Tier Levy Shifts

(Upper-Tier General Levy)

Thorold	Upper-Tier General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$10,480,561	$10,372,655	-$107,906	-1.03%
Farm	$66,524	$67,535	$1,011	1.52%
Managed Forest	$659	$676	$17	2.58%
New Multi-Residential	$349,225	$347,972	-$1,253	-0.36%
Multi-Residential	$452,923	$444,340	-$8,583	-1.90%
Commercial	$1,627,661	$1,634,327	$6,666	0.41%
Industrial	$930,737	$919,508	-$11,229	-1.21%
Pipeline	$234,401	$231,727	-$2,674	-1.14%
Sub-Total: Taxable	**$14,142,691**	**$14,018,740**	**-$123,951**	**-0.88%**
Payment In Lieu				
Residential	$25,270	$25,732	$462	1.83%
Farm	$612	$629	$17	2.78%
Commercial	$111,539	$110,907	-$632	-0.57%
Industrial	$24,547	$24,235	-$312	-1.27%
Sub-Total: Payment In Lieu	**$161,968**	**$161,503**	**-$465**	**-0.29%**
Total (Taxable + PIL)	**$14,304,659**	**$14,180,243**	**-$124,416**	**-0.87%**

Local Results Table 8
Year-Over-Year Municipal Levy Shifts

(Upper-Tier and Local General Levy Amounts)

Thorold	Municipal General Levies (UT + Local)		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$21,308,616	$21,183,982	-$124,634	-0.58%
Farm	$135,254	$137,926	$2,672	1.98%
Managed Forest	$1,340	$1,381	$41	3.06%
New Multi-Residential	$710,029	$710,660	$631	0.09%
Multi-Residential	$920,863	$907,472	-$13,391	-1.45%
Commercial	$3,309,288	$3,337,772	$28,484	0.86%
Industrial	$1,892,332	$1,877,902	-$14,430	-0.76%
Pipeline	$476,573	$473,254	-$3,319	-0.70%
Sub-Total: Taxable	**$28,754,295**	**$28,630,349**	**-$123,946**	**-0.43%**
Payment In Lieu				
Residential	$51,377	$52,553	$1,176	2.29%
Farm	$1,244	$1,285	$41	3.30%
Commercial	$226,777	$226,505	-$272	-0.12%
Industrial	$49,908	$49,494	-$414	-0.83%
Sub-Total: Payment In Lieu	**$329,306**	**$329,837**	**$531**	**0.16%**
Total (Taxable + PIL)	**$29,083,601**	**$28,960,186**	**-$123,415**	**-0.42%**

Local Results Table 1
2018 Local Assessment Growth
(Full / Non Phase-Adjusted CVA)

Wainfleet	2018 Full CVA		Full CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	891,881,215	906,926,515	15,045,300	1.69%
Farm	202,814,303	203,726,703	912,400	0.45%
Managed Forest	1,548,900	1,590,100	41,200	2.66%
Multi-Residential	457,000	457,000	0	0.00%
Commercial	21,407,300	20,883,700	-523,600	-2.45%
Industrial	4,108,200	4,108,200	0	0.00%
Pipeline	5,525,000	5,530,000	5,000	0.09%
Sub-Total: Taxable	**1,127,741,918**	**1,143,222,218**	**15,480,300**	**1.37%**
Payment In Lieu				
Residential	275,200	275,200	0	0.00%
Commercial	1,316,000	1,316,000	0	0.00%
Industrial	10,600	10,600	0	0.00%
Sub-Total: Payment In Lieu	**1,601,800**	**1,601,800**	**0**	**0.00%**
Total (Taxable + PIL)	**1,129,343,718**	**1,144,824,018**	**15,480,300**	**1.37%**

Local Results Table 1-B
Year-To-Year Assessment Growth Comparison

(Full / Non Phase-Adjusted CVA)

Wainfleet

Realty Tax Class	2017 Full CVA Growth $	2017 Full CVA Growth %	2018 Full CVA Growth $	2018 Full CVA Growth %
Taxable				
Residential	2,938,115	0.33%	15,045,300	1.69%
Farm	1,168,603	0.58%	912,400	0.45%
Managed Forest	32,700	2.16%	41,200	2.66%
Multi-Residential	0	0.00%	0	0.00%
Commercial	-1,007,600	-4.50%	-523,600	-2.45%
Industrial	158,600	4.02%	0	0.00%
Pipeline	34,000	0.62%	5,000	0.09%
Sub-Total: Taxable	**3,324,418**	**0.30%**	**15,480,300**	**1.37%**
Payment In Lieu				
Residential	0	0.00%	0	0.00%
Commercial	0	0.00%	0	0.00%
Industrial	0	0.00%	0	0.00%
Sub-Total: Payment In Lieu	**0**	**0.00%**	**0**	**0.00%**
Total (Taxable + PIL)	**3,324,418**	**0.30%**	**15,480,300**	**1.37%**

Local Results Table 2
2018 Local Assessment Growth
(Phase-Adjusted CVA)

Wainfleet	2018 Phased CVA		Phased CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	826,029,436	840,442,450	14,413,014	1.74%
Farm	158,597,930	159,303,036	705,106	0.44%
Managed Forest	1,271,844	1,306,097	34,253	2.69%
Multi-Residential	456,500	456,500	0	0.00%
Commercial	18,794,233	18,267,756	-526,477	-2.80%
Industrial	3,836,852	3,836,852	0	0.00%
Pipeline	5,234,000	5,238,740	4,740	0.09%
Sub-Total: Taxable	**1,014,220,795**	**1,028,851,431**	**14,630,636**	**1.44%**
Payment In Lieu				
Residential	264,400	264,400	0	0.00%
Commercial	1,249,500	1,249,500	0	0.00%
Industrial	10,250	10,250	0	0.00%
Sub-Total: Payment In Lieu	**1,524,150**	**1,524,150**	**0**	**0.00%**
Total (Taxable + PIL)	**1,015,744,945**	**1,030,375,581**	**14,630,636**	**1.44%**

Local Results Table 3
2018 Local Revenue Growth
(Annualized)

Wainfleet	2018 Local General Levy		Annualized Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$4,797,670	$4,881,382	$83,712	1.74%
Farm	$230,289	$231,313	$1,024	0.44%
Managed Forest	$1,847	$1,896	$50	2.71%
Multi-Residential	$5,223	$5,223	$0	0.00%
Commercial	$185,249	$179,944	-$5,305	-2.86%
Industrial	$57,670	$57,670	$0	0.00%
Pipeline	$51,743	$51,790	$47	0.09%
Sub-Total: Taxable	**$5,329,691**	**$5,409,218**	**$79,528**	**1.49%**
Payment In Lieu				
Residential	$1,536	$1,536	$0	0.00%
Commercial	$12,591	$12,591	$0	0.00%
Industrial	$157	$157	$0	0.00%
Sub-Total: Payment In Lieu	**$14,284**	**$14,284**	**$0**	**0.00%**
Total (Taxable + PIL)	**$5,343,975**	**$5,423,502**	**$79,528**	**1.49%**

Local Results Table 3-B
Year-To-Year Annualized Local Revenue Growth Comparison

(Local General Purpose Levy)

Wainfleet

Realty Tax Class	2017 Local Annualized Revenue Growth $	2017 Local Annualized Revenue Growth %	2018 Local Annualized Revenue Growth $	2018 Local Annualized Revenue Growth %
Taxable				
Residential	$18,935	0.41%	$83,712	1.74%
Farm	$1,191	0.60%	$1,024	0.44%
Managed Forest	$27	1.64%	$50	2.71%
Multi-Residential	$0	0.00%	$0	0.00%
Commercial	-$5,532	-3.02%	-$5,305	-2.86%
Industrial	$3,247	6.10%	$0	0.00%
Pipeline	$319	0.63%	$47	0.09%
Sub-Total: Taxable	**$18,187**	**0.35%**	**$79,528**	**1.49%**
Payment In Lieu				
Residential	$0	0.00%	$0	0.00%
Commercial	$0	0.00%	$0	0.00%
Industrial	$0	0.00%	$0	0.00%
Sub-Total: Payment In Lieu	**$0**	**0.00%**	**$0**	**0.00%**
Total (Taxable + PIL)	**$18,187**	**0.35%**	**$79,528**	**1.49%**

Local Results Table 4
Year-Over-Year Phase-In Change

(2018 to 2019 Phased CVA)

Wainfleet	Phase Adjusted CVA		Change	
Realty Tax Class	**2018 Revised**	**2019 Returned**	**$**	**%**
Taxable				
Residential	840,442,450	873,684,483	33,242,033	3.96%
Farm	159,303,036	181,514,872	22,211,836	13.94%
Managed Forest	1,306,097	1,448,099	142,002	10.87%
Multi-Residential	456,500	456,750	250	0.05%
Commercial	18,267,756	19,575,728	1,307,972	7.16%
Industrial	3,836,852	3,972,525	135,673	3.54%
Pipeline	5,238,740	5,384,370	145,630	2.78%
Sub-Total: Taxable	**1,028,851,431**	**1,086,036,827**	**57,185,396**	**5.56%**
Payment In Lieu				
Residential	264,400	269,800	5,400	2.04%
Commercial	1,249,500	1,282,750	33,250	2.66%
Industrial	10,250	10,425	175	1.71%
Sub-Total: Payment In Lieu	**1,524,150**	**1,562,975**	**38,825**	**2.55%**
Total (Taxable + PIL)	**1,030,375,581**	**1,087,599,802**	**57,224,221**	**5.55%**

Local Results Table 5
Starting Ratios and Revenue Neutral (Notional) Tax Rates
(Local General Levy)

Wainfleet

Realty Tax Class	Tax Ratios: 2018 Actual	Tax Ratios: 2019 Start Ratio	Tax Ratios: Change %	Tax Rates: 2018 Actual	Tax Rates: 2019 Revenue Netural (Notional)	Tax Rates: Change %
Taxable						
Residential	1.000000	1.000000	0.00%	0.00580811	0.00555981	-4.28%
Farm	0.250000	0.250000	0.00%	0.00145203	0.00138995	-4.28%
Managed Forest	0.250000	0.250000	0.00%	0.00145203	0.00138995	-4.28%
Multi-Residential	1.970000	1.970000	0.00%	0.01144197	0.01095283	-4.27%
Commercial	1.734900	1.734900	0.00%	0.01007649	0.00964571	-4.28%
Industrial	2.630000	2.630000	0.00%	0.01527532	0.01462230	-4.28%
Pipeline	1.702100	1.702100	0.00%	0.00988598	0.00946335	-4.28%
Sub-Total of Taxable Levy				**$5,409,218**	**$5,409,221**	**0.00%**
Payment In Lieu						
Residential	1.000000	1.000000	0.00%	0.00580811	0.00555981	-4.28%
Commercial	1.734900	1.734900	0.00%	0.01007649	0.00964571	-4.28%
Industrial	2.630000	2.630000	0.00%	0.01527532	0.01462230	-4.28%
Sub-Total of Payment In Lieu Levy				**$14,284**	**$14,025**	**-1.81%**
Total Taxable + PIL Levies Based on Rate Set				**$5,423,502**	**$5,423,246**	**0.00%**

NOTE: These results are based on preliminary start ratios and notional levy amounts and are subject to change based on municipal policy decisions, spending decisions and/or Provincial tax policy updates. No rates or ratios should be considered final, or used for actual taxation purposes until final by-laws are passed.

Local Results Table 6
Year-Over-Year Interclass Tax Shifts
(Local General Levy)

Wainfleet	Local General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$4,881,382	$4,857,520	-$23,862	-0.49%
Farm	$231,313	$252,297	$20,984	9.07%
Managed Forest	$1,896	$2,013	$117	6.17%
Multi-Residential	$5,223	$5,003	-$220	-4.21%
Commercial	$179,944	$184,317	$4,373	2.43%
Industrial	$57,670	$57,117	-$553	-0.96%
Pipeline	$51,790	$50,954	-$836	-1.61%
Sub-Total: Taxable	**$5,409,218**	**$5,409,221**	**$3**	**0.00%**
Payment In Lieu				
Residential	$1,536	$1,500	-$36	-2.34%
Commercial	$12,591	$12,373	-$218	-1.73%
Industrial	$157	$152	-$5	-3.18%
Sub-Total: Payment In Lieu	**$14,284**	**$14,025**	**-$259**	**-1.81%**
Total (Taxable + PIL)	**$5,423,502**	**$5,423,246**	**-$256**	**0.00%**

Local Results Table 7
Year-Over-Year Upper-Tier Levy Shifts
(Upper-Tier General Levy)

Wainfleet	Upper-Tier General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$4,765,972	$4,767,845	$1,873	0.04%
Farm	$225,844	$247,639	$21,795	9.65%
Managed Forest	$1,852	$1,976	$124	6.70%
Multi-Residential	$5,100	$4,910	-$190	-3.73%
Commercial	$175,688	$180,914	$5,226	2.97%
Industrial	$56,306	$56,063	-$243	-0.43%
Pipeline	$50,566	$50,014	-$552	-1.09%
Sub-Total: Taxable	**$5,281,328**	**$5,309,361**	**$28,033**	**0.53%**
Payment In Lieu				
Residential	$1,500	$1,472	-$28	-1.87%
Commercial	$12,293	$12,145	-$148	-1.20%
Industrial	$153	$150	-$3	-1.96%
Sub-Total: Payment In Lieu	**$13,946**	**$13,767**	**-$179**	**-1.28%**
Total (Taxable + PIL)	**$5,295,274**	**$5,323,128**	**$27,854**	**0.53%**

Local Results Table 8
Year-Over-Year Municipal Levy Shifts
(Upper-Tier and Local General Levy Amounts)

Wainfleet	Municipal General Levies (UT + Local)		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$9,647,354	$9,625,365	-$21,989	-0.23%
Farm	$457,157	$499,936	$42,779	9.36%
Managed Forest	$3,748	$3,989	$241	6.43%
Multi-Residential	$10,323	$9,913	-$410	-3.97%
Commercial	$355,632	$365,231	$9,599	2.70%
Industrial	$113,976	$113,180	-$796	-0.70%
Pipeline	$102,356	$100,968	-$1,388	-1.36%
Sub-Total: Taxable	**$10,690,546**	**$10,718,582**	**$28,036**	**0.26%**
Payment In Lieu				
Residential	$3,036	$2,972	-$64	-2.11%
Commercial	$24,884	$24,518	-$366	-1.47%
Industrial	$310	$302	-$8	-2.58%
Sub-Total: Payment In Lieu	**$28,230**	**$27,792**	**-$438**	**-1.55%**
Total (Taxable + PIL)	**$10,718,776**	**$10,746,374**	**$27,598**	**0.26%**

Local Results Table 1
2018 Local Assessment Growth
(Full / Non Phase-Adjusted CVA)

Welland	2018 Full CVA		Full CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	4,080,024,627	4,140,240,667	60,216,040	1.48%
Farm	22,640,900	22,036,600	-604,300	-2.67%
Managed Forest	771,400	998,400	227,000	29.43%
New Multi-Residential	9,776,500	10,203,500	427,000	4.37%
Multi-Residential	162,471,800	163,032,900	561,100	0.35%
Commercial	405,387,800	416,432,620	11,044,820	2.72%
Industrial	73,551,800	79,746,640	6,194,840	8.42%
Landfill	455,400	455,400	0	0.00%
Pipeline	20,784,000	20,854,000	70,000	0.34%
Sub-Total: Taxable	**4,775,864,227**	**4,854,000,727**	**78,136,500**	**1.64%**
Payment In Lieu				
Residential	930,600	930,600	0	0.00%
Commercial	11,101,000	11,262,000	161,000	1.45%
Industrial	521,500	521,500	0	0.00%
Landfill	1,334,300	1,334,300	0	0.00%
Sub-Total: Payment In Lieu	**13,887,400**	**14,048,400**	**161,000**	**1.16%**
Total (Taxable + PIL)	**4,789,751,627**	**4,868,049,127**	**78,297,500**	**1.63%**

Local Results Table 1-B
Year-To-Year Assessment Growth Comparison
(Full / Non Phase-Adjusted CVA)

Welland

Realty Tax Class	2017 Full CVA Growth $	2017 Full CVA Growth %	2018 Full CVA Growth $	2018 Full CVA Growth %
Taxable				
Residential	65,462,400	1.63%	60,216,040	1.48%
Farm	99,400	0.44%	-604,300	-2.67%
Managed Forest	-156,100	-16.83%	227,000	29.43%
New Multi-Residential	1,750,300	21.81%	427,000	4.37%
Multi-Residential	-638,000	-0.39%	561,100	0.35%
Commercial	-4,945,600	-1.21%	11,044,820	2.72%
Industrial	-1,190,100	-1.59%	6,194,840	8.42%
Landfill	59,900	15.15%	0	0.00%
Pipeline	77,000	0.37%	70,000	0.34%
Sub-Total: Taxable	**60,519,200**	**1.28%**	**78,136,500**	**1.64%**
Payment In Lieu				
Residential	0	0.00%	0	0.00%
Commercial	-10,400	-0.09%	161,000	1.45%
Industrial	1,700	0.33%	0	0.00%
Landfill	0	0.00%	0	0.00%
Sub-Total: Payment In Lieu	**-8,700**	**-0.06%**	**161,000**	**1.16%**
Total (Taxable + PIL)	**60,510,500**	**1.28%**	**78,297,500**	**1.63%**

Local Results Table 2
2018 Local Assessment Growth
(Phase-Adjusted CVA)

Welland	2018 Phased CVA		Phased CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	3,862,070,815	3,919,777,830	57,707,015	1.49%
Farm	18,385,122	17,897,924	-487,198	-2.65%
Managed Forest	631,354	833,518	202,164	32.02%
New Multi-Residential	9,449,400	9,858,900	409,500	4.33%
Multi-Residential	158,313,150	158,898,700	585,550	0.37%
Commercial	372,255,283	382,936,264	10,680,981	2.87%
Industrial	68,533,470	74,849,601	6,316,131	9.22%
Landfill	312,850	312,850	0	0.00%
Pipeline	19,884,500	19,951,457	66,957	0.34%
Sub-Total: Taxable	**4,509,835,944**	**4,585,317,044**	**75,481,100**	**1.67%**
Payment In Lieu				
Residential	858,300	858,300	0	0.00%
Commercial	10,675,650	10,836,650	161,000	1.51%
Industrial	466,593	466,593	0	0.00%
Landfill	886,150	886,150	0	0.00%
Sub-Total: Payment In Lieu	**12,886,693**	**13,047,693**	**161,000**	**1.25%**
Total (Taxable + PIL)	**4,522,722,637**	**4,598,364,737**	**75,642,100**	**1.67%**

Local Results Table 3
2018 Local Revenue Growth
(Annualized)

Welland	2018 Local General Levy		Annualized Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$29,865,937	$30,312,873	$446,936	1.50%
Farm	$35,598	$34,655	-$943	-2.65%
Managed Forest	$1,222	$1,614	$391	32.00%
New Multi-Residential	$73,185	$76,356	$3,172	4.33%
Multi-Residential	$2,415,458	$2,424,392	$8,934	0.37%
Commercial	$4,928,315	$5,042,530	$114,213	2.32%
Industrial	$1,356,598	$1,488,453	$131,854	9.72%
Landfill	$7,124	$7,124	$0	0.00%
Pipeline	$262,130	$263,012	$883	0.34%
Sub-Total: Taxable	**$38,945,567**	**$39,651,009**	**$705,440**	**1.81%**
Payment In Lieu				
Residential	$6,646	$6,646	$0	0.00%
Commercial	$143,314	$145,477	$2,163	1.51%
Industrial	$9,494	$9,494	$0	0.00%
Landfill	$20,179	$20,179	$0	0.00%
Sub-Total: Payment In Lieu	**$179,633**	**$181,796**	**$2,163**	**1.20%**
Total (Taxable + PIL)	**$39,125,200**	**$39,832,805**	**$707,603**	**1.81%**

Local Results Table 3-B
Year-To-Year Annualized Local Revenue Growth Comparison
(Local General Purpose Levy)

Welland

Realty Tax Class	2017 Local Annualized Revenue Growth $	2017 Local Annualized Revenue Growth %	2018 Local Annualized Revenue Growth $	2018 Local Annualized Revenue Growth %
Taxable				
Residential	$458,668	1.60%	$446,936	1.50%
Farm	$160	0.51%	-$943	-2.65%
Managed Forest	-$289	-20.99%	$391	32.00%
New Multi-Residential	$12,006	20.01%	$3,172	4.33%
Multi-Residential	-$6,183	-0.25%	$8,934	0.37%
Commercial	-$12,735	-0.27%	$114,213	2.32%
Industrial	-$1,111	-0.08%	$131,854	9.72%
Landfill	$329	6.35%	$0	0.00%
Pipeline	$927	0.36%	$883	0.34%
Sub-Total: Taxable	**$451,772**	**1.21%**	**$705,440**	**1.81%**
Payment In Lieu				
Residential	$0	0.00%	$0	0.00%
Commercial	-$138	-0.10%	$2,163	1.51%
Industrial	$23	0.26%	$0	0.00%
Landfill	$0	0.00%	$0	0.00%
Sub-Total: Payment In Lieu	**-$115**	**-0.07%**	**$2,163**	**1.20%**
Total (Taxable + PIL)	**$451,657**	**1.20%**	**$707,603**	**1.81%**

Local Results Table 4
Year-Over-Year Phase-In Change
(2018 to 2019 Phased CVA)

Welland	Phase Adjusted CVA		Change	
Realty Tax Class	**2018 Revised**	**2019 Returned**	**$**	**%**
Taxable				
Residential	3,919,777,830	4,030,009,274	110,231,444	2.81%
Farm	17,897,924	19,967,262	2,069,338	11.56%
Managed Forest	833,518	915,957	82,439	9.89%
New Multi-Residential	9,858,900	10,031,200	172,300	1.75%
Multi-Residential	158,898,700	160,965,800	2,067,100	1.30%
Commercial	382,936,264	399,684,448	16,748,184	4.37%
Industrial	74,849,601	77,298,122	2,448,521	3.27%
Landfill	312,850	384,125	71,275	22.78%
Pipeline	19,951,457	20,402,728	451,271	2.26%
Sub-Total: Taxable	**4,585,317,044**	**4,719,658,916**	**134,341,872**	**2.93%**
Payment In Lieu				
Residential	858,300	894,450	36,150	4.21%
Commercial	10,836,650	11,049,325	212,675	1.96%
Industrial	466,593	494,046	27,453	5.88%
Landfill	886,150	1,110,225	224,075	25.29%
Sub-Total: Payment In Lieu	**13,047,693**	**13,548,046**	**500,353**	**3.83%**
Total (Taxable + PIL)	**4,598,364,737**	**4,733,206,962**	**134,842,225**	**2.93%**

Local Results Table 5
Starting Ratios and Revenue Neutral (Notional) Tax Rates
(Local General Levy)

Welland

Realty Tax Class	Tax Ratios: 2018 Actual	Tax Ratios: 2019 Start Ratio	Tax Ratios: Change %	Tax Rates: 2018 Actual	Tax Rates: 2019 Revenue Netural (Notional)	Tax Rates: Change %
Taxable						
Residential	1.000000	1.000000	0.00%	0.00774491	0.00752403	-2.85%
Farm	0.250000	0.250000	0.00%	0.00193623	0.00188101	-2.85%
Managed Forest	0.250000	0.250000	0.00%	0.00193623	0.00188101	-2.85%
New Multi-Residential	1.000000	1.000000	0.00%	0.00774491	0.00752403	-2.85%
Multi-Residential	1.970000	1.970000	0.00%	0.01525747	0.01482234	-2.85%
Commercial	1.734900	1.734900	0.00%	0.01343664	0.01305344	-2.85%
Industrial	2.630000	2.630000	0.00%	0.02036910	0.01978820	-2.85%
Landfill	2.940261	2.940261	0.00%	0.02277205	0.02212261	-2.85%
Pipeline	1.702100	1.702100	0.00%	0.01318261	0.01280665	-2.85%
Sub-Total of Taxable Levy				**$39,651,009**	**$39,650,997**	**0.00%**
Payment In Lieu						
Residential	1.000000	1.000000	0.00%	0.00774491	0.00752403	-2.85%
Commercial	1.734900	1.734900	0.00%	0.01343664	0.01305344	-2.85%
Industrial	2.630000	2.630000	0.00%	0.02036910	0.01978820	-2.85%
Landfill	2.940261	2.940261	0.00%	0.02277205	0.02212261	-2.85%
Sub-Total of Payment In Lieu Levy				**$181,796**	**$185,161**	**1.85%**
Total Taxable + PIL Levies Based on Rate Set				**$39,832,805**	**$39,836,158**	**0.01%**

NOTE: These results are based on preliminary start ratios and notional levy amounts and are subject to change based on municipal policy decisions, spending decisions and/or Provincial tax policy updates. No rates or ratios should be considered final, or used for actual taxation purposes until final by-laws are passed.

Local Results Table 6
Year-Over-Year Interclass Tax Shifts
(Local General Levy)

Welland	Local General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$30,312,873	$30,277,742	-$35,131	-0.12%
Farm	$34,655	$37,559	$2,904	8.38%
Managed Forest	$1,614	$1,723	$109	6.75%
New Multi-Residential	$76,356	$75,475	-$881	-1.15%
Multi-Residential	$2,424,392	$2,385,890	-$38,502	-1.59%
Commercial	$5,042,530	$5,113,055	$70,525	1.40%
Industrial	$1,488,453	$1,489,764	$1,311	0.09%
Landfill	$7,124	$8,498	$1,374	19.29%
Pipeline	$263,012	$261,291	-$1,721	-0.65%
Sub-Total: Taxable	**$39,651,009**	**$39,650,997**	**-$12**	**0.00%**
Payment In Lieu				
Residential	$6,646	$6,730	$84	1.26%
Commercial	$145,477	$144,104	-$1,373	-0.94%
Industrial	$9,494	$9,766	$272	2.86%
Landfill	$20,179	$24,561	$4,382	21.72%
Sub-Total: Payment In Lieu	**$181,796**	**$185,161**	**$3,365**	**1.85%**
Total (Taxable + PIL)	**$39,832,805**	**$39,836,158**	**$3,353**	**0.01%**

Local Results Table 7
Year-Over-Year Upper-Tier Levy Shifts

(Upper-Tier General Levy)

Welland **Realty Tax Class**	**Upper-Tier General Levy** **2018 as Revised**	 **2019 Notional**	**Change** **$**	 **%**
Taxable				
Residential	$22,194,956	$21,960,410	-$234,546	-1.06%
Farm	$25,374	$27,241	$1,867	7.36%
Managed Forest	$1,182	$1,250	$68	5.75%
New Multi-Residential	$55,908	$54,742	-$1,166	-2.09%
Multi-Residential	$1,775,130	$1,730,482	-$44,648	-2.52%
Commercial	$3,692,118	$3,708,490	$16,372	0.44%
Industrial	$1,089,839	$1,080,524	-$9,315	-0.85%
Landfill	$5,216	$6,163	$947	18.16%
Pipeline	$192,576	$189,514	-$3,062	-1.59%
Sub-Total: Taxable	**$29,032,299**	**$28,758,816**	**-$273,483**	**-0.94%**
Payment In Lieu				
Residential	$4,867	$4,881	$14	0.29%
Commercial	$106,517	$104,518	-$1,999	-1.88%
Industrial	$6,951	$7,084	$133	1.91%
Landfill	$14,775	$17,814	$3,039	20.57%
Sub-Total: Payment In Lieu	**$133,110**	**$134,297**	**$1,187**	**0.89%**
Total (Taxable + PIL)	**$29,165,409**	**$28,893,113**	**-$272,296**	**-0.93%**

Local Results Table 8
Year-Over-Year Municipal Levy Shifts
(Upper-Tier and Local General Levy Amounts)

Welland	Municipal General Levies (UT + Local)		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$52,507,829	$52,238,152	-$269,677	-0.51%
Farm	$60,029	$64,800	$4,771	7.95%
Managed Forest	$2,796	$2,973	$177	6.33%
New Multi-Residential	$132,264	$130,217	-$2,047	-1.55%
Multi-Residential	$4,199,522	$4,116,372	-$83,150	-1.98%
Commercial	$8,734,648	$8,821,545	$86,897	0.99%
Industrial	$2,578,292	$2,570,288	-$8,004	-0.31%
Landfill	$12,340	$14,661	$2,321	18.81%
Pipeline	$455,588	$450,805	-$4,783	-1.05%
Sub-Total: Taxable	**$68,683,308**	**$68,409,813**	**-$273,495**	**-0.40%**
Payment In Lieu				
Residential	$11,513	$11,611	$98	0.85%
Commercial	$251,994	$248,622	-$3,372	-1.34%
Industrial	$16,445	$16,850	$405	2.46%
Landfill	$34,954	$42,375	$7,421	21.23%
Sub-Total: Payment In Lieu	**$314,906**	**$319,458**	**$4,552**	**1.45%**
Total (Taxable + PIL)	**$68,998,214**	**$68,729,271**	**-$268,943**	**-0.39%**

Local Results Table 1
2018 Local Assessment Growth
(Full / Non Phase-Adjusted CVA)

West Lincoln	2018 Full CVA		Full CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	1,659,881,125	1,701,978,431	42,097,306	2.54%
Farm	470,314,275	471,822,739	1,508,464	0.32%
Managed Forest	1,925,400	2,028,600	103,200	5.36%
Multi-Residential	7,074,000	7,074,000	0	0.00%
Commercial	71,997,000	76,770,800	4,773,800	6.63%
Industrial	32,910,900	34,194,100	1,283,200	3.90%
Pipeline	28,586,000	29,028,000	442,000	1.55%
Sub-Total: Taxable	**2,272,688,700**	**2,322,896,670**	**50,207,970**	**2.21%**
Payment In Lieu				
Residential	403,500	403,500	0	0.00%
Commercial	2,908,300	2,908,300	0	0.00%
Industrial	112,500	105,100	-7,400	-6.58%
Landfill	371,700	371,700	0	0.00%
Sub-Total: Payment In Lieu	**3,796,000**	**3,788,600**	**-7,400**	**-0.19%**
Total (Taxable + PIL)	**2,276,484,700**	**2,326,685,270**	**50,200,570**	**2.21%**

Local Results Table 1-B
Year-To-Year Assessment Growth Comparison
(Full / Non Phase-Adjusted CVA)

West Lincoln

Realty Tax Class	2017 Full CVA Growth $	2017 Full CVA Growth %	2018 Full CVA Growth $	2018 Full CVA Growth %
Taxable				
Residential	51,743,525	3.22%	42,097,306	2.54%
Farm	-5,075,225	-1.07%	1,508,464	0.32%
Managed Forest	-14,900	-0.77%	103,200	5.36%
Multi-Residential	-993,000	-12.31%	0	0.00%
Commercial	767,300	1.08%	4,773,800	6.63%
Industrial	8,424,100	34.40%	1,283,200	3.90%
Pipeline	204,000	0.72%	442,000	1.55%
Sub-Total: Taxable	**55,055,800**	**2.48%**	**50,207,970**	**2.21%**
Payment In Lieu				
Residential	0	0.00%	0	0.00%
Commercial	0	0.00%	0	0.00%
Industrial	0	0.00%	-7,400	-6.58%
Landfill	0	0.00%	0	0.00%
Sub-Total: Payment In Lieu	**0**	**0.00%**	**-7,400**	**-0.19%**
Total (Taxable + PIL)	**55,055,800**	**2.48%**	**50,200,570**	**2.21%**

Local Results Table 2
2018 Local Assessment Growth
(Phase-Adjusted CVA)

West Lincoln	2018 Phased CVA		Phased CVA Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	1,510,592,050	1,549,004,656	38,412,606	2.54%
Farm	363,908,545	365,396,886	1,488,341	0.41%
Managed Forest	1,564,695	1,647,978	83,283	5.32%
Multi-Residential	6,633,500	6,633,500	0	0.00%
Commercial	67,304,853	72,029,664	4,724,811	7.02%
Industrial	31,760,421	33,009,697	1,249,276	3.93%
Pipeline	26,907,000	27,330,728	423,728	1.57%
Sub-Total: Taxable	**2,008,671,064**	**2,055,053,109**	**46,382,045**	**2.31%**
Payment In Lieu				
Residential	398,500	398,500	0	0.00%
Commercial	2,775,800	2,775,800	0	0.00%
Industrial	104,900	97,500	-7,400	-7.05%
Landfill	371,700	371,700	0	0.00%
Sub-Total: Payment In Lieu	**3,650,900**	**3,643,500**	**-7,400**	**-0.20%**
Total (Taxable + PIL)	**2,012,321,964**	**2,058,696,609**	**46,374,645**	**2.30%**

Local Results Table 3
2018 Local Revenue Growth
(Annualized)

West Lincoln	2018 Local General Levy		Annualized Growth	
Realty Tax Class	**As Returned**	**As Revised**	**$**	**%**
Taxable				
Residential	$5,212,403	$5,344,949	$132,546	2.54%
Farm	$313,922	$315,206	$1,284	0.41%
Managed Forest	$1,350	$1,422	$72	5.33%
Multi-Residential	$45,092	$45,092	$0	0.00%
Commercial	$397,682	$426,321	$28,640	7.20%
Industrial	$285,068	$295,801	$10,735	3.77%
Pipeline	$158,031	$160,519	$2,489	1.58%
Sub-Total: Taxable	**$6,413,548**	**$6,589,310**	**$175,766**	**2.74%**
Payment In Lieu				
Residential	$1,375	$1,375	$0	0.00%
Commercial	$16,617	$16,617	$0	0.00%
Industrial	$952	$885	-$67	-7.04%
Landfill	$3,771	$3,771	$0	0.00%
Sub-Total: Payment In Lieu	**$22,715**	**$22,648**	**-$67**	**-0.29%**
Total (Taxable + PIL)	**$6,436,263**	**$6,611,958**	**$175,699**	**2.73%**

Local Results Table 3-B
Year-To-Year Annualized Local Revenue Growth Comparison

(Local General Purpose Levy)

West Lincoln

Realty Tax Class	2017 Local Annualized Revenue Growth $	%	2018 Local Annualized Revenue Growth $	%
Taxable				
Residential	$163,259	3.39%	$132,546	2.54%
Farm	-$3,058	-1.12%	$1,284	0.41%
Managed Forest	-$7	-0.58%	$72	5.33%
Multi-Residential	-$4,729	-9.60%	$0	0.00%
Commercial	$4,355	1.12%	$28,640	7.20%
Industrial	$72,262	34.51%	$10,735	3.77%
Pipeline	$1,086	0.71%	$2,489	1.58%
Sub-Total: Taxable	**$233,168**	**3.96%**	**$175,766**	**2.74%**
Payment In Lieu				
Residential	$0	0.00%	$0	0.00%
Commercial	$0	0.00%	$0	0.00%
Industrial	$0	0.00%	-$67	-7.04%
Landfill	$0	0.00%	$0	0.00%
Sub-Total: Payment In Lieu	**$0**	**0.00%**	**-$67**	**-0.29%**
Total (Taxable + PIL)	**$233,168**	**3.94%**	**$175,699**	**2.73%**

Local Results Table 4
Year-Over-Year Phase-In Change

(2018 to 2019 Phased CVA)

West Lincoln	Phase Adjusted CVA		Change	
Realty Tax Class	**2018 Revised**	**2019 Returned**	**$**	**%**
Taxable				
Residential	1,549,004,656	1,625,491,549	76,486,893	4.94%
Farm	365,396,886	418,609,818	53,212,932	14.56%
Managed Forest	1,647,978	1,838,289	190,311	11.55%
Multi-Residential	6,633,500	6,853,750	220,250	3.32%
Commercial	72,029,664	74,400,234	2,370,570	3.29%
Industrial	33,009,697	33,601,898	592,201	1.79%
Pipeline	27,330,728	28,179,364	848,636	3.11%
Sub-Total: Taxable	**2,055,053,109**	**2,188,974,902**	**133,921,793**	**6.52%**
Payment In Lieu				
Residential	398,500	401,000	2,500	0.63%
Commercial	2,775,800	2,842,050	66,250	2.39%
Industrial	97,500	101,300	3,800	3.90%
Landfill	371,700	371,700	0	0.00%
Sub-Total: Payment In Lieu	**3,643,500**	**3,716,050**	**72,550**	**1.99%**
Total (Taxable + PIL)	**2,058,696,609**	**2,192,690,952**	**133,994,343**	**6.51%**

Local Results Table 5
Starting Ratios and Revenue Neutral (Notional) Tax Rates
(Local General Levy)

West Lincoln

Realty Tax Class	Tax Ratios: 2018 Actual	Tax Ratios: 2019 Start Ratio	Tax Ratios: Change %	Tax Rates: 2018 Actual	Tax Rates: 2019 Revenue Netural (Notional)	Tax Rates: Change %
Taxable						
Residential	1.000000	1.000000	0.00%	0.00345057	0.00328346	-4.84%
Farm	0.250000	0.250000	0.00%	0.00086264	0.00082087	-4.84%
Managed Forest	0.250000	0.250000	0.00%	0.00086264	0.00082087	-4.84%
Multi-Residential	1.970000	1.970000	0.00%	0.00679762	0.00646842	-4.84%
Commercial	1.734900	1.734900	0.00%	0.00598639	0.00569647	-4.84%
Industrial	2.630000	2.630000	0.00%	0.00907500	0.00863550	-4.84%
Pipeline	1.702100	1.702100	0.00%	0.00587322	0.00558878	-4.84%
Sub-Total of Taxable Levy				**$6,589,310**	**$6,589,308**	**0.00%**
Payment In Lieu						
Residential	1.000000	1.000000	0.00%	0.00345057	0.00328346	-4.84%
Commercial	1.734900	1.734900	0.00%	0.00598639	0.00569647	-4.84%
Industrial	2.630000	2.630000	0.00%	0.00907500	0.00863550	-4.84%
Landfill	2.940261	2.940261	0.00%	0.01014558	0.00965423	-4.84%
Sub-Total of Payment In Lieu Levy				**$22,648**	**$21,969**	**-3.00%**
Total Taxable + PIL Levies Based on Rate Set				**$6,611,958**	**$6,611,277**	**-0.01%**

NOTE: These results are based on preliminary start ratios and notional levy amounts and are subject to change based on municipal policy decisions, spending decisions and/or Provincial tax policy updates. No rates or ratios should be considered final, or used for actual taxation purposes until final by-laws are passed.

Local Results Table 6
Year-Over-Year Interclass Tax Shifts
(Local General Levy)

West Lincoln	Local General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$5,344,949	$5,337,236	-$7,713	-0.14%
Farm	$315,206	$343,624	$28,418	9.02%
Managed Forest	$1,422	$1,509	$87	6.12%
Multi-Residential	$45,092	$44,333	-$759	-1.68%
Commercial	$426,321	$418,644	-$7,677	-1.80%
Industrial	$295,801	$286,474	-$9,327	-3.15%
Pipeline	$160,519	$157,488	-$3,031	-1.89%
Sub-Total: Taxable	**$6,589,310**	**$6,589,308**	**-$2**	**0.00%**
Payment In Lieu				
Residential	$1,375	$1,317	-$58	-4.22%
Commercial	$16,617	$16,189	-$428	-2.58%
Industrial	$885	$875	-$10	-1.13%
Landfill	$3,771	$3,588	-$183	-4.85%
Sub-Total: Payment In Lieu	**$22,648**	**$21,969**	**-$679**	**-3.00%**
Total (Taxable + PIL)	**$6,611,958**	**$6,611,277**	**-$681**	**-0.01%**

Local Results Table 7
Year-Over-Year Upper-Tier Levy Shifts

(Upper-Tier General Levy)

West Lincoln	Upper-Tier General Levy		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$8,784,080	$8,870,584	$86,504	0.98%
Farm	$518,023	$571,105	$53,082	10.25%
Managed Forest	$2,336	$2,508	$172	7.36%
Multi-Residential	$74,106	$73,682	-$424	-0.57%
Commercial	$700,632	$695,794	-$4,838	-0.69%
Industrial	$486,133	$476,125	-$10,008	-2.06%
Pipeline	$263,803	$261,748	-$2,055	-0.78%
Sub-Total: Taxable	**$10,829,113**	**$10,951,546**	**$122,433**	**1.13%**
Payment In Lieu				
Residential	$2,260	$2,188	-$72	-3.19%
Commercial	$27,309	$26,907	-$402	-1.47%
Industrial	$1,454	$1,454	$0	0.00%
Landfill	$6,198	$5,964	-$234	-3.78%
Sub-Total: Payment In Lieu	**$37,221**	**$36,513**	**-$708**	**-1.90%**
Total (Taxable + PIL)	**$10,866,334**	**$10,988,059**	**$121,725**	**1.12%**

Local Results Table 8
Year-Over-Year Municipal Levy Shifts

(Upper-Tier and Local General Levy Amounts)

West Lincoln	Municipal General Levies (UT + Local)		Change	
Realty Tax Class	**2018 as Revised**	**2019 Notional**	**$**	**%**
Taxable				
Residential	$14,129,029	$14,207,820	$78,791	0.56%
Farm	$833,229	$914,729	$81,500	9.78%
Managed Forest	$3,758	$4,017	$259	6.89%
Multi-Residential	$119,198	$118,015	-$1,183	-0.99%
Commercial	$1,126,953	$1,114,438	-$12,515	-1.11%
Industrial	$781,934	$762,599	-$19,335	-2.47%
Pipeline	$424,322	$419,236	-$5,086	-1.20%
Sub-Total: Taxable	**$17,418,423**	**$17,540,854**	**$122,431**	**0.70%**
Payment In Lieu				
Residential	$3,635	$3,505	-$130	-3.58%
Commercial	$43,926	$43,096	-$830	-1.89%
Industrial	$2,339	$2,329	-$10	-0.43%
Landfill	$9,969	$9,552	-$417	-4.18%
Sub-Total: Payment In Lieu	**$59,869**	**$58,482**	**-$1,387**	**-2.32%**
Total (Taxable + PIL)	**$17,478,292**	**$17,599,336**	**$121,044**	**0.69%**

Performance Measures

The table below provides the 2018 measures for total property taxes for Niagara verses the 2018 BMA study average. Note that the study results are based on 2018 rates, and therefore are not impacted by 2019 tax policy decisions and approved budgets.

Table 1 – 2018 BMA Study – Total Property Taxes and Municipal Burden

	Niagara Average*	Study Average	Variance		Comparison to Study
			$	%	
Total Property Taxes ($) Per Median Dwelling Value	$3,832	$3,836	(4)	(0.10)	Below
Total Property Taxes as % of Hhld. Income	4.0%	3.8%			Above
Total Municipal Burden: Taxes and W/WW ($)	$4,768	$4,910	(142)	(2.89)	Below
Total Municipal Burden: Taxes and W/WW as % of Hhld. Income	4.9%	4.8%			Above

*Calculated using a simple average of all LAMs (weighted average is 5.2%).

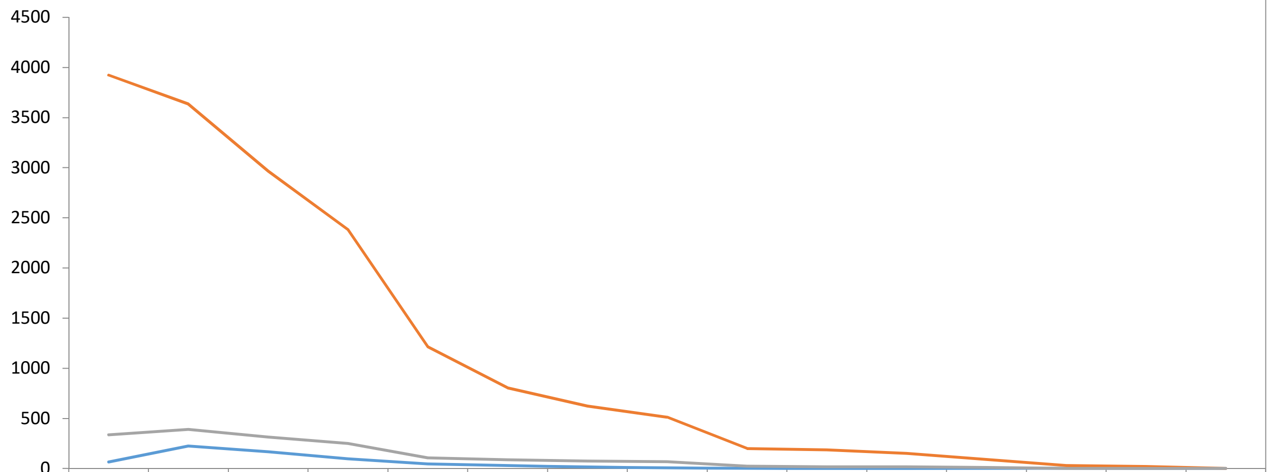
The combined Niagara Region, Local Area Municipalities, and education tax levy compares competitively to the BMA study average for 108 Ontario Municipalities surveyed. Total taxes as classified by BMA are in the mid-range tax burden for all but the Large Industrial and Office buildings which is in the low-range and Hotels which are in the high-range. The Region is above the study average in seven categories per Table 2 below.

Table 2 – 2018 BMA Study Tax Metrics by Property Class

Property Class	Property Type	Comparison Metric	Niagara Average* ($)	Study Average ($)	Variance		Comparison to Study
					$	%	
Residential	Bungalow	Tax/Unit	3,466	3,397	69	2.03%	Above
	2 Storey	Tax/Unit	4,656	4,524	132	2.92%	Above
	Executive	Tax/Unit	6,296	6,286	10	0.16%	Above
Multi-Res	Walk-Up	Tax/Unit	1,577	1,382	195	14.11%	Above
	Mid/High-Rise	Tax/Unit	1,716	1,715	1	0.06%	Par
Commercial	Office Buildings***	Tax/ Sq. Ft.	2.77	3.04	(0.27)	-8.88%	Below
	Shopping	Tax/ Sq. Ft.	3.75	2.63	1.12	42.59%	Above
	Hotels**	Tax/Unit	1,844	1,602	242	15.11%	Above
	Motels	Tax/Unit	1,084	1,240	(156)	-12.58%	Below
Industrial	Industrial Vacant Land	Tax/Acre	3,118	3,673	(555)	-15.11%	Below
	Standard Industrial	Tax/ Sq. Ft.	1.82	1.67	0.15	8.98%	Above
	Large Industrial***	Tax/ Sq. Ft.	0.87	1.11	(0.24)	-21.62%	Below

*Calculated using a simple average of all LAMs.
**Classified to be in the high range.
***Classified to be in the low range.

Number of Properties Impacted by Capping



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Multi-Residential (Opted Out 2017)	65	224	167	96	46	29	13	7	2	1	1	0	0	0	0
Commercial (Eligible for Opt Out 2020)	3923	3637	2967	2383	1214	805	623	511	200	185	152	89	29	21	0
Industrial (Eligible for Opt Out 2019)	335	389	313	251	106	87	75	69	23	17	17	12	2	0	0

History of Regional Tax Ratios

Realty Tax Class	2014 Ratios	2015 Ratios	2016 Ratios	2017 Ratios	2018 Ratios	2019 Start Ratios	Ranges of Fairness		Threshold Ratios	
							Lower Limit	Upper Limit	Threshold	Subject to Levy Restriction
Residential	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.00	1.00	-	N/A
Farm	0.250000	0.250000	0.250000	0.250000	0.250000	0.250000	-	0.25	-	N/A
Managed Forest	0.250000	0.250000	0.250000	0.250000	0.250000	0.250000	0.25	0.25	-	N/A
New Mult-Res	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.00	1.10	-	N/A
Multi-Residential	2.044000	2.044000	2.044000	**2.000000**	**1.970000**	**1.970000**	1.00	1.10	2.00	No
Commercial	1.758600	1.758600	1.758600	1.758600	**1.734900**	**1.734900**	0.60	1.10	1.98	No
Industrial	2.630000	2.630000	2.630000	2.630000	2.630000	2.630000	0.60	1.10	2.63	No
Landfill	N/A	N/A	N/A	2.940261	2.940261	2.940261	0.60	1.10	25.00	No
Pipeline	1.702100	1.702100	1.702100	1.702100	1.702100	1.702100	0.60	0.70	-	N/A

Subject: Asset Management Policy

Report to: Corporate Services Committee

Report date: Wednesday, April 17, 2019

Recommendations

That the Asset Management Policy, Appendix 2 to Report CSD 20-2019, **BE APPROVED**.

Key Facts

- The purpose of this report is to obtain Council's approval of the strategic Asset Management (AM) Policy which, upon approval, will be published on the Region's website.
- The Region's capital asset portfolio replacement value is in excess of $7.4 billion.
- In 2017, the Ontario government released a new regulation under the Infrastructure for Jobs and Prosperity Act, 2015 – Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure (O. Reg. 588/17) which outlines deadlines for achieving strategic AM practices.
- Under O. Reg. 588/17 the Region is required to create, approve and publish a strategic AM Policy by July 1, 2019.
- In addition to O. Reg. 588/17 Federal and Provincial governments require updated comprehensive AM plans for Federal Gas Tax funding, future application based funding and Development Charges.
- The AM Policy, which forms the basis for AM at the Region, will be implemented along with procedures and will be enforced by the corporate Asset Management Office (AMO).

Financial Considerations

There are no immediate financial implications related to the approval of the AM Policy. The adoption of the AM Policy will establish the framework for performing AM activities consistently across the Region, leading to more effective and comprehensive financial planning for the sustainment of existing assets and the creation of new ones.

As articulated in CSD 10-2019, Asset Management Governance Model, the implementation of a corporate AMO is expected to result in savings related to capital asset budgeting, on-going maintenance costs and utilities savings. These savings will be a result of the Region being able to make corporate wide risk and condition based prioritization decisions to ensure that the projects that are approved deliver the best return for the Region. It will implement processes and procedures across the Region that will better identify other lifecycle activities that may be undertaken and the ideal timing for them to sustain the level of service (LOS) of the asset and prolong the useful life at the most effective cost for the Region. The AMO will also help the Region better coordinate efforts across divisions and with local municipalities to ensure interconnected projects are completed concurrently, therefore reducing scenarios where assets are replaced before the end of their useful life.

Analysis

The Region has embarked on a multi-year phased AM Program to develop and implement leading AM principles and practices. O. Reg. 588/17, was released in December 2016 and came into effect on January 1, 2017. Per O. Reg. 588/17, several legislative requirements are to be included in the AM Policy, including commitments to consider climate change risks to infrastructure assets and mitigation approaches to address these vulnerabilities, to provide opportunities for municipal residents and other interested parties to provide input into AM planning, and to coordinate planning for AM with other local municipalities where infrastructure assets connect or are interrelated.

The requirements and timelines the Region needs to accomplish per O/ Reg. 588/17 include the following:

- July 2019: Strategic AM Policy approved and published
- July 2021: Core infrastructure AMP and current LOS
- July 2023: Comprehensive AMP and current LOS
- July 2024: Alignment of the Comprehensive AMP to the proposed LOS and financing strategy to achieve the proposed LOS
- Continuous updates to these every 5-years.

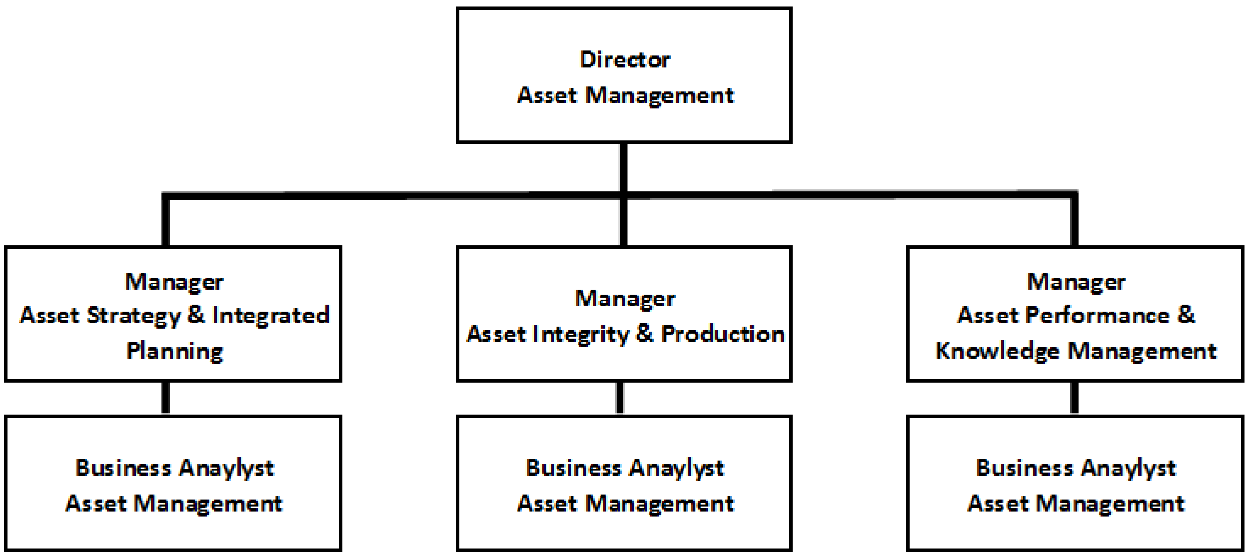
AM is a systematic process to guide planning, acquisition, operation, maintenance, rehabilitation, replacement and disposal of assets and is considered to be a fundamental element in an asset-intensive organization’s operations, as the efficient allocation and management of resources are crucial to maximize performance and fulfil strategic goals.

Council has advanced AM at the Region through approval of the following:

- CBPCOTW-C 2-2017 – Asset Management Project – Asset Management Roadmap and Information Technology Strategy;
- CSD 21-2017 – Asset Management Plan – 2016 AM plan;
- CSD 10-2019 Asset Management Governance Model – Council endorsed the creation of a corporate AMO with the structure outlined in Figure 1;
- CSD 20-2019 – Asset Management Policy

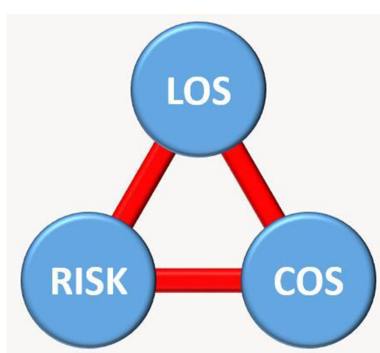
Looking forward, in the second quarter of 2020 Council will receive the annual update on the status of AM at the Region and progress made during the year. This update is in-line with this policies requirement that Council annually approves the review of AM progress before July 1 every year.

Figure 1: Corporate Asset Management Office Proposed Structure



The AMO will provide leadership in the use of consistent AM policies, procedures and practices across the Region’s departments, boards and commissions, and will result in the most effective use of Regional resources while ensuring capital decisions are based on effective management of infrastructure risks, and balance the lowest cost of service (COS) while providing the desired levels of service (LOS), as per Image 1. The AMO will also ensure that all departments, boards and commissions adhere to the established policies, procedures and practices to ensure AM is consistent across the organization.

Image 1: Relationship between LOS, COS and Risk



The Region is the custodian of capital assets with an estimated $7.4 billion replacement value, which are required to deliver services to the residents of Niagara. The AM Policy establishes the foundation and framework for AM at the Region to help ensure that the Region is doing the right work, on the right assets, at the right time, for the right costs and the right reasons.

Staff developed the AM policy by conducting workshops with cross departmental and ABC representation, in collaboration with external expertise, to ensure all regulatory requirements were addressed while being conscious of Regional impacts. The resulting policy was provided to the AM Steering Team for final review prior to recommendation to this committee. The policy address the requirements of O. Reg. 588/17 with the inclusion of the following:

- Considering the AM plans in the development of the budget and any long-range financial plans that take into account municipal infrastructure assets;
- Identifying the executive lead who is responsible for AM at the Region;
- Recognizing the impact on service delivery by considering input from residents and business, local municipalities and other Regional departments and ABCs;
- Alignment of AM planning with climate change implications and considering mitigation approaches to climate change, such as green house gas reduction goals and targets; and
- Commitment to align AM planning with financial plans such as those prepared under the Safe Drinking Water Act 2002 and those developed to support wastewater assets.

Alternatives Reviewed

This policy was written as the Region's response to the requirements established by the Province of Ontario under O. Reg 588/17, while also including industry leading practice recommendations. The Region is required to be compliant with O. Reg. 588/17 by publishing of a strategic AM Policy before July 1, 2019.

Relationship to Council Strategic Priorities

The Comprehensive AM Plan was identified as a priority of the previous Council that directly supports Organizational Excellence, as well as supporting the Infrastructure and Taxation priorities.

Other Pertinent Reports

CPBCOTW-C 2-2017	Asset Management Project
CSD 21-2017	Asset Management Plan
CSD 51-2018	Asset Management Governance
CSD 10-2019	Asset Management Governance Model

Prepared by:
Michael Breadner, CPA, CA
Project Manager
Asset Management Office

Recommended by:
Todd Harrison, CPA, CMA
Commissioner/Treasurer
Enterprise Resource Management Services

Submitted by:
Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation Margaret Murphy, Associate Director, Financial Management & Planning and reviewed by Helen Chamberlain, Director, Financial Management & Planning and Deputy Treasurer.

Appendices

Français

ONTARIO REGULATION 588/17

made under the

INFRASTRUCTURE FOR JOBS AND PROSPERITY ACT, 2015

Made: December 13, 2017
Filed: December 27, 2017
Published on e-Laws: December 27, 2017
Printed in *The Ontario Gazette*: January 13, 2018

ASSET MANAGEMENT PLANNING FOR MUNICIPAL INFRASTRUCTURE

CONTENTS

INTERPRETATION AND APPLICATION

Definitions

1. (1) In this Regulation,

"asset category" means a category of municipal infrastructure assets that is,

(a) an aggregate of assets described in each of clauses (a) to (e) of the definition of core municipal infrastructure asset, or

(b) composed of any other aggregate of municipal infrastructure assets that provide the same type of service; ("catégorie de biens")

"core municipal infrastructure asset" means any municipal infrastructure asset that is a,

(a) water asset that relates to the collection, production, treatment, storage, supply or distribution of water,

(b) wastewater asset that relates to the collection, transmission, treatment or disposal of wastewater, including any wastewater asset that from time to time manages stormwater,

(c) stormwater management asset that relates to the collection, transmission, treatment, retention, infiltration, control or disposal of stormwater,

(d) road, or

(e) bridge or culvert; ("bien d'infrastructure municipale essentiel")

"ecological functions" has the same meaning as in Ontario Regulation 140/02 (Oak Ridges Moraine Conservation Plan) made under the *Oak Ridges Moraine Conservation Act, 2001*; ("fonctions écologiques")

"green infrastructure asset" means an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs; ("bien d'infrastructure verte")

"hydrological functions" has the same meaning as in Ontario Regulation 140/02; ("fonctions hydrologiques")

"joint municipal water board" means a joint board established in accordance with a transfer order made under the *Municipal Water and Sewage Transfer Act, 1997*; ("conseil mixte de gestion municipale des eaux")

"lifecycle activities" means activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities; ("activités relatives au cycle de vie")

"municipal infrastructure asset" means an infrastructure asset, including a green infrastructure asset, directly owned by a municipality or included on the consolidated financial statements of a municipality, but does not include an infrastructure asset that is managed by a joint municipal water board; ("bien d'infrastructure municipale")

"municipality" has the same meaning as in the *Municipal Act, 2001*; ("municipalité")

"operating costs" means the aggregate of costs, including energy costs, of operating a municipal infrastructure asset over its service life; ("frais d'exploitation")

"service life" means the total period during which a municipal infrastructure asset is in use or is available to be used; ("durée de vie")

"significant operating costs" means, where the operating costs with respect to all municipal infrastructure assets within an asset category are in excess of a threshold amount set by the municipality, the total amount of those operating costs. ("frais d'exploitation importants")

(2) In Tables 1 and 2,

"connection-days" means the number of properties connected to a municipal system that are affected by a service issue, multiplied by the number of days on which those properties are affected by the service issue. ("jours-branchements")

(3) In Table 4,

"arterial roads" means Class 1 and Class 2 highways as determined under the Table to section 1 of Ontario Regulation 239/02 (Minimum Maintenance Standards for Municipal Highways) made under the *Municipal Act, 2001*; ("artères")

"collector roads" means Class 3 and Class 4 highways as determined under the Table to section 1 of Ontario Regulation 239/02; ("routes collectrices")

"lane-kilometre" means a kilometre-long segment of roadway that is a single lane in width; ("kilomètre de voie")

"local roads" means Class 5 and Class 6 highways as determined under the Table to section 1 of Ontario Regulation 239/02. ("routes locales")

(4) In Table 5,

"Ontario Structure Inspection Manual" means the Ontario Structure Inspection Manual (OSIM), published by the Ministry of Transportation and dated October 2000 (revised November 2003 and April 2008) and available on a Government of Ontario website; ("manuel d'inspection des structures de l'Ontario")

"structural culvert" has the meaning set out for "culvert (structural)" in the Ontario Structure Inspection Manual. ("ponceau structurel")

Application

2. For the purposes of section 6 of the Act, every municipality is prescribed as a broader public sector entity to which that section applies.

STRATEGIC ASSET MANAGEMENT POLICIES

Strategic asset management policy

3. (1) Every municipality shall prepare a strategic asset management policy that includes the following:

1. Any of the municipality's goals, policies or plans that are supported by its asset management plan.
2. The process by which the asset management plan is to be considered in the development of the municipality's budget or of any long-term financial plans of the municipality that take into account municipal infrastructure assets.
3. The municipality's approach to continuous improvement and adoption of appropriate practices regarding asset management planning.
4. The principles to be followed by the municipality in its asset management planning, which must include the principles set out in section 3 of the Act.

5. The municipality's commitment to consider, as part of its asset management planning,
   i. the actions that may be required to address the vulnerabilities that may be caused by climate change to the municipality's infrastructure assets, in respect of such matters as,
      A. operations, such as increased maintenance schedules,
      B. levels of service, and
      C. lifecycle management,
   ii. the anticipated costs that could arise from the vulnerabilities described in subparagraph i,
   iii. adaptation opportunities that may be undertaken to manage the vulnerabilities described in subparagraph i,
   iv. mitigation approaches to climate change, such as greenhouse gas emission reduction goals and targets, and
   v. disaster planning and contingency funding.
6. A process to ensure that the municipality's asset management planning is aligned with any of the following financial plans:
   i. Financial plans related to the municipality's water assets including any financial plans prepared under the *Safe Drinking Water Act, 2002*.
   ii. Financial plans related to the municipality's wastewater assets.
7. A process to ensure that the municipality's asset management planning is aligned with Ontario's land-use planning framework, including any relevant policy statements issued under subsection 3 (1) of the *Planning Act*, any provincial plans as defined in the *Planning Act* and the municipality's official plan.
8. An explanation of the capitalization thresholds used to determine which assets are to be included in the municipality's asset management plan and how the thresholds compare to those in the municipality's tangible capital asset policy, if it has one.
9. The municipality's commitment to coordinate planning for asset management, where municipal infrastructure assets connect or are interrelated with those of its upper-tier municipality, neighbouring municipalities or jointly-owned municipal bodies.
10. The persons responsible for the municipality's asset management planning, including the executive lead.
11. An explanation of the municipal council's involvement in the municipality's asset management planning.
12. The municipality's commitment to provide opportunities for municipal residents and other interested parties to provide input into the municipality's asset management planning.

(2) For the purposes of this section,

"capitalization threshold" is the value of a municipal infrastructure asset at or above which a municipality will capitalize the value of it and below which it will expense the value of it. ("seuil de capitalisation")

Update of asset management policy

4. Every municipality shall prepare its first strategic asset management policy by July 1, 2019 and shall review and, if necessary, update it at least every five years.

ASSET MANAGEMENT PLANS

Asset management plans, current levels of service

5. (1) Every municipality shall prepare an asset management plan in respect of its core municipal infrastructure assets by July 1, 2021, and in respect of all of its other municipal infrastructure assets by July 1, 2023.

(2) A municipality's asset management plan must include the following:

1. For each asset category, the current levels of service being provided, determined in accordance with the following qualitative descriptions and technical metrics and based on data from at most the two calendar years prior to the year in which all information required under this section is included in the asset management plan:
   i. With respect to core municipal infrastructure assets, the qualitative descriptions set out in Column 2 and the technical metrics set out in Column 3 of Table 1, 2, 3, 4 or 5, as the case may be.
   ii. With respect to all other municipal infrastructure assets, the qualitative descriptions and technical metrics established by the municipality.
2. The current performance of each asset category, determined in accordance with the performance measures established by the municipality, such as those that would measure energy usage and operating efficiency, and based on data from

at most two calendar years prior to the year in which all information required under this section is included in the asset management plan.

3. For each asset category,
   i. a summary of the assets in the category,
   ii. the replacement cost of the assets in the category,
   iii. the average age of the assets in the category, determined by assessing the average age of the components of the assets,
   iv. the information available on the condition of the assets in the category, and
   v. a description of the municipality's approach to assessing the condition of the assets in the category, based on recognized and generally accepted good engineering practices where appropriate.
4. For each asset category, the lifecycle activities that would need to be undertaken to maintain the current levels of service as described in paragraph 1 for each of the 10 years following the year for which the current levels of service under paragraph 1 are determined and the costs of providing those activities based on an assessment of the following:
   i. The full lifecycle of the assets.
   ii. The options for which lifecycle activities could potentially be undertaken to maintain the current levels of service.
   iii. The risks associated with the options referred to in subparagraph ii.
   iv. The lifecycle activities referred to in subparagraph ii that can be undertaken for the lowest cost to maintain the current levels of service.
5. For municipalities with a population of less than 25,000, as reported by Statistics Canada in the most recent official census, the following:
   i. A description of assumptions regarding future changes in population or economic activity.
   ii. How the assumptions referred to in subparagraph i relate to the information required by paragraph 4.
6. For municipalities with a population of 25,000 or more, as reported by Statistics Canada in the most recent official census, the following:
   i. With respect to municipalities in the Greater Golden Horseshoe growth plan area, if the population and employment forecasts for the municipality are set out in Schedule 3 or 7 to the 2017 Growth Plan, those forecasts.
   ii. With respect to lower-tier municipalities in the Greater Golden Horseshoe growth plan area, if the population and employment forecasts for the municipality are not set out in Schedule 7 to the 2017 Growth Plan, the portion of the forecasts allocated to the lower-tier municipality in the official plan of the upper-tier municipality of which it is a part.
   iii. With respect to upper-tier municipalities or single-tier municipalities outside of the Greater Golden Horseshoe growth plan area, the population and employment forecasts for the municipality that are set out in its official plan.
   iv. With respect to lower-tier municipalities outside of the Greater Golden Horseshoe growth plan area, the population and employment forecasts for the lower-tier municipality that are set out in the official plan of the upper-tier municipality of which it is a part.
   v. If, with respect to any municipality referred to in subparagraph iii or iv, the population and employment forecasts for the municipality cannot be determined as set out in those subparagraphs, a description of assumptions regarding future changes in population or economic activity.
   vi. For each of the 10 years following the year for which the current levels of service under paragraph 1 are determined, the estimated capital expenditures and significant operating costs related to the lifecycle activities required to maintain the current levels of service in order to accommodate projected increases in demand caused by growth, including estimated capital expenditures and significant operating costs related to new construction or to upgrading of existing municipal infrastructure assets.

(3) Every asset management plan must indicate how all background information and reports upon which the information required by paragraph 3 of subsection (2) is based will be made available to the public.

(4) In this section,

"2017 Growth Plan" means the Growth Plan for the Greater Golden Horseshoe, 2017 that was approved under subsection 7 (6) of the *Places to Grow Act, 2005* on May 16, 2017 and came into effect on July 1, 2017; ("Plan de croissance de 2017")

"Greater Golden Horseshoe growth plan area" means the area designated by section 2 of Ontario Regulation 416/05 (Growth Plan Areas) made under the *Places to Grow Act, 2005*. ("zone de croissance planifiée de la région élargie du Golden Horseshoe")

Asset management plans, proposed levels of service

6. (1) Subject to subsection (2), by July 1, 2024, every asset management plan prepared under section 5 must include the following additional information:

1. For each asset category, the levels of service that the municipality proposes to provide for each of the 10 years following the year in which all information required under section 5 and this section is included in the asset management plan, determined in accordance with the following qualitative descriptions and technical metrics:
   - i. With respect to core municipal infrastructure assets, the qualitative descriptions set out in Column 2 and the technical metrics set out in Column 3 of Table 1, 2, 3, 4 or 5, as the case may be.
   - ii. With respect to all other municipal infrastructure assets, the qualitative descriptions and technical metrics established by the municipality.
2. An explanation of why the proposed levels of service under paragraph 1 are appropriate for the municipality, based on an assessment of the following:
   - i. The options for the proposed levels of service and the risks associated with those options to the long term sustainability of the municipality.
   - ii. How the proposed levels of service differ from the current levels of service set out under paragraph 1 of subsection 5 (2).
   - iii. Whether the proposed levels of service are achievable.
   - iv. The municipality's ability to afford the proposed levels of service.
3. The proposed performance of each asset category for each year of the 10-year period referred to in paragraph 1, determined in accordance with the performance measures established by the municipality, such as those that would measure energy usage and operating efficiency.
4. A lifecycle management and financial strategy that sets out the following information with respect to the assets in each asset category for the 10-year period referred to in paragraph 1:
   - i. An identification of the lifecycle activities that would need to be undertaken to provide the proposed levels of service described in paragraph 1, based on an assessment of the following:
     - A. The full lifecycle of the assets.
     - B. The options for which lifecycle activities could potentially be undertaken to achieve the proposed levels of service.
     - C. The risks associated with the options referred to in sub-subparagraph B.
     - D. The lifecycle activities referred to in sub-subparagraph B that can be undertaken for the lowest cost to achieve the proposed levels of service.
   - ii. An estimate of the annual costs for each of the 10 years of undertaking the lifecycle activities identified in subparagraph i, separated into capital expenditures and significant operating costs.
   - iii. An identification of the annual funding projected to be available to undertake lifecycle activities and an explanation of the options examined by the municipality to maximize the funding projected to be available.
   - iv. If, based on the funding projected to be available, the municipality identifies a funding shortfall for the lifecycle activities identified in subparagraph i,
     - A. an identification of the lifecycle activities, whether set out in subparagraph i or otherwise, that the municipality will undertake, and
     - B. if applicable, an explanation of how the municipality will manage the risks associated with not undertaking any of the lifecycle activities identified in subparagraph i.
5. For municipalities with a population of less than 25,000, as reported by Statistics Canada in the most recent official census, a discussion of how the assumptions regarding future changes in population and economic activity, set out in subparagraph 5 i of subsection 5 (2), informed the preparation of the lifecycle management and financial strategy referred to in paragraph 4 of this subsection.
6. For municipalities with a population of 25,000 or more, as reported by Statistics Canada in the most recent official census,

i. the estimated capital expenditures and significant operating costs to achieve the proposed levels of service as described in paragraph 1 in order to accommodate projected increases in demand caused by population and employment growth, as set out in the forecasts or assumptions referred to in paragraph 6 of subsection 5 (2), including estimated capital expenditures and significant operating costs related to new construction or to upgrading of existing municipal infrastructure assets,

ii. the funding projected to be available, by source, as a result of increased population and economic activity, and

iii. an overview of the risks associated with implementation of the asset management plan and any actions that would be proposed in response to those risks.

7. An explanation of any other key assumptions underlying the plan that have not previously been explained.

(2) With respect to an asset management plan prepared under section 5 on or before July 1, 2021, if the additional information required under this section is not included before July 1, 2023, the municipality shall, before including the additional information, update the current levels of service set out under paragraph 1 of subsection 5 (2) and the current performance measures set out under paragraph 2 of subsection 5 (2) based on data from the two most recent calendar years.

Update of asset management plans

7. (1) Every municipality shall review and update its asset management plan at least five years after the year in which the plan is completed under section 6 and at least every five years thereafter.

(2) The updated asset management plan must comply with the requirements set out under paragraphs 1, 2 and 3 and subparagraphs 5 i and 6 i, ii, iii, iv and v of subsection 5 (2), subsection 5 (3) and paragraphs 1 to 7 of subsection 6 (1).

Endorsement and approval required

8. Every asset management plan prepared under section 5 or 6, or updated under section 7, must be,

(a) endorsed by the executive lead of the municipality; and

(b) approved by a resolution passed by the municipal council.

Annual review of asset management planning progress

9. (1) Every municipal council shall conduct an annual review of its asset management progress on or before July 1 in each year, starting the year after the municipality's asset management plan is completed under section 6.

(2) The annual review must address,

(a) the municipality's progress in implementing its asset management plan;

(b) any factors impeding the municipality's ability to implement its asset management plan; and

(c) a strategy to address the factors described in clause (b).

Public availability

10. Every municipality shall post its current strategic asset management policy and asset management plan on a website that is available to the public, and shall provide a copy of the policy and plan to any person who requests it.

TABLE 1

WATER ASSETS

Column 1 Service attribute	Column 2 Community levels of service (qualitative descriptions)	Column 3 Technical levels of service (technical metrics)
Scope	1. Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal water system. 2. Description, which may include maps, of the user groups or areas of the municipality that have fire flow.	1. Percentage of properties connected to the municipal water system. 2. Percentage of properties where fire flow is available.
Reliability	Description of boil water advisories and service interruptions.	1. The number of connection-days per year where a boil water advisory notice is in place compared to the total number of properties connected to the municipal water system. 2. The number of connection-days per year due to water main breaks compared to the total number of properties connected to the municipal water system.

TABLE 2

WASTEWATER ASSETS

Column 1	Column 2	Column 3

Service attribute	Community levels of service (qualitative descriptions)	Technical levels of service (technical metrics)
Scope	Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal wastewater system.	Percentage of properties connected to the municipal wastewater system.
Reliability	1. Description of how combined sewers in the municipal wastewater system are designed with overflow structures in place which allow overflow during storm events to prevent backups into homes. 2. Description of the frequency and volume of overflows in combined sewers in the municipal wastewater system that occur in habitable areas or beaches. 3. Description of how stormwater can get into sanitary sewers in the municipal wastewater system, causing sewage to overflow into streets or backup into homes. 4. Description of how sanitary sewers in the municipal wastewater system are designed to be resilient to avoid events described in paragraph 3. 5. Description of the effluent that is discharged from sewage treatment plants in the municipal wastewater system.	1. The number of events per year where combined sewer flow in the municipal wastewater system exceeds system capacity compared to the total number of properties connected to the municipal wastewater system. 2. The number of connection-days per year due to wastewater backups compared to the total number of properties connected to the municipal wastewater system. 3. The number of effluent violations per year due to wastewater discharge compared to the total number of properties connected to the municipal wastewater system.

TABLE 3

STORMWATER MANAGEMENT ASSETS

Column 1 Service attribute	Column 2 Community levels of service (qualitative descriptions)	Column 3 Technical levels of service (technical metrics)
Scope	Description, which may include maps, of the user groups or areas of the municipality that are protected from flooding, including the extent of the protection provided by the municipal stormwater management system.	1. Percentage of properties in municipality resilient to a 100-year storm. 2. Percentage of the municipal stormwater management system resilient to a 5-year storm.

TABLE 4

ROADS

Column 1 Service attribute	Column 2 Community levels of service (qualitative descriptions)	Column 3 Technical levels of service (technical metrics)
Scope	Description, which may include maps, of the road network in the municipality and its level of connectivity.	Number of lane-kilometres of each of arterial roads, collector roads and local roads as a proportion of square kilometres of land area of the municipality.
Quality	Description or images that illustrate the different levels of road class pavement condition.	1. For paved roads in the municipality, the average pavement condition index value. 2. For unpaved roads in the municipality, the average surface condition (e.g. excellent, good, fair or poor).

TABLE 5

BRIDGES AND CULVERTS

Column 1 Service attribute	Column 2 Community levels of service (qualitative descriptions)	Column 3 Technical levels of service (technical metrics)
Scope	Description of the traffic that is supported by municipal bridges (e.g., heavy transport vehicles, motor vehicles, emergency vehicles, pedestrians, cyclists).	Percentage of bridges in the municipality with loading or dimensional restrictions.
Quality	1. Description or images of the condition of bridges and how this would affect use of the bridges. 2. Description or images of the condition of culverts and how this would affect use of the culverts.	1. For bridges in the municipality, the average bridge condition index value. 2. For structural culverts in the municipality, the average bridge condition index value.

COMMENCEMENT

Commencement

11. This Regulation comes into force on the later of January 1, 2018 and the day it is filed.

Niagara Region Corporate Policy C-XXX-000

Policy Category	Name of Policy
FINANCIAL	*ASSET MANAGEMENT POLICY*

Policy Owner	Enterprise Resource Management Services – Corporate Asset Management Division
Approval Body	Regional Council
Approval Date	
Effective Date	May 1, 2019
Review by Date	

1. Policy

The Region shall manage its assets through a coordinated approach that ensures the delivery of a sustainable level of service that strives to be fully funded.

Budgeting

Asset management planning will encompass sound financial analysis that will be completed by a multi-disciplinary team comprised of representative(s) from finance, the corporate asset management office and the concerned Regional department or ABC, and documented in the financial strategy section of the asset management plan. The financial analysis will align with existing financial plans including plans developed in response to the Safe Drinking Water Act. The alignment will stem from the multi-disciplinary team and its use of common analytical methods and common data sources.

The Region will integrate findings from the asset management plans into its long-term financial planning and budgeting processes. This will include the development of financial strategies that determine the level of funding required to achieve the short-term operating and maintenance needs (operating budget), as well as the long-term funding required to replace or rehabilitate the assets throughout their lifecycle (capital budget).

The asset management plan will be referenced by the Regional department or ABC in the preparation of their budget submission to:

- Determine forecasted spending needs identified in the plan;
- Identify all potential revenues and costs (including operating, maintenance, replacement, and decommissioning) associated with forthcoming infrastructure asset decisions;
- Evaluate the validity and need of each significant new capital asset, including considering the impact on future operating and capital costs;
- Incorporate new revenue tools and alternative funding strategies where possible;

- Analyze risks;
- Prioritize spending needs for the budget submission; and
- Quantify progress in delivering asset management plan requirements and identify potential gaps.

The business cases submitted to support the annual operating and capital budgets are prepared by each Regional department or ABC and will be provided to the Budget Review Committee of the Whole for the approval of the Region's annual budget.

Capital Thresholds

Capital assets whose role in service delivery requires deliberate management by the Region, for example those that are deemed to provide benefits or pose substantial risks to the corporation, will be included in asset management plans. This may include assets that fall below the capitalization threshold as outlined in the Region's tangible capital asset policy.

The scope of these assets will be determined based on their criticality to delivering services, and the professional judgment of senior staff. This qualitative approach is unlike the quantitative and dollar value-based methodology prescribed in the tangible capital asset policy. For this reason, the capitalization threshold developed for financial reporting will not be the guide in determining which assets are to be included in the asset management process.

Community and Long Range Planning

The combination of lifecycle analysis and financial sustainability principles will be the driver in the design and selection of community development or redevelopment that requires new assets, or existing asset enhancements, to take place. Parties involved in the development of the asset management plans will reference the direction established in the community plan as well as the methods, assumptions, and data used in its development. The aim of cross-referencing these plans is to ensure that development and redevelopment occur within the Region's means through understanding and consideration of current and future asset needs and are integrated with infrastructure strategic documents such as master servicing plans and the development charge background study. Areas identified for population and employment growth will be required to consider infrastructure requirements through policies in the Regional Official Plan that link land use to infrastructure master plans such as the Transportation and Water and Wastewater Master Plans.

Climate Change

Climate change will be considered as part of Region's risk management approach embedded in local asset management planning methods. This approach will balance the potential cost of vulnerabilities to climate change impacts and other risks with the cost of reducing these vulnerabilities. The balance will be struck in the levels of service delivered through operations, maintenance schedules, emergency management program, contingency funding, and capital investments. The Region's contribution to climate change through greenhouse gas emissions will be mitigated in accordance with its local reduction targets, financial capacity, and stakeholder support. Climate change will be addressed by establishing land use policies in the Regional Official Plan that will consider both mitigation and preservation of natural features.

Stakeholder Engagement

The ultimate goal of the Region is to efficiently provide its various stakeholders with the municipal services they need within the bounds of regulatory requirements, the built environment, and the natural environment. To achieve this goal, the Region will seek to understand the needs of current stakeholders and consider the needs of future generations, and incorporate these perspectives into asset management plans. The Region recognizes the various stakeholders as an integral part of the asset management approach. Accordingly, the Region will:

- Provide opportunities for residents and other stakeholders served by the Region to provide input in asset management planning through engagement in public information sessions related to infrastructure master plans, public meetings in advance of approval of the development charge background study and/or approval of budgets;
- Include opportunities for public engagement which may include public meetings and the use of technology including web-based tools; and
- Coordinate asset management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities.

Strategic Alignment

The Region's mission to offer its citizens a healthy, secure, and prosperous lifestyle at an affordable cost requires alignment of many strategic goals, policies and plans at any given time. To promote a shared and involved community, the Region will integrate asset management planning with the overarching accountabilities and aspirations of our community for the good of all. Asset management planning will be aligned with other municipal documents including, but not limited to the following:

- Council strategic plans;
- Growth strategies;
- Infrastructure master plans;
- Development charge background study;
- Financial strategies, such as the 10-year capital forecast and those required under the Safe Drinking Water Act.

2. Purpose

The Region's vision is to achieve excellence and efficiency in service delivery through all capital assets (owned in whole or in part, leased or managed by the Region), at sustainable asset lifecycle costs, and acceptable levels of risk.

The objective of the AM Policy is to provide a framework and guidance to enable provision of levels of service that are appropriate and affordable for the community.

The AM Policy communicates a shared purpose to staff and other stakeholders to:

- Provide a common corporate approach to asset management with clear accountabilities, roles and responsibilities, and governance;
- Inform lifecycle management decision-making related to growth, upgrades, operations, maintenance, and renewal based on levels of service, cost of service and risk considerations;
- Enable objective prioritization of capital needs across Regional departments and ABC's;
- Foster communication and collaboration among stakeholders;
- Address financial, operational, administrative, regulatory and strategic Region-wide requirements; and
- Establish Guiding Principles as provided in Appendix 1 of the policy (service focused, value-based and affordable, and risk-based principles).

3. Scope

Roles and Responsibilities

The policy requires the commitment and participation of the following key stakeholders within the Region's organizational structure:

Council

- Approves, by resolution, the asset management policy and its updates as necessary every five years.
- Approves, by resolution, the asset management plan and its updates every five years.
- Approves, by resolution, the annual reviews of asset management planning improvement progress on or before July 1 of every year for every year following adoption of the policy.
- Supports ongoing efforts to continuously improve and implement the asset management plans.

Chief Administrative Officer

- Ensures compliance with the asset management policy and provincial asset management regulation.

Commissioner of Enterprise Resource Management Services (acting as the Executive Lead)

- Endorses the asset management policy and its updates as necessary every five years.
- Endorses the asset management plan and its updates every five years.
- Endorses the annual reviews of asset management planning improvement progress before July 1 of every year for every year following adoption of the policy.
- Supports ongoing efforts to continuously improve and implement the asset management plans.

Corporate Leadership Team and Appointees (acting as the Corporate Asset Management Steering Team)

- Current Corporate Leadership Team and appointees from any applicable Regional ABC.
- Champions and promotes asset management planning activities for capital assets that fall within their Regional department or ABC.
- Supports continuous improvement opportunities and oversees development and adoption of appropriate asset management planning practices including people, processes, data and systems.
- Communicates with stakeholders about the asset management system to increase awareness of their role in asset management decision-making including the value of the activities they are undertaking and the asset information they are providing.

Corporate Asset Management Office

- Reports to the Executive Lead.
- Reviews and updates the asset management policy as necessary every five years based on input from department and ABC leads.
- Prepares the asset management plan and its updates every five years based on input from department and ABC leads.
- Creates necessary guiding strategies, supporting frameworks and procedures at the corporate level to continuously improve and adopt appropriate asset management planning and management practices.
- Conducts annual reviews of asset management planning improvement progress before July 1 of every year that includes progress on ongoing efforts to implement the asset management plans, consideration of the asset management policy, any factors affecting the ability of the Region to implement its asset management plans, consultation with department and ABC leads and a strategy to address these factors including the adoption of appropriate practices.

- Ensures consistency and standardization for asset management practices across the organization and monitors compliance with the established practices.
- Makes recommendations for system improvements and enhancements to further advance asset management initiatives across the organization.
- Communicates with stakeholders about the asset management system to increase awareness of their role in asset management decision-making including the value of the activities they are undertaking and the asset information they are providing.
- Provides opportunities for residents and other stakeholders served by the Region to provide input in asset management planning.

Corporate Asset Management Practice Networks

- Facilitate coordination and collaboration around the asset lifecycle in the form of knowledge sharing and continuous improvement.

Department and ABC Leads

- Provide input to the asset management plan and its updates every five years.
- Provide input to and review draft operating and capital programs and budgets for the annual budget.
- Communicate with staff within their service area about the asset management system to increase awareness of their role in asset management decision-making including the value of the activities they are undertaking and the asset information they are providing.
- Continuously improve and adopt appropriate asset management planning practices within their service areas based on corporate guiding strategies, supporting frameworks and procedures and ensuring compliance with the corporate Asset Management Policy.
- Coordinate asset management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities.
- Implement operational plans such as maintenance programs, capital works programs, and asset management practice improvements in accordance with approved the asset management plan.
- Ensure continuous maintenance and quality of the information in the asset management system.

4. References and Related Documents.

4.1. Legislation, By-Laws and/or Directives

- Ontario Regulation 588/17 – Asset Management Planning for Municipal Infrastructure
- By-law 2017-63 – Budget Control By-law
- By-law 02-2016 – Procurement By-law

5. Related Policies

- C-F-003 Capital Asset Management Policy

6. Document Control

The electronic version of this document is recognized as the only valid version.

Approval History

Approver(s)	Approved Date	Effective Date

Revision History

Revision No.	Date	Summary of Change(s)	Changed by

Appendix 1: Guiding Principles

Guiding Principles (led by AM Policy Champion)

Asset Management practices will be aligned with best practices in asset management which incorporates the important principle of balancing risk, cost and performance. The availability and sources of funding affect the level of asset management performance that can be achieved and the risks associated with service provision.

The following key principles will guide the Region as it aims to achieve its asset management vision:

Service Focused: Plan and manage the performance of assets to consistently meet service levels expected by customers and other stakeholders.

- Ensure continued provision of core public services for which the Region has taken on the responsibility to deliver, as well as services provided by the broader public sector, such as healthcare and education
- Take a long-term view while considering demographic and economic trends in the region.
- Make evidence based and transparent investment decisions, and, subject to any restrictions or prohibitions under an Act or otherwise by law on the collection, use or disclosure of information,
    - Make investment decisions respecting infrastructure on the basis of information that is either publicly available or is made available to the public, and
    - Share information with implications for infrastructure planning between the Government and broader public sector entities, and factor this information into investment decisions respecting infrastructure.
- Promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the project, such as local (Ontario) job creation and training opportunities (including for apprentices, within the meaning of section 9 of the Infrastructure for Jobs and Prosperity Act, 2015), improvement of public space within the community, and promoting accessibility for persons with disabilities.
- Consider, where relevant and appropriate, the principles and content of non-binding provincial or municipal plans and strategies established under an Act or otherwise, in planning and making decisions surrounding the infrastructure that supports them.

Value-Based and Affordable: Identify the best combination of investments that deliver the greatest benefit while respecting funding, resource, and timing constraints including customers' willingness and ability to pay.

- Take into account any applicable fiscal plans or budgets, such as those released under the Fiscal Transparency and Accountability Act, 2004 or adopted under Part VII of the Municipal Act, 2001.
- Promote economic competitiveness, productivity, job creation, and training opportunities.
- Create opportunities to make use of innovative technologies, services, and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.

Risk-Based: Make more informed and better asset management decisions to address existing or potential risks to Regional objectives while understanding the likely outcomes and results of the actions.

- Identify infrastructure priorities while considering the potential risks to the community from asset failures and the resulting service interruptions, which will drive investment decisions.
- Ensure that the identification, evaluation and prioritization of the effects of uncertainty is collaborative, transparent and understood by all stakeholders.
- Minimize the impact of infrastructure on the environment by respecting and helping maintain ecological and biological diversity, augmenting resilience to the effects of climate change, and endeavouring to make use of acceptable recycled aggregates.
- Where possible, invest in green technologies to improve economic and social impacts.
- Protect the health and safety of workers involved in the construction and maintenance of infrastructure assets.

Subject: Insurance and Risk Management Services Contract Extension for November 1, 2019 – November 1, 2020

Report to: Corporate Services Committee

Report date: Wednesday, April 17, 2019

Recommendations

1. That Staff **BE AUTHORIZED** to exercise the option in favour of The Regional Municipality of Niagara ("Niagara Region") to extend the insurance and risk management services contract with Jardine Lloyd Thompson Canada Inc. ("JLT") on the same terms and conditions for an additional term of one year for the 2019-2020 policy term based upon an estimated annual cost of $915,426 (including 8% PST) subject to renewal premium increases due to additional insured property and fleet values.

Key Facts

- The purpose of this report is to seek Council's approval to extend the insurance and risk management services contract with JLT for the upcoming policy renewal period from November 1, 2019 to November 1, 2020.
- In July 2017, Niagara Region competitively procured the insurance and risk management services by issuing a Request for Proposal ("RFP") which included Niagara Regional Housing ("NRH") and Niagara Regional Police ("NRP").
- On October 31, 2017, Council awarded the RFP to JLT at an annual cost of $790,838.80 (including 8% PST) for a two year period with an option in favour of Niagara Region to extend the contract on the same terms and conditions for an additional term of up to one year.
- In November 2018, Niagara Region entered into year two of the contract with JLT for the same rates subject to renewal premium increases due to additional insured property and fleet values as well as a mandatory surcharge on recycling facilities.
- In contemplation of a contract extension in year three, Staff reached out to JLT to provide a report outlining any municipal market concerns as well as JLT's estimated rates for the November 1, 2019 to November 1, 2020 policy renewal.
- JLT provided Niagara Region with an estimated overall premium percentage change of 4.75% over last year's premium (subject to any increase in property and fleet values).

Financial Considerations

The current cost of insurance premiums for Niagara Region (including NRH and NRP) is approximately $813,227 (inclusive of 1.76% non-refundable HST) and is included in the approved Legal and Court Services 2019 operating budget. The contract for year two runs from November 1, 2018 to November 1, 2019.

The renewal option for year three which will run from November 1, 2019 to November 1, 2020 is estimated at $874,507 (inclusive of 1.76% non-refundable HST). This option includes an increase in cyber premium of $22,400 to increase the Niagara Region's cyber coverage from $2,000,000 to $5,000,000 which was approved by Council as part of 2019 budget approval process.

Subject to Council's approval of this report, given that the term of the contract will expire on November 1, 2019, as a part of the 2019 budgeting process staff also included the estimated cost of coverage for the last two months of 2019. This estimated cost is within the approved budget for 2019. The remaining 10 months of the renewal option will be included in the 2020 operating budget.

Should Council not approve the recommended extension, Staff would be required to go out to market in June 2019 which could result in higher than budgeted premiums.

Analysis

The policy renewal for November 1, 2019 to November 1, 2020, will be third and final year to renew Niagara Region's insurance and risk management services contract with JLT.

On March 28, 2019, at Staff's request, JLT provided Niagara Region with a report outlining current market conditions and the estimated rates for the 2019-2020 insurance program for Niagara Region (which includes NRH and NRP). A copy of the March 28, 2019 report is attached as **Appendix 1**.

JLT's report confirmed a number of items which Staff had identified as being important factors in considering the option to extend with JLT for the 2019-2020 policy period. The following is a summary of the more relevant items considered by Staff and confirmed by JLT:

- Public Sector is in a state of flux and there is increasing pressure to not write business at a loss and municipal business is a class that sustains claims.
- Since the start of 2019, JLT has been made aware of several municipalities who received renewals with increases of 34% or more.
- At this juncture, JLT is seeing increased instability in Lloyds when it comes to writing municipal accounts yet JLT is not seeing any increase in appetite for public sector business from domestic insurers.
- Signs indicate that municipalities can expect that premium reductions, even when faced with competition, are a thing of the past.

- Municipalities can help protect their budgets from premium fluctuations by selecting an insurance program that is stable and use insurers who have exhibited a long term commitment to writing municipal business.
- Strong risk management practices, developing a long-term relationship with insurers, and retaining the appropriate deductible levels will increase in importance.
- The current push by responsible insurers to obtain regular increases of 3 to 10% is to ensure business does not continue to be written at a loss.
- JLT has been writing business with the same insurers for well over 10 years and its municipal program continues to remain strong, with only marginal increases expected for good performing accounts over the next few years.

JLT provided Niagara Region with an estimated overall premium percentage change of 4.75% over last year's premium, subject to any increase required as a result of additional property and fleet values.

In considering the above noted summarized items, Staff's recommendation to renew for the third year with JLT will result in an overall reasonable percentage increase that is within budget and will also allow Staff to focus its efforts on corporate wide risk management practices while continuing to build a knowledge base with JLT to help inform the future competitive procurement process.

It is Staff's intention to bring a report to Council in the Spring of 2020 to seek instructions and direction with respect to the overall competitive procurement process for insurance and risk management services for the November 1, 2020 policy renewal. This will include, but not be limited to, scoring and program rating criteria as well as increased contract term length (3 to 5 years).

Alternatives Reviewed

Staff considered competitive procurement for the November 1, 2019 renewal. However, Staff does not recommend procurement at this time for a number of reasons including the favourable estimated terms provided by JLT, the uncertainty of the Public Sector market, as well as the additional costs and resources required to complete a competitive procurement process with no certainty that any savings would be achieved.

Relationship to Council Strategic Priorities

Exercising the option to extend allows Niagara Region to benefit from additional cost savings while building further knowledge base with the current insurance provider, which aligns with Council's strategic priority of Advancing Organizational Excellence.

Other Pertinent Reports

N/A

Prepared by:
Donna Pasto
Risk Management Program Manager

Recommended by:
Todd Harrison, CPA, CMA
Commissioner/Treasurer
Enterprise Resource Management Services

Submitted by:
Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Donna Gibbs, Director Legal and Court Services and reviewed by Adam Niece, Program Financial Specialist.

Appendices

Appendix 1	Forecast and General Market Conditions Report Submitted by JLT Canada dated March 28, 2019	5 to 10

FORECAST AND GENERAL MARKET CONDITIONS REPORT FOR THE REGIONAL MUNICIPALITY OF NIAGARA

Submitted by JLT Canada

March 28, 2019

3/28/2019 v2

MARKET CONDITIONS

There are a variety of factors that impact premium. In addition to an insured's exposures and loss ratio, there are considerations beyond an insured's control that affect premium:

- Reinsurance* arrangements: these contracts are impacted by the amount of surplus capital, overall losses (ex. Recycling facilities sustained significant losses globally and reinsurers required increased rates for all such facilities), and profitability within a particular sector.
- Capital surplus: investors put money into the insurance market looking for return on their investment and it is the surplus of these funds that allow underwriters to write competitive premiums. The amount of capital injected into the insurance market is tied to profitability. Subject to changes to interest rates, and if markets continues to product results at a loss, we can expect to see investors look for alternate investments with higher returns. The availability of capital is one of the driving factors that determine if we are faced with a soft market (competitive premium, some willingness to write at a loss) or a hard market (focus on insurer profitability through increased premium)
- Global outlook: continued catastrophic weather events impact property rates. This is not restricted to municipal business and can be felt even more heavily on commercial accounts.
- Claims frequency and severity: particular lines of business with frequent and/or costly claims can cause insurers to implement wide-brush mandatory increases.
- Legislation: this is a factor that impacts municipalities more then any other industry. Changes to the application of joint and several liability, environmental legislation, mandatory coverage by municipalities for integrity commissioners, legislated automobile accident benefits coverages, etc. have an impact on rates. The more the insurance industry is expected to fund the cost of injuries/losses to third parties, the more the public sector market space will be impacted as insurers need sufficient funds to pay these long tail claims.

****Reinsurance** is insurance that is purchased by an insurance company, in which some part of its own insurance liabilities is passed on ("ceded") to another insurance company. In the classic case, reinsurance allows insurance companies to remain solvent after major claims events, such as major disasters like hurricanes and wildfires. In addition to its basic role in risk management, reinsurance is sometimes used to reduce the ceding company's capital requirements, or for tax mitigation or other purposes. There are two basic methods of reinsurance – Facultative and Treaty.*

Following is a summary of the state of the insurance industry for the general domestic and London markets, as well as what the public sector space is undergoing.

LLOYD'S OF LONDON

At the beginning of November 2018 Lloyd's completed a bruising business planning process that saw an unprecedented number of changes to its syndicates' 2019 plans. We have seen everything from syndicates withdrawing from the market through to pulling out of weaker performing lines of business in order to secure approval. Property, construction, professional indemnity and marine cargo have all in particular been in the firing line. Whilst speculation at this stage and some syndicates will have modest growth signed off, this hard-line remediation stance could reduce overall planned premium levels by up to 10% in 2019.

The focus has now moved from planning to obtaining sufficient capital and ensuring that approved syndicates also have their regulatory capital in place to support their 2019 business plans as part of the so-called 'coming in to line' exercise. Following loss creep on second half (2H) 2017 catastrophe events, significant loss events in 2H 2018 such as the Californian wildfires, Lloyd's imposed capital loading as part of a wider de-leveraging project, the capital squeeze is on. Sitting behind this de-leveraging will be a Lloyd's concern that some syndicates were being too optimistic with their loss picks on both retrospective and forward looking business. It appears the majority of syndicates have been asked to find additional capital which will of course put further downward pressure on their returns, particularly on those who have to operate next year with a reduced premium income. It follows that by increasing syndicates' cost of capital to ensure an improvement in underwriting profitability will mean underwriters will be forced to stand tough in pushing for premium increases when faced with demanding brokers at their box!

It may also be the case that the market-wide increase in capital is the result of additional pressure faced by Lloyd's from the Prudential Regulation Authority (PRA) and the rating agencies. One of those rating agencies, Fitch, has recently said 'that despite the proactive approach by Lloyd's to confront underperforming syndicates in the market, profitability is expected to remain under pressure in 2019' and 'it does expect the market to respond with a renewed focus on profitable underwriting'.

The above has translated into London markets pushing for rate, cutting line sizes, moving away from writing certain lines of business, and tightening terms and conditions.

DOMESTIC MARKET

The Canadian insurance market remains relatively competitive for well performing accounts and classes of business; however rate reductions are slowing down across almost all lines of business as well as industries. Long-term outlook continues to point to a bottoming out of the market.

As 2017 entered the last months of a record year for Catastrophic losses, increases averaged 10 per cent for loss free accounts, but were as high as 50 per cent for some clients in the Caribbean. The wider industry's response to this year's natural catastrophe losses has been uneven, differing by line of business and geography.

Without taking into account losses or increases in values, domestic property underwriters in H2 of 2018 and H1 of 2019 have been looking for increases of up to 20% on the overall property rate. This is the trend in all types of business – hospitals, commercial operations, real estate, etc. Many domestic insurers are limiting their overall liability and capping the amount payable in the event of a catastrophic loss.

Last year's catastrophe losses have not resulted in a 'knee-jerk' response from the insurance market as of yet, although there is a renewed sense of discipline and determination among underwriters. There has not been a wider move to restrict cover, but insurers are generally looking to impose more disciplined underwriting, an increased reliance on actuarial results, and an increased focus on retentions and limit.

All of the syndicates on your program (QBE, Chaucer and MCI) have had their 2019 business plans approved.

PUBLIC SECTOR MARKET

The Public Sector market is in a state of flux. Although there is still capital in the marketplace there is increasing pressure to not write business at a loss and municipal business is a class that sustains claims. Since the start of 2019, we have been made aware of several municipalities who received renewals with increases of 34% or more.

At this juncture, we are seeing increased instability in Lloyds when it comes to writing municipal accounts yet we are not seeing any increase in appetite for public sector business from domestic insurers. Signs indicated that municipalities can expect that premium reductions, even when faced with competition, are a thing of the past.

Municipalities can help protect their budgets from premium fluctuations by selecting an insurance program that is stable and uses insurers who have exhibited a long term commitment to writing municipal business. Strong risk management practices, developing a long-term relationship with insurers, and retaining the appropriate deductible levels will continue to increase in importance. The current push by responsible insurer's to obtain regular increases of 3-10% is to ensure business does not continue to be written at a loss. Although difficult to justify increases in the short term, this strategy should reduce the risk of municipalities facing a sudden significant jump in premium, thereby maintaining budget stability. JLT has been writing business with the same insurers for well over 10 years; our municipal program continues to remain strong, with only marginal increases expected for good performing accounts over the next few years.

Gwen Tassone
SVP, Account Executive
JLT Canada
PHONE: 647-459-9888
EMAIL: gtassone@jtassone@gmail.com

THE REGIONAL MUNICIPALITY OF NIAGARA

The Region of Niagara has a comprehensive insurance program that effectively transfers a significant portion of the Region's risk. The primary lines most impacted by current market conditions include:

- General Liability, including Administrative Errors and Omissions
- Property, including Boiler and Machinery
- Automobile

Insurers are not able to provide pricing more then 60 days in advance of a renewal; however we did have discussions with insurers and are able to relay the following preliminary indications.

PRELIMINARY RENEWAL ESTIMATES FOR THE REGIONAL MUNICIPALITY OF NIAGARA 2019-2020

General Liability: In 2017 QBE agreed to a 2 year rate guarantee, therefore the 2018 policy renewed at the same rate as expiring. If the Region's loss ratio remains low, the Region may see renewal terms with only a 2-3% increase.

As discussed above, the liability market for municipal business is struggling and insurers are looking for slight increases to help reduce a spike in premiums. However, JLT would advocate for the Region and work with insurers towards a zero percent increase for the 2019 term.

Umbrella Liability: No changes expected at this time. Unless losses deteriorate for underlying policies, the Region can expect premiums to remain the same as expiring terms.

Property, including Boiler & Machinery: Without taking into account losses or increases in values, the JLT program property underwriters have been looking for increases of approximately 3-5% on the overall property rate per $100. If the Region's loss ratio continues to remain below 40%, we will advocate for 'as is' rates.

As discussed during the Region's 2018 renewal, the rates for recycling facilities recently increased. This is a world-wide issue and Aviva's reinsurers applied this surcharge to all accounts with scheduled recycling facilities due to the increasing number of losses that have taken place globally.

Automobile: There was a program wide automobile rate increase in 2018 of 5% due to the increased cost of claims, which is the result of costs for both vehicle repairs and medical care continuing to increase. The Region's auto policy loss ratio was approximately 66% in 2018. Insurers typically apply increases to accounts with loss ratios in excess of 64%. The Region employs a number of effective risk management practices therefore we were able to negotiate the typical 10% increase down to 3% in 2018. If the loss ratio for this line of business remains above 40%, the Region may see up to a 10% increase. Despite the typical increases noted above, we will negotiate with insurers to obtain the best possible pricing for 2019.

Crime and Excess Crime: Crime remains to be consistent in pricing despite municipalities being a class of business that faces substantial claims from internal theft. This is an area where internal controls and risk management practices are effective means of keeping pricing stable. Unless losses deteriorate no changes are expected. If insurers do require a program wide increase, which is not expected, we may see an increase of 2-3% at most.

Councilors Accident: No changes anticipated

Environmental Impairment Liability (First Party – NRH): Unless losses deteriorate, no changes in premium are expected.

Cyber: This is a coverage that is evolving and changing at a rapid pace. Although it is not recommended to remarket an account every year, this is one policy where obtaining alternate quotes for the Region's 2019 renewal could be advantageous.

The following preliminary estimate is based on what we foresee as the worst case scenario for the Region's 2019-2020 term. JLT would negotiate with insurers to provide the Region with the best possible terms when the renewal process begins.

Policy	2017-2018		2018-2019		Preliminary Estimate 2019 - 2020	
Population		*449,098*		*449,098*		*449,098*
General Liability Premium:	**$**	**104,200**	**$**	**104,200**	**$**	**109,230**
Umbrella Liability Premium:	**$**	**28,743**	**$**	**28,743**	**$**	**28,743**
Blanket Property Limit	*$*	*2,301,895,766*	*$*	*2,415,416,917*	*$*	*2,415,416,917*
Property/Boiler & Machinery Premium:	**$**	**349,948**	**$**	**409,369**	**$**	**423,855**
Automobile - Number of Vehicles		*716*		*738*		*738*
Automobile Premium:	**$**	**178,009**	**$**	**188,571**	**$**	**207,197**
EIL First Party NRH Premium:	**$**	**17,500**	**$**	**16,995**	**$**	**16,995**
Crime Premium:	**$**	**10,000**	**$**	**10,000**	**$**	**10,000**
Excess Crime Premium:	**$**	**15,000**	**$**	**15,000**	**$**	**15,000**
Councilors Accident Premium:	**$**	**4,320**	**$**	**4,320**	**$**	**4,320**
Cyber Premium at $2M	**$**	**25,225**	**$**	**25,225**	**$**	**25,225***
Directors & Officers Premium (NEDC):	**$**	**7,500**		**n/a**		**n/a**
TOTAL PREMIUM	**$**	**740,445**	**$**	**802,423**	**$**	**840,565**
OVERALL PERCENTAGE CHANGE				**8.4%**		**4.75%**
***Additional premium for increasing Cyber limit from $2M to $5M**						***$22,400***

Subject: Bill 142 – Construction Lien Amendment Act, 2017

Report to: Corporate Services Committee

Report date: Wednesday, April 17, 2019

Recommendations

1. That Regional Council **ENDORSE** the recommendations made by the Association of Municipalities Ontario (AMO) to the Ministry of the Attorney General to consider the following additional changes to the recently amended *Construction Act*:

    - Owners should be provided more than 14 days to publish a notice of non-payment to ensure that due diligence is completed before payment of a proper invoice is required (e.g. 21 business days);
    - The time period between December 24th to January 2nd of each calendar year should be excluded from the calculation of time with respect to Prompt Payment and Adjudication;
    - The date for implementing the Prompt Payment and Adjudication regimes should be postponed from October 1, 2019 to one year following the establishment of the Authorized Nominating Authority (ANA); and
    - That the Ministry create and communicate practice guides, interpretation bulletins, and webinars in alignment with Recommendations 97 & 98 of the Expert Panel's Report to educate owners, contractors, and subcontractors of the new regimes;

2. That the Regional Chair **BE DIRECTED** to send a letter to the Ministry of the Attorney General to consider the recommendations made by AMO respecting the changes to the Construction Act; and

3. That Report CSD 29-2019 **BE CIRCULATED** to the local area municipalities.

Key Facts

- The purpose of this report is to inform Council regarding municipal governments' concerns with recent amendments to the *Construction Act* as a result of Bill 142, and recommend that Niagara Region join municipal organizations in support of the four changes outlined by the AMO.
- Of significant concern is that the necessary processes are not in place with the province, preventing municipal governments from planning appropriately for the October 2019 implementation.

- The Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO), Municipal Finance Officers of Ontario (MFOA), and other municipal organizations are supportive of the changes outlined by the AMO.

Financial Considerations

There will be a financial impact for the Region to implement and comply with Bill 142; however, the magnitude of the impact cannot be fully understood until the legislation has been in place for some time.

As a result of Bill 142 amendments to the *Act*, there will be cost implications associated with updating contract language, adapting existing processes, and resources required to address prompt payment, mandatory adjudication, risk mitigation, and general compliance with the amended statute. Budgetary and accounting pressures are a factor as mandated payments related to adjudicated disputes will become due mid-project with short timelines for payment.

Staff will be required to develop processes and procedures to respond to new payment and claims pressures under compressed timelines. Additional ongoing legal and contract administration support will also be required to address an expected increase in contract disputes arising from the mandatory adjudication process. Additionally, depending on the yet to be determined regulations, mandatory surety bonds on public projects may also increase project costs, and potentially reduce the competitive pool of available bidders for certain types of work.

Overall, these potential factors introduce significant corporate financial risk to the organization.

Analysis

Bill 142 made numerous amendments to the *Construction Lien Act* (now titled the *Construction Act*), which affect the Region, its professional consultants, general contractors, subcontractors, and contract administrators. These include:

- Modernization of the construction lien and holdback rules and timelines
- Modernization of claims procedures
- Introduction of a prompt payment regime for all construction projects
- Implementation of adjudication as a new process to speed up dispute resolution

The purpose of the amendments was to ensure promptness and security of payment for suppliers of construction materials and services, and to ensure disputes are resolved efficiently to facilitate cash flows between contractors and subcontractors. The amendments are being implemented in three phases and can be categorized as follows:

(1) Minor housekeeping changes which went into effect December 12, 2017; (2) changes with respect to lien modernization, holdback payment, and surety bonding effective July 1, 2018; and (3) changes with respect to prompt payment and adjudication effective October 1, 2019.

Prompt Payment

Effective October 1, 2019, new legislation with respect to a "Prompt Payment" scheme will be implemented which will have an impact on the Region and the construction industry as a whole.

The *Act* will require that an owner (i.e. the Region) pay according to a "proper invoice" no later than 28 days after receiving said invoice from the contractor. Should an owner dispute the invoice, or a portion thereof, notice of non-payment must be given no later than 14 days after the invoice receipt date. If only a portion of the invoice is disputed, the owner is still required to pay any undisputed portions of the invoice within the 28 day time frame.

Staff are currently working to rewrite contracts and to define what constitutes a "proper invoice" in its contract language. System and process changes related to document management are also required to accommodate these changes. Considerations are also being made in the event the Region loses adjudications of disputes, as interest will accrue on any amounts that are not paid within the legislated time.

In addition, while the Legislative changes related to prompt payment outlined herein come into effect post contract award, the Region’s Procurement department recognizes the need for a proactive and upfront commitment of resources to ensure that all associated templates (RFT, RFP, etc.) and contract documentation are updated to reflect the changes related to prompt payment, mandatory adjudication, risk mitigation, and general compliance with the amended statute. To ensure ongoing adherence to the overarching objectives of fairness and transparency, these changes will be incorporated and effectively communicated to the bidding community from the onset of each procurement process that is undertaken.

Adjudication

Also effective October 1, 2019, the Bill 142 amendments will come into force with respect to interim adjudication for construction disputes.

The Minister of the Attorney General is responsible for designating an entity to act as Authorized Nominating Authority (ANA) for the purposes of developing and overseeing programs for training adjudicators; qualifying adjudicators; establishing and maintaining a registry of adjudicators; and appointing adjudicators.

The party to a contract will have the right to refer disputes to adjudication, although adjudications are mandatory if payment is withheld. These disputes could relate to valuation of services or materials; payments under the contract, including change orders; disputes subject to Notices of Non-Payment; amounts retained as set-off; payments of holdback; non-payments of holdback; or any other matter to which the parties to the adjudication agree.

The adjudication procedures are set out in the *Act*, and will include a written notice of adjudication; selecting an approved adjudicator; exchange of documents to be relied upon at the adjudication; powers of the adjudicator; on-site inspection of work projects; and retaining of experts to assist the adjudicator. Strict timelines have been put in place (once adjudication is initiated, parties will have four days to agree to an adjudicator or the Authorized Nominating Authority must appoint one within five days; the initiating party then has five days to provide materials in support of its position; and a decision must be rendered by the adjudicator within 30 days of adjudication).

Liens

Liens are no longer attached to municipal property effective October 1, 2019. Under the current legislation, liens are not attached to crown property or municipal highways; however, if someone wishes to lien other properties such as a community centre, they can register the lien on title. With Bill 142, municipal properties are treated the same as crown lands. All liens are to be served by giving it to the Clerk; they are not to be placed on title. Staff will be required to develop processes and procedures to respond to new liens procedures under compressed timelines.

Staff at the Region have initiated a readiness assessment to identify the gaps and to develop a subsequent work plan to be compliant with Bill 142. Council's endorsement for these recommendations made by AMO and the associated risks as articulated in their letter will help ensure the Region's success in complying with the Bill while staff continue the work to be ready for October 1 or any other date the province may establish as a result of AMO recommendations and their endorsement by the Council.

Alternatives Reviewed

N/A

Relationship to Council Strategic Priorities

N/A

Other Pertinent Reports

N/A

Prepared by:
Kirbi Simpson
Project Manager
Enterprise Resource Management Services

Recommended by:
Todd Harrison, CPA, CMA
Commissioner/Treasurer
Enterprise Resource Management Services

Submitted by:
Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation and reviewed by Helen Chamberlain, Director Financial Management & Planning, Erin Amirault, Associate Director Finance Operations & Systems, Bart Menage, Director Procurement & Strategic Acquisitions, and Donna Gibbs, Director Legal & Court Services

Appendices

Appendix 1 AMO Submission to the Standing Committee on the Legislative Assembly

Appendix 2 AMO Letter to Attorney General

Association of Municipalities Ontario

Bill 142, *An Act to Amend the Construction Lien Act, 2017*

Submission to the Standing Committee on the Legislative Assembly

November 1, 2017

AMO, on behalf of our municipal members, advocates for well-considered provincial legislation that enables municipal governments to function for the benefit of our communities and the public interest. Conversely, we work to mitigate unintended consequences of proposed legislation and regulations, identify gaps that need to be addressed, and provide advice to the Province to determine the best implementation.

Bill 142, *An Act to Amend the Construction Lien Act* (2017), is a piece of legislation that exemplifies the positive outcomes of what happens when a proper and thorough consultation takes place. As you know, the construction industry, owners (including municipal governments), contractors, and subcontractors have long argued for reforms to the *Construction Lien Act*, and AMO is encouraged that Bill 142 includes significant improvements to modernize an Act that is over 30 years old.

The Process

AMO appreciates the government for conducting the Expert Panel review of the *Construction Lien Act*, and the commitment and leadership shown by Attorney General Naqvi to get Bill 142 to this stage.

Our written comments will not come as a surprise to the Ministry of the Attorney General or others, as AMO has been actively consulted and involved throughout the four-year process.

Last week, the Attorney General circulated a list of some proposed government motions that have allowed us to narrow the focus on our remarks on Bill 142. We appreciate the Ministry's attempt to strike a balance between all stakeholders, and recognize that some of our concerns may be addressed in these motions. However, it is still important for AMO to highlight issues raised by our members that should be considered by the Committee.

Please note that our general remarks support other municipal governments' individual technical submissions which combined reflect countless hours working through how Bill 142 would affect the operations in their municipalities, and in some cases, have prepared draft alternative language that we hope the Committee will consider.

Areas of Support for Bill 142

AMO has been working closely with the Attorney General's office to identify gaps and unintended consequences of Bill 142. The Ministry is proposing several government motions that would, if passed, address some of AMO's concerns:

- including a transition provision to provide for consistency until the new law comes into effect;
- exempting architects, engineers, and consulting professionals from requiring surety bonds for public projects;

- clarifying that interest for late payments is from the date the invoice was due and payable; and,
- that adjudication may not revive expired liens.

We recommend that the Committee adopt these changes during clause-by-clause consideration.

In addition to these amendments, AMO submits that consideration also be given to our outstanding issues.

Recommended Areas for Refinement

1. Payment should not be made without first receiving a municipal owner's express approval or certification that work was properly completed.

AMO believes in prompt payment and is supportive of a regime that requires payments be made promptly for work that is completed to a standard that an owner has deemed to have been met. We believe that modernizing prompt payment rules is important and that people who have completed work properly should be paid on time.

AMO agrees completely with the Toronto Transit Commission's comments regarding certification, that "requiring payment to be made from the date of a proper invoice instead of certification or owner's approval means there may not be enough time to properly scrutinize an invoice and risks payment for improper or incomplete work. In the US, 20 states allow the trigger event to be either set out in the contract or is expressly certification/approval."[1]

We note in the proposed government amendments, Alternative Financing and Procurement (AFP) projects would be allowed "certification of payment prior to the submission of an invoice for AFP projects."[2] AMO wonders why these same exceptions cannot apply also to municipal projects, given that it provides significant protection to one type of project over another.

Although the government is proposing a motion that provides an owner with the ability to conduct "testing and commissioning" of a project, it does not account for every scenario and this motion, if applied, would only add an additional cost. Without including a certification trigger, the link of prompt payment with a mandatory adjudication regime, means that an owner is not only required to make a payment in 28 days, but adjudication is automatically invoked if not.

This does not give nearly enough time for a municipal government, large or small, to verify that the work has been completed to specifications and to enter into discussions with contractors for any discrepancies that may be identified, which is industry practice.

[1] Toronto Transit Commission. Written Submission on *Bill 142: Construction Lien Act Amendment Act, 2017*, October 25, 2017, pg. 3.
[2] Email from the Attorney General's Office. "Update on Bill 142: Construction Lien Amendment Act." Received Monday, October 23, 2017.

All municipal governments have a duty to the taxpayer to be diligent in how projects are managed, and to ensure that taxpayer money is only paid for work that is properly performed and meets all of the specifications under the contract. To have the trigger for payment be the receipt of the proper invoice and not certification or other forms of owner's approval lacks the checks and balances necessary to process those payments. It will undoubtedly result in paying for contracts that are not properly completed and increase costs of litigation to resolve those disputes through adjudication.

Therefore, AMO is requesting that the trigger for payment for public projects be testing, commissioning <u>and</u> certification, or alternatively extend the timelines in the prompt payment regime to ensure that public funds are managed properly, and the safety of our projects are maintained for our residents.

2. **Before proceeding to combine the lien rights <u>and</u> mandatory adjudication regimes – making Ontario the first jurisdiction in the world to do so – AMO would like the problematic time lags and other practical considerations addressed.**

AMO is very concerned about implementing both regimes at the same time. Even if a matter is not resolved to the satisfaction of a contractor or subcontractor, they may bring a lien action during construction. By contrast, an owner does not have any ability to bring an action until the end of the project.

Bill 142 would make Ontario the first jurisdiction in the world to have both regimes (UK has adjudication but no lien rights). Under the prompt payment regime, owners and contractors would not have the same ability to settle a dispute because the timelines are so strict. To make matters more challenging, the government is proposing a motion that the subcontractor would be <u>required</u> to invoke adjudication if the contractor does not pay. These scenarios only drive up project costs and risk delaying construction projects.

We continue to be told that this legislation intends to catch problematic actors, not large owners like municipal governments. As responsible owners, we should be given flexibility to resolve disputes with contractors at far less cost, before being pulled into adjudication.

AMO also submits that the time lags between the "payment date" and the "non-payment notice" for progress payments ought to be extended to 28 days (s. 6.3 (2)), and the "payment date" and the "non-payment notice" for holdback payments should be extended to 60 days (s.27.1). This would better align the payment deadlines, and decrease the risk that contractors would be paid for work that was not properly completed.

Another example is that the extremely short timelines, proposed for adjudication, could result in the owner being taken by surprise in a trial if the contractor has spent time preparing a detailed claim without the owner's knowledge, and then initiates adjudication, with the owner having very little time to prepare a proper response.

These are just some examples that the Committee should address around the prompt payment and adjudication regimes. AMO recommends that the Province explore the implications of enacting both sections, and that stakeholders have the ability to comment on regulations before they are enacted. We have come too far in this process, and with significant alignment amongst stakeholder groups, why not work together to get it right the first time?

3. **It is important that municipal governments receive training support and resources to ensure the legislation is properly implemented at the local level, and that they, as owners, are operating in compliance with the law.**

AMO encourages the Ministry to find ways to help train municipal staff across Ontario on what has changed should this legislation pass. The size and capacity of municipal governments is equally broad as the value of projects they deliver. For example, about 43% of municipalities have less than six full-time administrative staff to cover statutory duties including a clerk, treasurer, general reception, and perhaps a chief administrator.[3] It is highly unlikely that there will be a lawyer on staff.

Conversely, of the 34 Ontario municipalities that have a population over 100,000, their project management and legal staffing budgets will also have to significantly increase because of this legislation, as they, as an example, are the ones doing transit expansion projects.

Regardless of size, Bill 142 will require every municipality to redraft all of their construction contracts, develop new project management procedures, and change processes to ensure faster payment. This will require hiring more legal and project management resources (especially if the timelines do not change), and adding more administrative burden on every municipal clerk who will need to ensure compliance with this legislation, as well as the over 200 other provincial statutes that municipal governments are required to follow.

Given this context, AMO requests that the legislation be delayed in coming into force by one or two years, and echoes the recommendation by the City of Toronto that "there be a Ministry website for construction in Ontario for the publication of all notices under the Act and to provide additional information on individual projects".

This would be helpful to all parties in the construction pyramid and erase the administrative and cost burden of publications required under the Act. If each project in the Province was assigned a 'Project Identifier' number, this would further assist the parties in locating all of the information about a project in one place, on one website."[4]

[3] Ministry of Municipal Affairs, 2016 Financial Information Return, Schedule 80. https://efis.fma.csc.gov.on.ca/fir/
[4] City of Toronto, Oral Remarks on *Bill 142: Construction Lien Act Amendment Act, 2017,* October 25, 2017

Conclusion

AMO believes that Bill 142 has in some ways truly struck a balance between the competing asks of all stakeholders, and should be considered an achievement for industry and owner groups.

That said, we hope that the Committee will carefully consider our remarks and those of our member municipalities. These remarks are intended to ensure the modernization of the *Construction Lien Act* will be as successful as possible by avoiding unintended consequences and mitigating against the potentially costly and burdensome impacts of this legislation.

Sent via email: caroline.mulroney@pc.ola.org

March 7, 2019

The Honourable Caroline Mulroney
Attorney General
McMurtry-Scott Building, 11th Floor
720 Bay Street
Toronto, Ontario M7A 2S9

Dear Attorney General Mulroney:

I would like to outline the ongoing concerns that municipal governments have with the *Construction Act, 2017*, and to reiterate my request to meet with you on this item. Without legislative amendments and support from the Ministry for implementation, we do not believe that the prompt payment and mandatory adjudication regimes will work effectively by the time the legislation is to come into force.

AMO, and our members, have always supported the principle of prompt payment, as evidenced by various municipal governments that already have policies in place that protect workers and suppliers. That is why we have played an active role in modernizing the *Construction Lien Act* since the work on prompt payment began.

While the *Construction Act* has been modernized in many respects, we recognize that the most significant pieces of legislation come into force on October 1, 2019. With that date fast approaching, AMO is asking the Ministry to consider four amendments:

1. Owners should be provided more than 14 days to publish a notice of non-payment to ensure that due diligence is done before payment of a proper invoice is required (e.g. 21 business days);

2. The time period between December 24th to January 2nd of each calendar year should be excluded from the calculation of time with respect to Prompt Payment and Adjudication, similar to the recently proposed federal legislation;

3. The date for implementing the Prompt Payment and Adjudication regimes should be postponed from October 1, 2019, to 1-year post-establishment of the Authorized Nominating Authority (ANA); and

4. That the Ministry create and communicate practice guides, interpretation bulletins, and webinars in alignment with Recommendations 97 & 98 of the Expert Panel's Report to educate owners, contractors, and subcontractors on the new regimes.

The proposed 28-day timeline for owners to pay contractors on the receipt of a “proper invoice” does not provide enough time for municipal staff to inspect and certify whether the work has been completed properly. Municipal governments require the ability to certify work before payment is remitted to protect our property taxpayer dollars. This Act essentially prohibits certification before payment, which is problematic and should be reconsidered. Otherwise, the Act leaves municipal taxpayers vulnerable to increasing construction project costs as well as legal fees.

Further, most municipal governments are closed for the holidays or maintain a much reduced staffing level during December 24th to January 2nd. It is important that municipalities are not forced into impossible timelines when those imposed by the legislation are already so tight.

Many details about the Authorized Naming Authority (ANA) are still to be determined. We recognize that the proposed regulations have provided some clarity, and that Expressions of Interest for ANA members were released in January 2019. In order to have the ANA working by October 1st, the Province must develop a certification regime for the adjudicators, ensure that there are sufficient adjudicators to meet demand, and ensure they have all been certified. Only once these details are in place can owners, contractors and subcontractors be educated on how this mechanism will work in practice.

This Act, in its current form, makes Ontario the first jurisdiction in the world to have prompt payment and adjudication regimes run simultaneously. We all need to get it right, and owners are willing to do their part to get ready. To achieve this we strongly encourage the Ministry to create practice guides, interpretative bulletins, and webinars to communicate how to prepare for these regimes prior to coming into force.

One consideration the Ministry should explore is creating a centralized web database hosted for all construction in the province for notices and additional project information. A website commissioned by the Province could have cost-recovery fees and be more affordable than the current proposed vehicle.

I appreciate your thoughtful consideration of these issues, and look forward to meeting to discuss how we can make the *Construction Act* a success for all of Ontario. The Ministry can reach out to AMO staff to clarify any details needed.

Sincerely,

Jamie McGarvey
AMO President
Mayor, Town of Parry Sound

cc: The Honourable Steve Clark, Minister of Municipal Affairs and Housing

200 University Ave. Suite 801 | www.amo.on.ca | Tel 416. 971.9856 | Toll Free in Ontario
Toronto, ON, M5H 3C6 | amo@amo.on.ca | Fax 416. 971.6191 | 877.426.6527