



THE REGIONAL MUNICIPALITY OF NIAGARA  
CORPORATE SERVICES COMMITTEE  
FINAL AGENDA

CSC 10-2024

Wednesday, November 6, 2024

9:30 a.m.

Council Chamber - In Person and Electronic Meeting

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

To view live stream meeting proceedings visit: [niagararegion.ca/government/council](http://niagararegion.ca/government/council)

---

	Pages
1. <u>CALL TO ORDER</u>	
2. <u>LAND ACKNOWLEDGEMENT STATEMENT</u>	
3. <u>DISCLOSURES OF PECUNIARY INTEREST</u>	
4. <u>PRESENTATIONS</u>	
4.1 <u>Asset Management in Niagara: Understanding Your Role as a Regional Councillor</u> Pious Maposa, Director, Asset Management	4 - 29
5. <u>DELEGATIONS</u>	
6. <u>ITEMS FOR CONSIDERATION</u>	
6.1 <u>CSD 57-2024</u> 5698 Main Street, Niagara Falls One-Time Grant Consideration	30 - 38
7. <u>CONSENT ITEMS FOR INFORMATION</u>	
7.1 <u>CSD 51-2024</u> Graphic Images in the Public Right of Way Update	39 - 45

City of St. Catharines Report - Older Homeowner Tax Increase Deferral Program

**8. OTHER BUSINESS**

**9. CLOSED SESSION**

9.1 Confidential CSC-C 12-2024

A Matter respecting Personal Matters about Identifiable Individuals and Labour Relations or Employee Negotiations under s. 239(2)(b) and (d) of the Municipal Act, 2001 - Additional Information Non Union Compensation Review Phase Two Update (Confidential Report HR 7-2024)

A presentation will proceed the discussion of this item.

9.2 Confidential HR 7-2024

A Matter respecting Personal Matters about Identifiable Individuals and Labour Relations or Employee Negotiations under s. 239(2)(b) and (d) of the Municipal Act, 2001 - Non Union Compensation Review Phase Two Update

9.3 Confidential CSD 50-2024

A Matter of Advice that is Subject to Solicitor Client Privilege and Respecting Litigation under s. 239(2)(e) and (f) of the Municipal Act, 2001– Bi-Annual Litigation Claims Summary

9.4 Confidential CSD 52-2024

A Matter Respecting Litigation and a Matter of Advice that is Subject to Solicitor-Client Privilege under s. 239(2)(e) and (f) of the Municipal Act, 2001-Hatch Corporation and South Side Low Lift Sewage Pumping Station Upgrades, Chippawa (Niagara Falls) ("South Side SPS Upgrades Project" or "Project")

9.5 Confidential CSD 54-2024

A Matter Respecting Litigation and a Matter of Advice that is Subject to Solicitor-Client privilege under s.239(2)(e) and (f) of the Municipal Act, 2001 – MacLennan Jaunkalns Miller Architects Ltd. and Canada Games Park

**10. BUSINESS ARISING FROM CLOSED SESSION ITEMS**

**11. NEXT MEETING**

The next meeting will be held on Wednesday, December 4, 2024, at 9:30 a.m. in the Council Chamber, Regional Headquarters.

## 12. ADJOURNMENT

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisor at 905-980-6000 ext. 3252 (office), 289-929-8376 (cellphone) or [accessibility@niagararegion.ca](mailto:accessibility@niagararegion.ca) (email).

# Asset Management in Niagara: Understanding Your Role as a Regional Councillor

Corporate Services Committee  
November 6, 2024

Pious Maposa, Director Asset Management Office



**Council Education**  
**Asset Management in Niagara Region**  
**Understanding Your Role as a Regional Councillor**

November 2024

# Council Strategic Priorities

## Effective Region

Remaining an employer of choice by transforming service delivery in a way that is innovative, collaborative and fiscally-responsible.

## Green and Resilient Region

Focusing on reducing our collective carbon footprint and preparing to adapt to climate change impacts by ensuring current and future infrastructure is resilient.

## Equitable Region

Providing opportunities for a safe and inclusive Niagara by listening and responding to our current community needs and planning for future growth.

## Prosperous Region

Advocating with senior governments for future growth and enhancing Niagara's transportation network to help support a diverse economy by creating a Region where new and existing businesses can thrive and grow locally, nationally and internationally.

# Asset Management Legislation



Infrastructure for Jobs and Prosperity Act, 2015

Ontario Regulation 558/17: Asset Management Planning for Municipal Infrastructure



Safe Drinking Water Act



Clean Water Act



Environmental Protection Act



Development Charges Act, 1997



Keeping Canada's Economy and Jobs Growing Act, S.C. 2011, c. 24



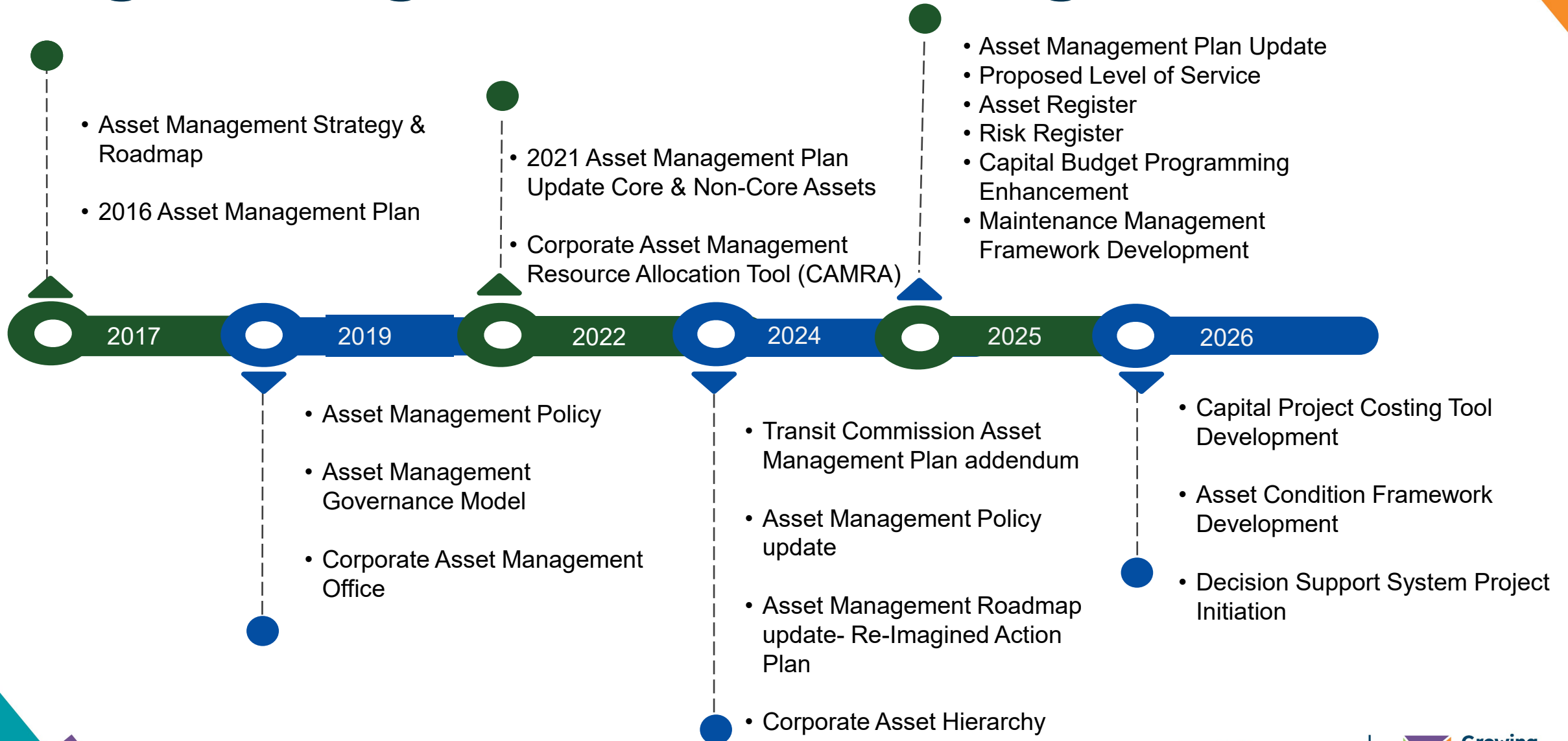
Provincial Planning Statement, 2024



Other legislative requirements

Canada Community Building Fund ( aka Federal Gas Tax Fund)

# Niagara Region's Asset Management





# Value of Asset Management

## Did you know?

- 60% of Canada's core public infrastructure is owned and maintained by municipal governments.
- One-third of municipal infrastructure is in fair, poor, or very poor condition.
- The Canadian Infrastructure Report Card found that "All communities, particularly smaller municipalities, would benefit from increased asset management capacity."

- CIRC 2019

## Asset Management Focuses On

- The vision of Niagara Region and how assets support community goals
- Value, purpose, and long-term outcomes of assets
- Managing risks and understanding the context of risks
- Holistic approaches to budgeting
- Collaboration across municipal service areas and with service partners

# Niagara Region Assets Overview

## Corporate Asset Management

### Core Municipal Infrastructure

Water/Wastewater/  
Stormwater

Roads / Bridges and  
Culverts

### Non-core Assets

IT, Facilities, Equipment, Fleet, Police, Emergency Medical Services, Children, & Court, Senior Services, Public Health, Community Housing, Transit, Transportation, Waste Management, and Social Assistance & Employment Opportunities

# Niagara Region Assets Value

What are our assets worth

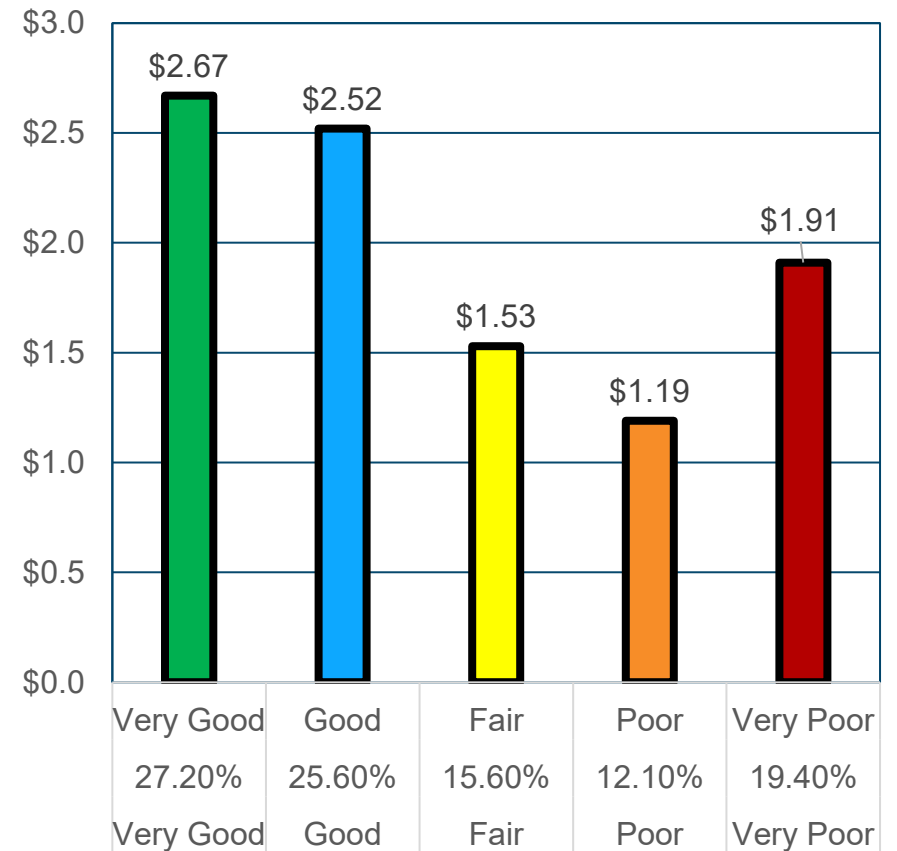
\$9.8B

As of Dec 31<sup>st</sup>, 2021

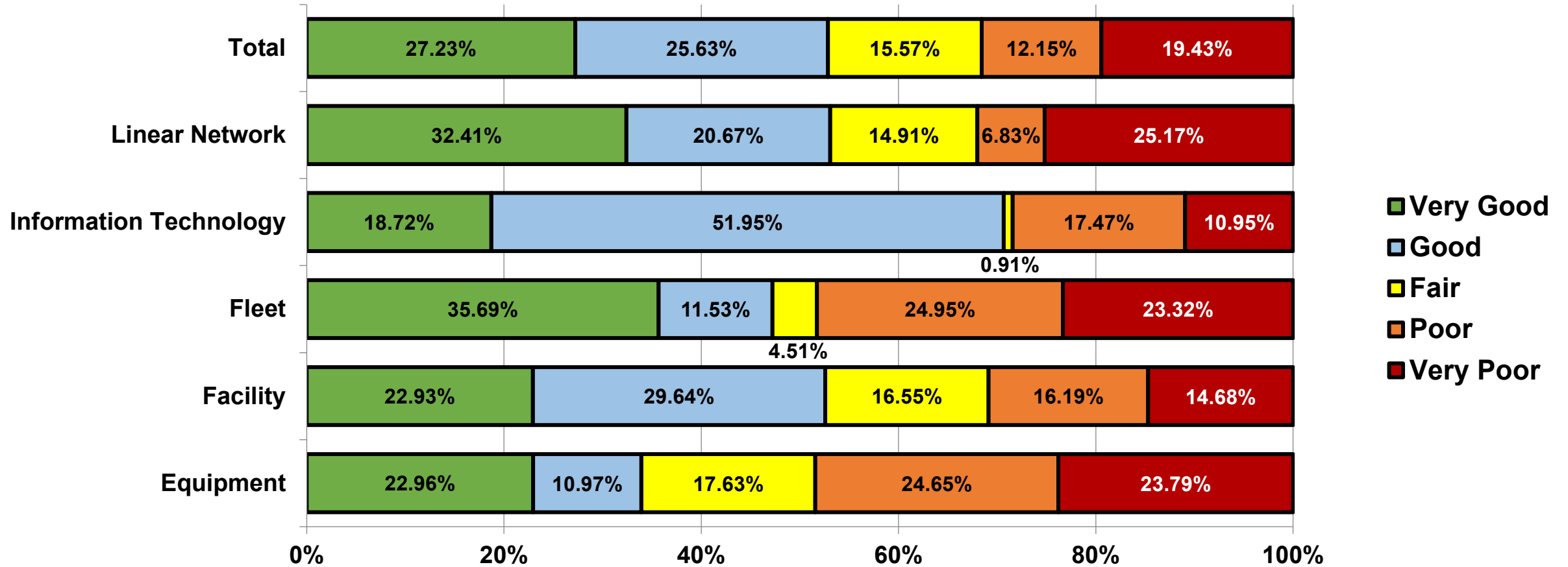
The Region owns and maintains a significant amount of assets. As of December 31, 2021, The 2021 Corporate Asset Management Plan (2021 CAMP) provides details of maintaining and managing the \$9.8 billion in assets replacement value that support the Region's services.

The **Replacement Value** of an asset (also Asset Replacement Cost & Current Replacement Cost) is the cost of replacing an existing asset with a substantially identical new asset or a modern equivalent.

Replacement Value \$ Billions



# What condition are our assets in?



- Asset condition as % of value by asset category

# Niagara Region Core Assets



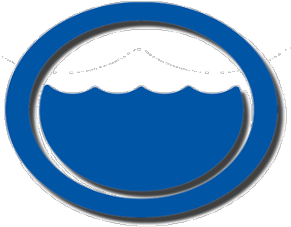
Niagara Region is responsible for the planning, delivering, maintaining and operating of the Region's core infrastructure, such as Water, Wastewater and Roads Assets.

These activities include:

- Maintaining and operating
- Monitoring asset conditions
- Developing and implementing infrastructure renewal plans through the Asset Management program
- Long Term Planning for growth
- Preparing capital budget by applying Asset Management principles, including CAMRA prioritization, level of service, risk, consequence of failure and optimized decision-making

# Water & Wastewater Infrastructure

Public Works operates and maintains:



**2** “Water Wagons” for the provision of potable water at community events.

Approximately **313+** km of Trunk mains

**6** water treatment plants and associated facility assets.

**31** outstations, including pump stations, treated water storage facilities, rechlorination facilities, sampling stations, and other facilities, and associated assets.



**10** wastewater treatment plants

**126** outstations and associated facility assets; outstations include sewage pumping stations, odour control facilities, combined sewer overflow tanks, and a stormwater pumping station.

Approximately **145** kilometres of sanitary gravity collection mains.

Approximately **161** kilometres of sanitary force mains.



**5** wastewater treatment lagoons

**1** biosolids treatment facility and associated facility assets.

Niagara Region Environmental Laboratory equipment.

Numbers represent quantities

# Transportation and Fleet Assets

## Public Works operates and maintains:



**1,733** lane kilometres of arterial roads



**89,085** square meters of bridges

**1,785** cross culverts  
**6,720** driveway culverts



**20,146** trees  
**1** Fleet Service Centre  
**585** vehicles



**110** kilometres of storm-water sewers



**241 km** of on-road cycling facilities



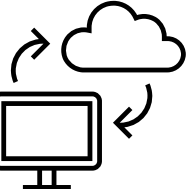
**288** traffic signals  
**18,655** signs  
**6,295** luminaries



**1,276** guide rails  
**713** retaining walls  
**13** barriers

Numbers represent quantities

# Niagara's Region Non-Core Assets



## Information Technology

- **7,515** IT devices, including computers, monitors and mobile devices.
- **579** IT Infrastructure devices and equipment.
- **333** software and applications.



## Owned Corporate Facilities

- Niagara Region Headquarter
- The Environmental Centre
- Niagara Falls Public Health Satellite Office



## Court Services

- **1** provincial offences court.

## Public Health

- **1** Public Health Satellite Office

## Emergency Medical Services

- **13** ambulance bases
- **82** vehicles
- **368** emergency medical equipment

**12** Council Education

## Police Services

- **98** pieces of equipment for patrol.
- **103** IT-related devices.
- **340** vehicles
- **1** Headquarter.
  - ✓ **6** divisional districts.
  - ✓ **1** tactical unit
  - ✓ **1** training centre.
  - ✓ **1** fleet service centre



## Community Housing

- **9** high-rise residential buildings.
- **20** low-rise residential buildings.
- **12** townhouses.
- **20** single/semi houses.



## Senior Services

- **9** Long-Term Care Facilities
- **2,043** equipment, including beds, resident care equipment and medical equipment.

## Children Services

- **4** Region-owned daycare facilities.

## Social Assistance and Employment Opportunities (SAEO)

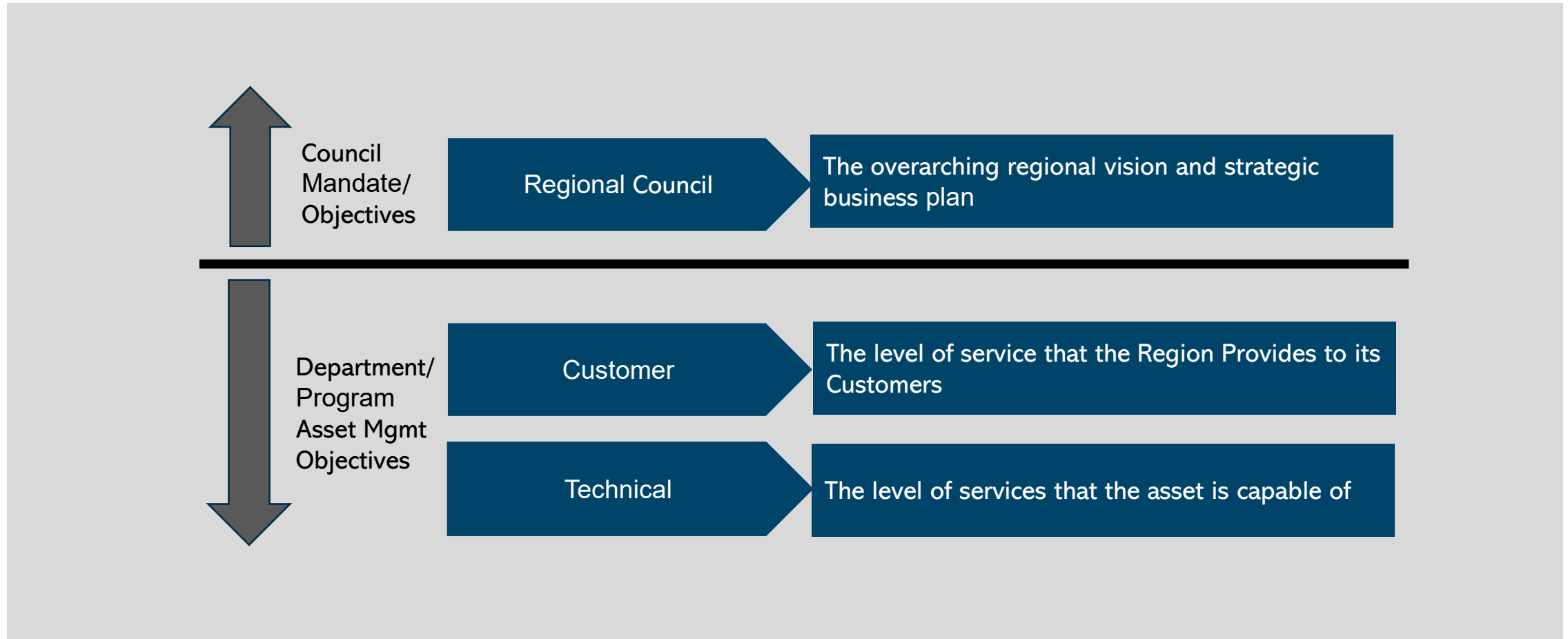
- **2** Social Assistance and Employment offices.



Numbers represent quantities

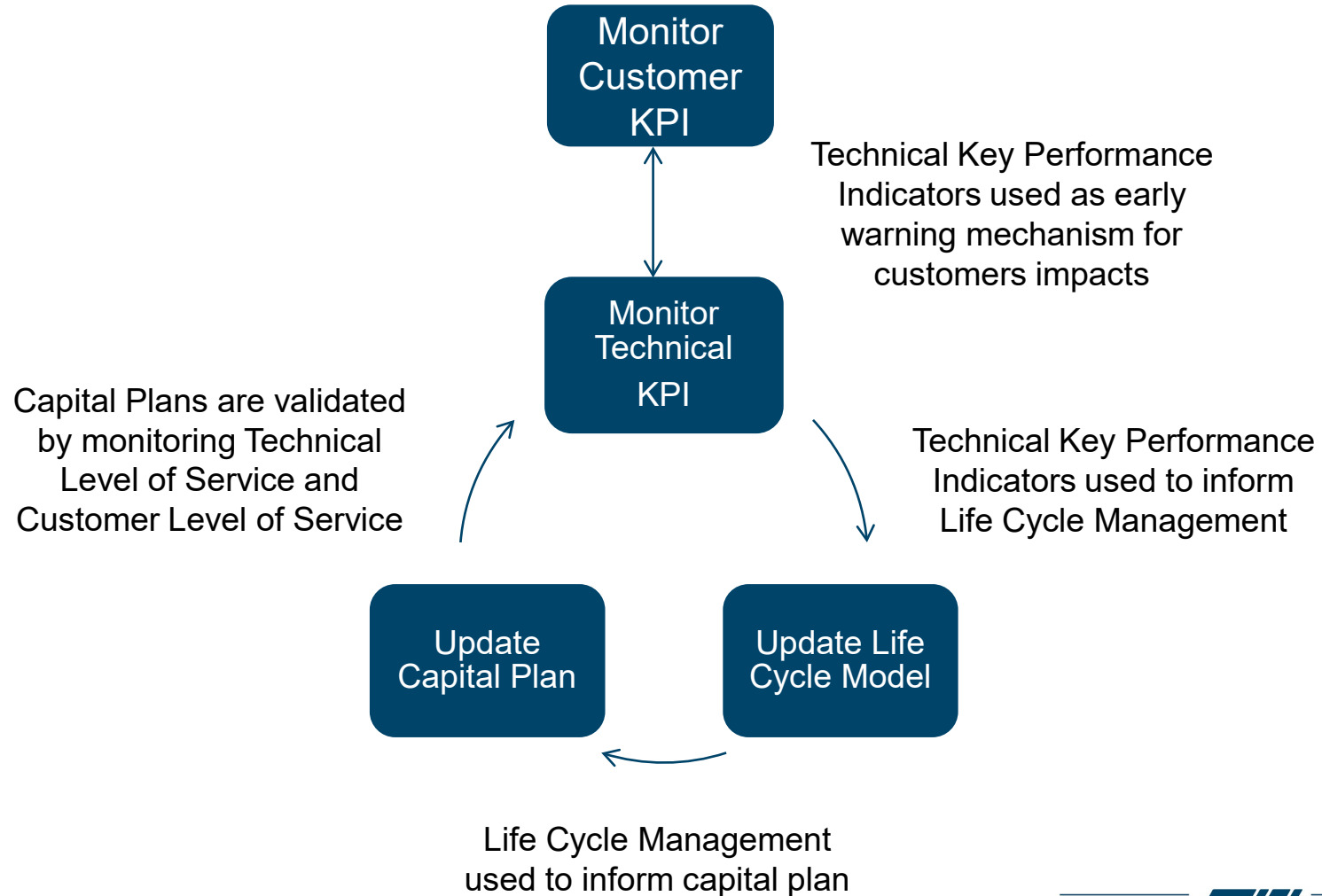


# Customer Level of Service



# Technical Level of Service

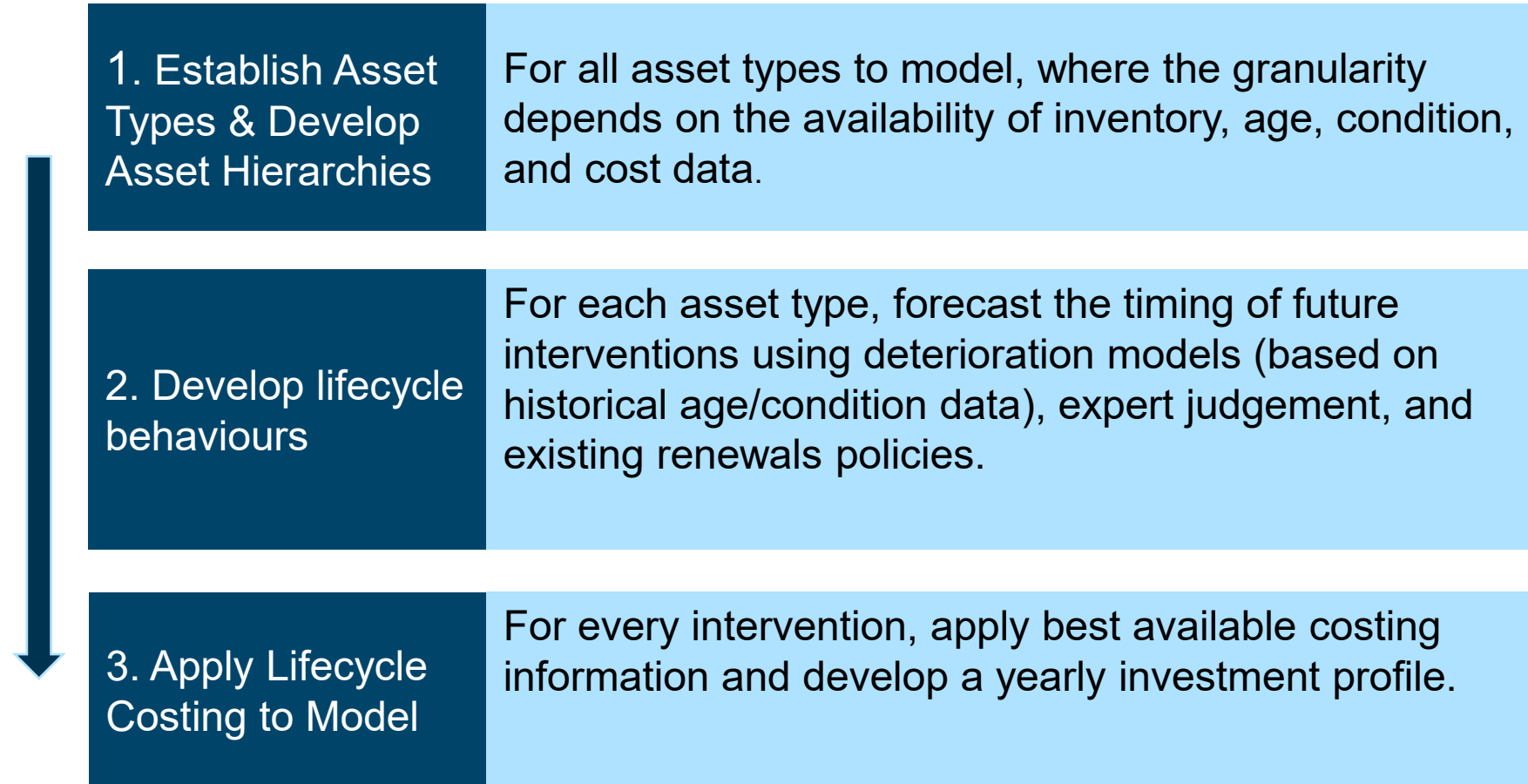
## Key Performance Indicators



# Typical Levels of Service and Key Performance Indicators Transportation Example

Customer Level of Service	Program Customer Objective	Asset Class	Technical Level of Service	Key Performance Indicator
Safety & Reliability	Safe and efficient movement of people and goods into and within the Region and neighbouring municipalities	Road Network	For paved roads, average pavement condition index value	Average pavement condition index =68
Safety & Reliability	All traffic is supported by regional bridges and culverts	Bridges/Culverts	The average bridge condition index	Average bridge condition index = 69 Average culvert condition index = 70

# Lifecycle Modelling








## Model Development Process

# Risk Management

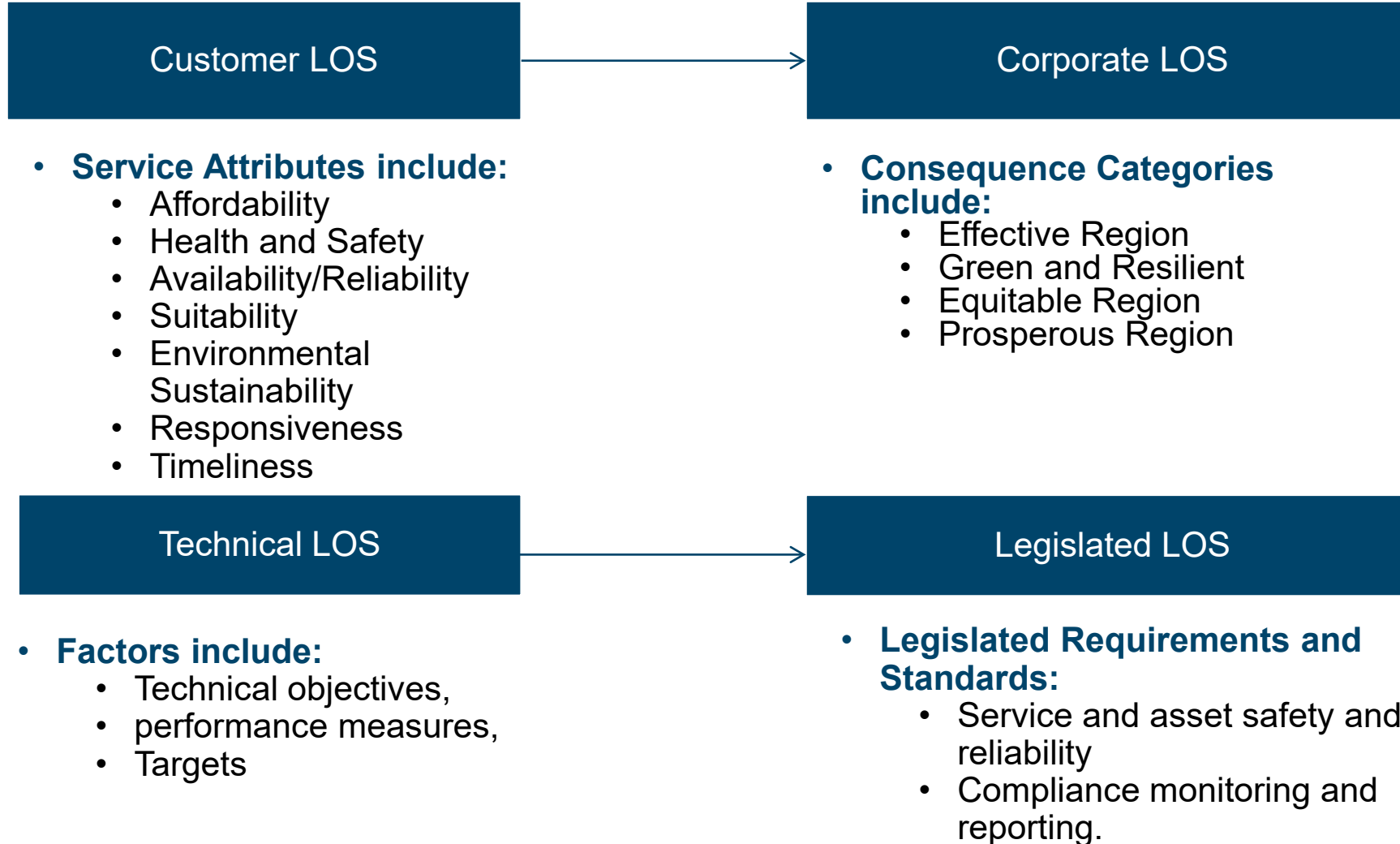
Risk Scoring Approach

Likelihood	1.00	Green	Yellow	Red	Red	Red
	0.50	Green	Yellow	Yellow	Red	Red
	0.33	Blue	Green	Yellow	Yellow	Red
	0.20	Blue	Blue	Green	Yellow	Yellow
	0.10	White	Blue	Blue	Green	Green
		10	20	40	80	160
		<b>Consequence</b>				

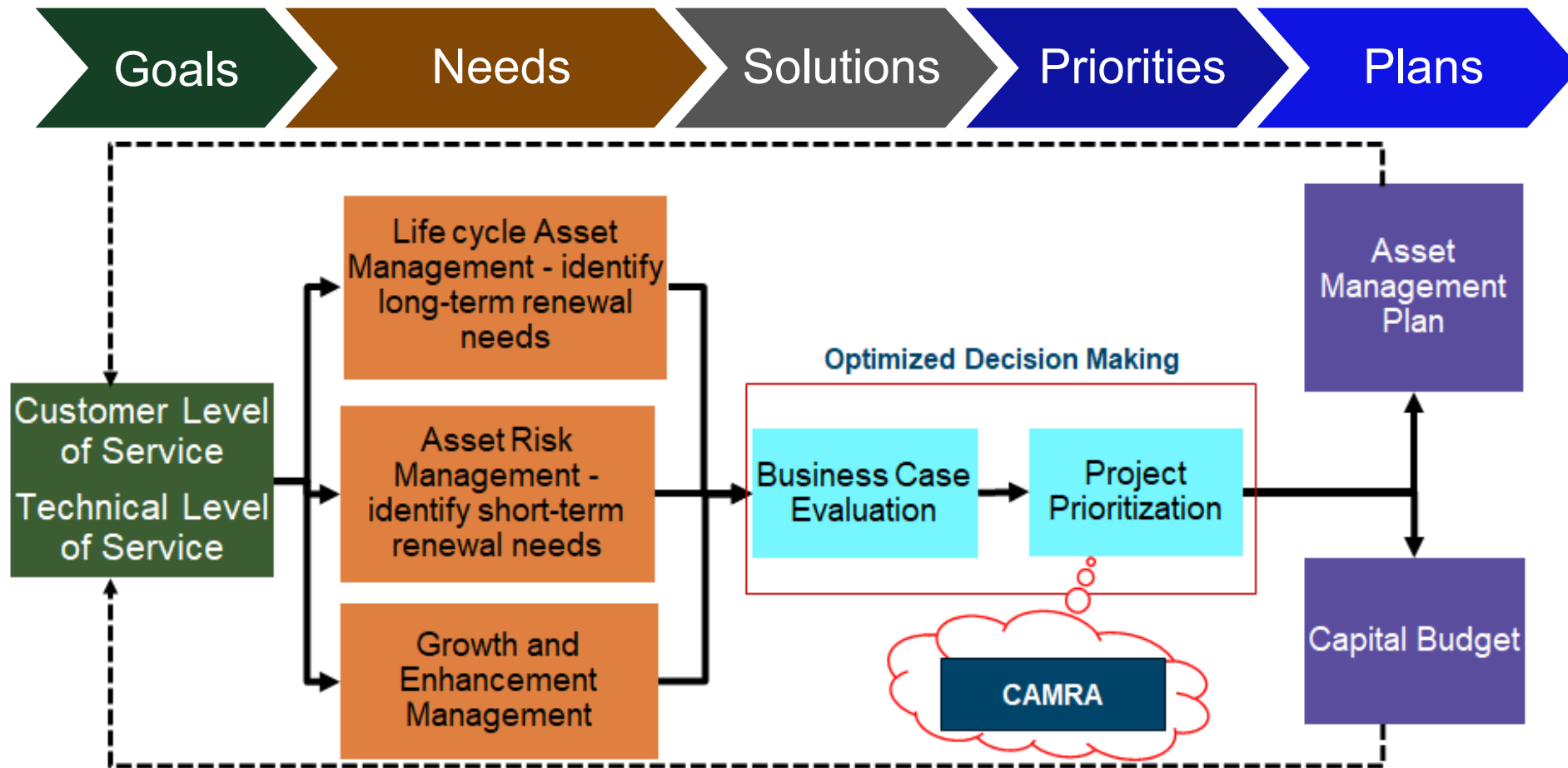
Risk Management Approach

 Extreme Risks	Significant to the Region and therefore need to be actively managed (i.e. . identify capital renewal options, confirm spares strategy & available redundancy, & review monitoring programs).
 High Risks	Will also be actively managed depending on their nature.
 Moderate Risks	
 Low Risks	Generally acceptable without significant mitigation strategies being implemented, although monitoring may still occur in some form.
 Insignificant Risks	

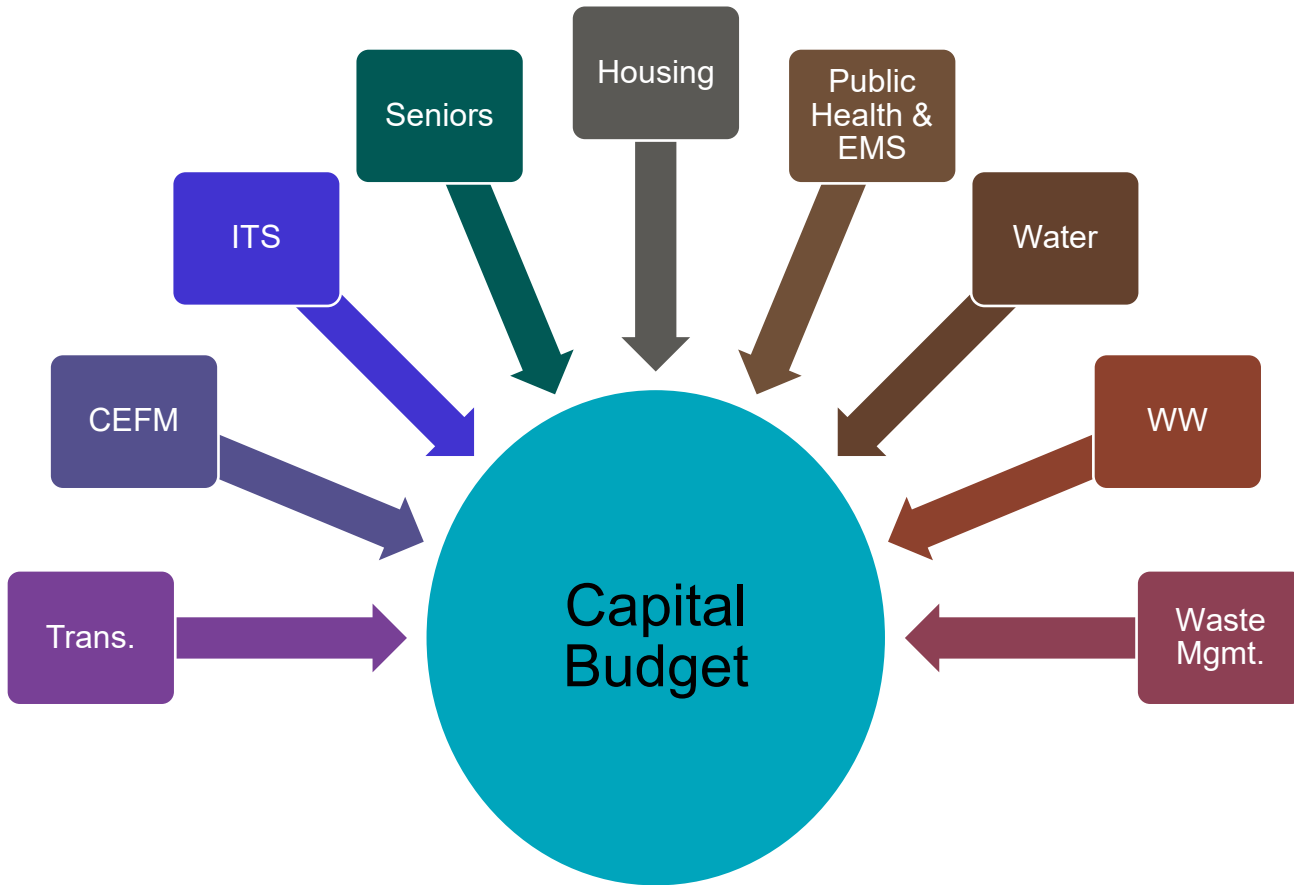
# Relating Asset Risk to Level of Service



# Optimized Decision Making within Asset Management Framework



# Why CAMRA?



- Annual capital needs far surpass available funding
  - Funding gap (AARI shortfall) is growing
    - 2016 - \$73M
    - 2021 - \$193M
- Formalized method to prioritize spending required
- Data-supported decision making



# Focus of CAMRA

## CAMRA has 2 components

### ■ Risk

- Risk = PoF \* CoF It is measured with 5 weighted criteria under the triple bottom line
- Risk ROI = Risk / Net project cost

### ■ Council Priority

- Projects alignment with Council Strategic Priorities
- Represents value to the Region from an opportunity (non-risk)

## Applying results for prioritization

1

Risk return on investment (ROI) funded primarily through Base budget

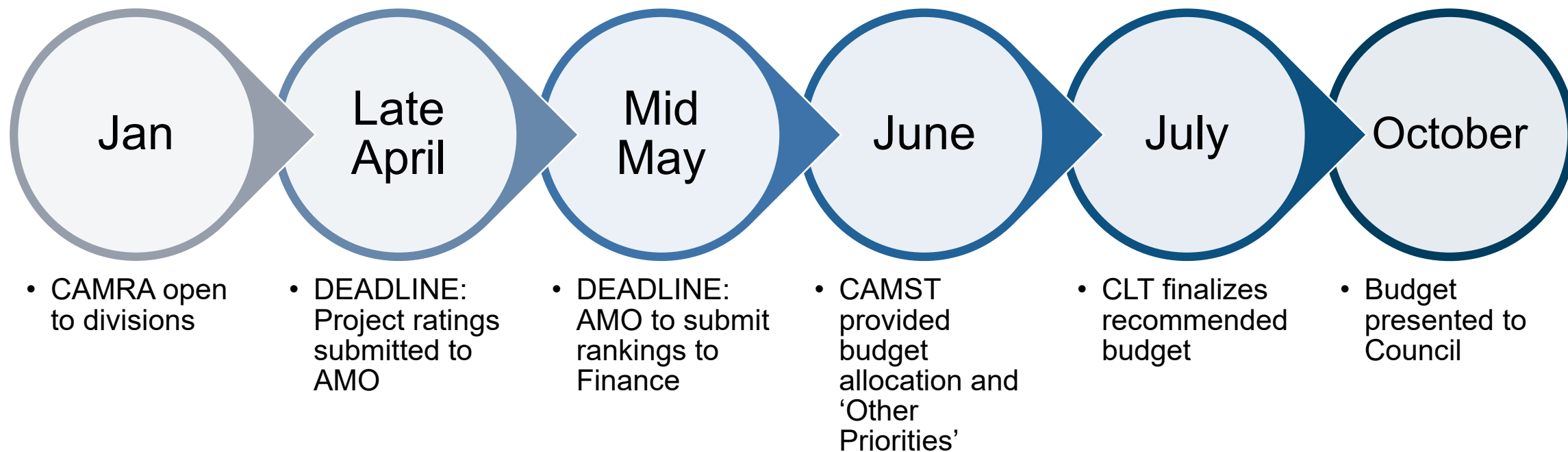
2

Council Priority, Other Priority and Risk ROI funded through Discretionary budget

3

CLT evaluates results and makes final budget recommendation to Council for approval

# 2025 Budget CAMRA Timelines



Finance's Capital Budget timelines direct remaining timelines

# Keeping Council Informed

Type of Communication	Frequency/Timing
Budget	Annually
Asset Management Program Update	Annually
Asset Management Plan	4 years
Asset Management Policy	5 Years
Drinking Water Financial Plan	8 Years

# Key Documents

Asset Management legislation, specifically Ontario Regulation 558/17, is available on the Ontario Government [e-Laws website](https://www.ontario.ca/laws) (<https://www.ontario.ca/laws>)



Asset Management Policy  
C-F-024 -vine



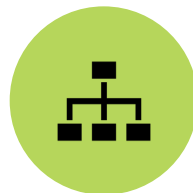
Capital Asset  
Management Policy C-F-  
003- vine.  
CAMRA Process- vine



Capital Financing Policy -  
vine



Asset Management Plan-  
Niagara Region website



Asset Management  
Governance embedded in  
the Policy- vine



Asset Management  
Steering Committee ToR-  
embedded in the Policy-  
vine

# Contacts



For more information, please contact:

**Pious Maposa**

Director Asset Management Office

[pious.maposa@niagararegion.ca](mailto:pious.maposa@niagararegion.ca)

---

**Subject:** 5698 Main Street, Niagara Falls One-Time Grant Consideration

**Report to:** Corporate Services Committee

**Report date:** Wednesday, November 6, 2024

---

## Recommendations

1. That the Region **APPROVE** a one-time grant of \$276,621.79, payable to The City of Niagara Falls to be applied to the 2022-2024 outstanding property taxes for the property located at 5698 Main Street in the City of Niagara Falls in lieu of participation in tax increment grant (TIG) payments for this development in support of the City's CIP program; and
2. That the Region **DENY** any future TIG or other grant requests for the development at 5698 Main Street in the City of Niagara Falls ("The City").

## Key Facts

- The purpose of this report is to seek Council's approval to provide a one-time grant payment related to the development at 5698 Main Street, Niagara Falls in lieu of the Region participating in annual TIG payments for this development. This one-time grant payment would result in a \$276,621.79 one-time financial impact to the Region in contrast to the TIG payments totalling \$1,061,881.47 over a 10-year period saving the Regional total of \$785,259.68.
- Region's TIG program is a matching CIP program between Local Area Municipalities and the Region. One of the requirements of the program is timely payment of municipal taxes. In the case of 5698 Main Street, Niagara Falls, this property is in non-compliance with their CIP agreement with the City of Niagara Falls as the property is in tax arrears. As a result, it would be a departure from the program for the Region to continue to match TIG funding.
- The City has chosen to provide a one-time grant payment of their portion of outstanding taxes to the end of 2024, in lieu of the City TIG payments that would otherwise be payable pursuant to their agreement with the owner. The City's decision is based on the intent of the Revitalization Grant and the impact of the owner's development on improving the Main/Ferry Street Area as part of their CIP program. Further details can be found in the City's letter attached as Appendix 1.
- The City has requested that the Region consider contributing the Regional portion of outstanding property taxes to the end of 2024 in a one-time grant payment as an

alternative to annual TIG payments for this application. Regional Staff do not have the authority to approve this type of one-time grant.

- As a condition of this arrangement Staff recommend that this payment be treated as a one-time grant in lieu of participation in the City's TIG/CIP program for this specific development and that no further payments or future tax increment grant (TIG) requests be supported for this development.

### **Financial Considerations**

The Region's TIG program is a matching CIP program between Local Area Municipalities and the Region. To be eligible for Regional funding, the application requirements include and are not limited to the development having Municipal Council Approval for the grant and a signed executed agreement between the Local Area Municipality and Applicant.

With regards to 5698 Main Street, Niagara Falls, this property has an approval and executed agreement with the City of Niagara Falls as part of the Historic Drummondville CIP. If all terms of the agreement are met, after the property has been reassessed and one-year of post-assessment taxes are paid the Region receives requests from the Local Area Municipalities to match funding related to the Regional Portion of the tax increment over a 10-year period. With regards to this property the Regional portion of the TIG is \$1,061,881.47 to be paid over a 10-year period. It is the Region's practice to match the TIG grant schedule of the local area municipality. In the case of this property and the City of Niagara Falls, this property if eligible for the TIG would be eligible for a grant following the below schedule.

**Table 1 – TIG Schedule for Regional Component of Grant**

Year	Grant Factor	Regional Tax Increment Grant Factor
1	80%	\$141,584.20
2	80%	\$141,584.20
3	80%	\$141,584.20
4	80%	\$141,584.20
5	80%	\$141,584.20
6	60%	\$106,188.15
7	60%	\$106,188.15
8	40%	\$70,792.10
9	20%	\$35,396.05
10	20%	\$35,396.05
<b>Total</b>	<b>N/A</b>	<b>\$1,061,881.47</b>

The option of providing a one-time grant payment of \$276,621.79 results in the applicant receiving less than the original grant amount identified in the Agreement and as shown in Table 1 of CSD 57-2024. This also results in less financial impact to the Region overall. The full impact of this grant payment would be seen as part of the 2024 financial results. The Region’s 2024 Budget includes a total of \$50,400 related to this project. This will result in a budget shortfall of \$226,221.79 if this one-time grant is approved. The financial impact of this would be seen in the overall Corporate Services results. If there is not adequate funds to cover this short fall at year end, staff would make the recommendation to fund from the taxpayer relief reserve as part of the year-end transfer report. Should the property continue to be in tax arrears post January 1, 2025 this will be the responsibility of the owner and new condominium owners to rectify.

The Region had estimated a total budget for this TIG over the 10-year period of \$371,700. To date a total of \$50,400 has been included in the budget. The difference in estimate compared to the final amount of the TIG amount is due to the budgeted



amount being based on older estimates of the property's post assessment taxes. The Region was first notified about this potential TIG for the purposes of budget in 2009, this is resulting in the increased post project assessment value of the property and thus an increase in the total TIG matching requirement of the Region.

## **Analysis**

Niagara Falls City Council approved a request for a Revitalization Grant and Residential Loan under the Historic Drummondville Community Improvement Plan (CIP) for 5698 Main Street, Niagara Falls known as the Wellness Suite on August 10, 2009. This grant request was further extended by Niagara Falls City Council in 2016 and 2022 due to construction delays.

The project is now complete, and invoices have been submitted related to the grant application. However, taxes have been in arrears for this property since approximately December 2021, when the 2021 supplemental tax bill was issued following the City's receipt of the revised assessment value from Municipal Property Assessment Corporation. As the condominium units now have occupancy, many of the outstanding tax arrears have transferred to the new condominium owners. The City of Niagara Falls will be administering the grant payment to ensure that it is applied to the outstanding taxes on behalf of the property owner and condominium owners as appropriate.

In accordance with Section 4.2 of the Historic Drummondville Revitalization Grant Agreement dated August 11, 2009, between the City and 753049 Ontario Ltd., as amended by Agreements dated June 14, 2016, and November 16, 2021, the City has the option to terminate grant payments as property taxes have been owing for more than one full year.

Under the Planning Act Section 28 (7.2), the Region is able to provide funding in the form of TIGs for the purpose of supporting a local area municipality's CIP. It is the Region's practice to match TIGs provided by the local area municipalities. In providing this matching funding the Region is reliant on the terms of conditions as outlined in any original CIP documents and agreements with the local area municipality when considering approval of matching TIG funding.

On May 29, 2024 Regional Staff received a letter from the City of Niagara Falls requesting Regional participation through Historic Drummondville CIP related to 5698 Main Street, Niagara Falls. In this letter, the City of Niagara Falls noted that although the project is now complete, the property has been in tax arrears since December 2021. A copy of the letter is attached as Appendix 1. As the property was in tax arrears the

owner is in non-compliance with the original CIP agreement with the City. Despite this non-compliance, the City has decided to grant some relief stating that the intent of the Revitalization Grant was to support the construction of the 102-unit retirement home and that this construction has been completed and improved the Main/Ferry Street area. The City has chosen rather than proceed with annual TIG payments that they will use their allocated grant budget to cover the outstanding tax arrears on the property to the end of 2024 in a one-time grant payment.

The City has noted that they have received support from the property owner in proceeding with this grant payment option. As of January 1, 2025, the CIP Grant will be considered completed. The owner will be responsible for property taxes on a go forward basis.

The City of Niagara Falls has asked that the Region consider matching their approach and consider repurposing the Regional portion of the TIG to a one-time payment of outstanding property taxes to the end of 2024. After reviewing the request and related documents Regional Staff issued a letter on June 25, 2024 indicating that they are unable to approve this request.

As the requested one-time grant payment is no longer a TIG, this grant falls outside of the ability of Regional Staff to provide matching funding through a CIP. As the applicant no longer meets the criteria set out by the TIG agreement and the City of Niagara Falls is not moving forward with a TIG, Regional Staff is unable to approve any funding.

Regional Staff note that the option of providing a one-time grant payment results in the applicant receiving less than the original grant amount identified in the Agreement. Overall, the alternative of Council approving the one-time grant payment in lieu of the annual TIG payment results in overall savings to the Regional taxpayer. The proposed grant may also be viewed, as suggested by the City, as supporting the furtherance of the City's CIP, in that the completed development has resulted in a benefit to the community.

### **Alternatives Reviewed**

Council may choose to deny the request and not provide the one-time grant payment to the owner. This is not recommended as the proposed grant results in a reduction to the overall commitment related to revitalization of areas identified in a CIP. Although the terms of the payment arrangement differ, the overall purpose of the CIP has been achieved by improving the identified area. This property is also contributing to the

housing supply in the Niagara Region which is in alignment with Council's strategic priorities.

Should the property owner become up to date on their tax payments related to the property they could be eligible to receive the full amount of their original TIG request. This would result in a higher financial impact to the Region through the annual commitment over the 10-year period.

### **Relationship to Council Strategic Priorities**

This report relates to Council's Strategic Priorities of an Effective and Equitable Region by providing an alternative approach to supporting growth and development and exploring and implementing opportunities through shared grants with our local municipalities.

### **Other Pertinent Reports**

None.

---

**Prepared by:**

Blair Hutchings, MBA, CPA  
Manager, Revenue Planning & Strategy  
Corporate Services

---

**Recommended by:**

Dan Carnegie  
Acting Commissioner/Treasurer  
Corporate Services

---

**Submitted by:**

Ron Tripp, P.Eng.  
Chief Administrative Officer

This report was prepared in consultation with Beth Brens, Associate Director, Budget Planning & Strategy/Acting Deputy Treasurer and reviewed by Donna Gibbs, Director, Legal Services.

**Appendices**

Appendix 1            5698 Main Street Niagara Falls - Regional Participation Request  
Letter from the City of Niagara Falls dated May 29, 2024



May 29, 2024

Julianna Vanderlinde  
Program Manager, Grants and Incentives  
Growth Strategy and Economic Development  
Niagara Region  
1815 Sir Isaac Brock Way, P.O. Box 1042  
Thorold, ON L2V 4T7

VIA EMAIL

Dear Ms. Vanderlinde:

**RE: Revitalization Grant, Historic Drummondville CIP Incentive Program  
DRU-2009-001, 5698 Main Street (Wellness Suites)  
Applicant: 753049 Ontario Ltd. (Nick Vacarro)**

On August 10, 2009, Niagara Falls City Council originally approved a request for a Revitalization Grant and Residential Loan under the Historic Drummondville Community Improvement Plan for 5698 Main Street known as the Wellness Suites. Since that time the following has occurred:

- In 2016 the Owner requested an extension to these agreements which was granted by Council.
- In 2020, the Owner notified the City that they would no longer be pursuing the Residential Loan portion of the application and that Agreement was removed from title. The Revitalization Grant Agreement was extended and amended to impose timelines for the commencement and completion of construction of the project as well as to reflect the condominium ownership of units within the building.
- In 2021, the Owner requested an additional extension which was granted by City Council, as the 102-unit retirement home was completed but the rooftop patio and back terrace remained outstanding due to construction delays.

The project is now complete, and invoices have been submitted. However, taxes have been in arrears for this property since approximately December 2021, when the 2021 supplemental tax bill was issued following the City's receipt of the revised assessment value from MPAC. As the condominium units now have occupancy, many of the outstanding tax arrears have transferred to the new condominium owners.

In accordance with Section 4.2 of the Historic Drummondville Revitalization Grant Agreement dated August 11, 2009, between the City and 753049 Ontario Ltd., as amended by Agreements dated June 14, 2016, and November 16, 2021 (attached), the City has the option to terminate grant payments as property taxes have been owing for more than one full year.

Section 7.8 of the Agreement permits the City to have discretion related to all or a portion of grant payments where the City deems that there is non-compliance by the Owner with this Agreement.

Accordingly, the City has decided to uphold our original commitment to the intent of the Revitalization Grant as the construction of the 102-unit retirement home has improved the Main/Ferry Street area and rather than proceed with annual grant payments, is proposing to use the allocated grant budget to cover the outstanding tax arrears on the property to the end of 2024 in a one-time grant payment. The calculated grant amount based on the increased property reassessment and outstanding property taxes can be seen in the table below.

<b>5698 MAIN STREET</b>	<b>City</b>	<b>Region</b>	<b>Total</b>
Eligible Grant Amount*	\$923,663.43	\$1,061,881.47	\$1,985,544.90
<i>*Based on Assessment Increase, post development</i>			
Outstanding Property Taxes (2021-2024)	\$424,279.35	\$276,621.79	\$700,901.14

A copy of the financial calculations are attached.

This option results in the applicant receiving less than the original grant amount identified in the Agreement. The City has received support from the Owner in proceeding with this grant payment option.

The Region has expressed a continued commitment to this project with a committed contribution to the original application as well as the most recent amendment in 2021. As such, the City of Niagara Falls respectfully requests that the Niagara Region consider contributing the Regional portion of outstanding property taxes to the end of 2024 in a one-time grant payment as an alternative to annual tax increment grant payments for this application. Please contact the undersigned if you have any questions or would like to discuss further.

Respectfully,

Danielle Foley  
Senior Planner, Long Range Planning Initiatives

- cc Todd Harrison, Commissioner Corporate Services, Niagara Region
- Jason Burgess, Chief Administrative Officer
- Serge Felicetti, Director of Business Development
- Kira Dolch, General Manager of Planning, Building and Development
- Signe Hansen, Director of Planning
- Nidhi Punyarthi, City Solicitor and Director of Legal Services
- Bonnie Critelli, Office and Law Clerks Supervisor of Legal Services
- Tiffany Clark, Director of Finance
- Amber Ferguson, Senior Manager of Revenue

---

**Subject:** Graphic Images in the Public Right of Way Update

**Report to:** Corporate Services Committee

**Report date:** Wednesday, November 6, 2024

---

## Recommendations

1. That this report **BE RECEIVED** for information.

## Key Facts

- On March 6, 2024, Corporate Services Committee (CSC) passed motion CSC-C 5-2024 directing the Office of the Deputy CAO to provide a report detailing options to govern the display of graphic images in the public right of way.
- On July 10, 2024, report CSD 35-2024 Graphic Images in the Public Right of Way was received by CSC and referred to the Women’s Advisory Committee for information.
- Report CSD 35-2024 outlined governance options currently available to Council, detailed legal considerations and provided a jurisdictional scan of by-laws implemented by other municipalities.
- While the jurisdictional scan, as attached in Appendix 1, found that no upper-tier municipality had a graphic images provision in their signage by-law, many single and lower-tier municipalities were actively exploring governance options.
- Given the emerging nature of the topic, report CSD 35-2024 confirmed staff would monitor by-law developments for the purposes of providing Council with an update.
- Since CSD 35-2024 was received, no upper-tier municipality has enacted a graphic images provision in their signage by-law. Additionally, some of the single and lower-tier municipalities that were exploring governance options have received updated direction from Council, as detailed in the analysis section.
- There have been no changes regarding provincial legislation governing the display and/or delivery of graphic images. A second reading for Bill 80, *Viewers Discretion Act* has not yet been scheduled. If passed, the Act would impose controls on mail delivery of graphic images showing an aborted or otherwise non-viable fetus.

## Analysis

### Jurisdictional Scan

The below chart details which municipalities have received updated Council direction regarding by-law development to restrict the display of graphic images in the public right of way since report CSD 35-2024 was received. While some single and lower-tier municipalities continue to explore options, others have repealed pre-existing by-laws or have ceased moving forward with by-law development. As reported in the CSD 35-2024 jurisdictional scan, attached as Appendix 1, currently no municipal government in Ontario has implemented a by-law specifically governing the display of graphic images in the public right of way.

### Jurisdictional Scan: Status Update on Ontario Municipal By-laws Restricting the Display and/or Delivery of Graphic Images

#### Exploring By-law Options to Ban the Display of Graphic Signs

Municipality	Update
City of Hamilton	<ul style="list-style-type: none"> <li>• No updates from CSD 35-2024</li> </ul>
City of London	<p><b>July 15, 2024</b> – A draft by-law was brought to Community and Protective Services Committee (CPSC), which recommended enforcing general rules for any advocacy signage related to location (prohibited on sidewalks and within 3 metres of a cross walk) and size (no larger than 2.5 by 3 feet). CPSC recommended that public engagement take place for the proposed by-law.</p> <p><b>July 23, 2024</b> – Council directed staff to cease moving forward with developing a by-law to restrict advocacy messaging following a closed session report.</p>
Town of Oakville	<ul style="list-style-type: none"> <li>• No updates from CSD 35-2024</li> </ul>



**By-laws Restricting Advocacy Messaging**

Municipality	Update
City of Toronto	<b>April 30, 2024</b> – Economic and Community Development Committee passed a motion referring the item back to staff requesting that the matter of graphic images be decoupled from the placement of advocacy signs. The motion also requested that staff update the report to include a list of all cities that have passed by-laws related to graphic images, as well as those currently contemplating by-laws.

**By-laws Restricting the Delivery of Graphic Images**

Municipality	Update
City of St. Catharines	<b>August 12, 2024</b> - In response to a legal challenge raised by ARPA Canada, a motion was passed repealing By-law 2023-150 and directing staff to report back with empirical evidence, social science studies and statistics about the impacts of graphic images on residents to form the introduction of a revised by-law.
City of London	<ul style="list-style-type: none"> <li>• No updates from CSD 35-2024</li> </ul>
City of Woodstock	<ul style="list-style-type: none"> <li>• No updates from CSD 35-2024</li> </ul>
City of Burlington	<ul style="list-style-type: none"> <li>• No updates from CSD 35-2024</li> </ul>
Town of Ingersoll	<ul style="list-style-type: none"> <li>• No updates from CSD 35-2024</li> </ul>

**Relationship to Council Strategic Priorities**

Exploring best practices related to the display of graphic images in the public right of way is consistent with Council’s 2023-2026 strategic priority focus of creating an equitable Region. Specifically, it supports creating safe and inclusive communities.

## Other Pertinent Reports

- [CSD 35-2024 Graphic Images in the Public Right of Way](https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=14edeaeb-448c-43b0-ade1-9c40f80c15d1&Agenda=Agenda&lang=English&Item=16&Tab=attachments)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=14edeaeb-448c-43b0-ade1-9c40f80c15d1&Agenda=Agenda&lang=English&Item=16&Tab=attachments>)

---

**Prepared by:**

Rachael Ball-Condron  
Government Relations Specialist

---

**Approved by:**

Michelle Sergi  
Deputy Chief Administrative Officer

---

**Submitted by:**

Ron Tripp, P. Eng  
Chief Administrative Officer

This report was prepared in consultation with Donna Gibbs, Director of Legal Court Services and Angelo Apfelbaum, Manager of Business Licensing.

## Appendices

Appendix 1 Jurisdictional Scan: Municipal By-laws Restricting the Display and/or Delivery of Graphic Images

**Jurisdictional Scan: Municipal By-laws Restricting the Display and/or Delivery of Graphic Images**

**Municipalities Exploring By-law Options to Ban the Display of Graphic Signs**

Jurisdiction	Status
City of Toronto	<b>April 30, 2024</b> - The Economic and Community Development Committee received report EC12.7 for information. Staff recommended that residents prevent the unsolicited delivery of graphic flyers by using mechanisms already available to them, such as displaying a no flyer sign on mailboxes. Further, the City will amended their signage by-law to generally prohibit temporary signs with advocacy messaging in the public right of way. Signs may be placed on private property, encroaching only as necessary onto public property with limitations (no larger than 1.2 square meters with 2 sign faces, no more than 3 signs, cannot be within 0.60 metres of a sidewalk, distance restrictions regarding intersections and pedestrian crossovers on collector roads, arterial roads and local roads).
City of London	<b>March 5, 2024</b> - Council directed staff to bring forward a by-law to the Community and Protective Services Committee that would ban graphic signs from public display by end of Q2 2024.
Town of Oakville	<b>June 19, 2023</b> - Council directed staff to bring forward recommendations for placing restrictions on graphic flyers and public displays.
City of Hamilton	<b>November 8, 2023</b> - Council directed staff to bring forward a report to the Planning Committee detailing the feasibility of adopting by-laws to regulate the display of graphic images in public spaces as well as the distribution of graphic flyers by the end of Q2 2024.

**Municipalities with By-laws Restricting the Display of Graphic Signs**

Jurisdiction	By-Law	Scope
City of Calgary	Temporary Signs on Highways By-law (29M97)	<ul style="list-style-type: none"> <li>• Restricts the placement of signs within playgrounds and school zones and restricts advocacy messaging on public property within 150 metres of a school (if larger than 3.5” by 5” in size) between the hours of 7:30am and 9:00pm during school days.</li> <li>• Advocacy messaging is defined as “messaging that publicly expresses an opinion on an issue or cause.”</li> <li>• Violation of the by-law can result in a fine up to \$1,000.</li> </ul>

**Municipalities with By-laws Restricting the Delivery of Graphic Images**

Jurisdiction	By-Law	Scope
City of Calgary, AB	Community Standards By-law (32M2023)	<ul style="list-style-type: none"> <li>• Flyers delivered to residential homes that contain graphic images must be concealed in an opaque envelope, have a graphic content warning, and include the name and address of the sender.</li> <li>• Graphic images are defined as a visual image showing, or purporting to show, a fetus or any part of a fetus.</li> <li>• Violation of any of the three by-law requirements can carry a fine ranging from \$500 to \$1,000 each.</li> </ul>
Town of Airdrie, AB	Community Standards By-law (B-09/2012)	<ul style="list-style-type: none"> <li>• Same scope as the City of Calgary by-law.</li> </ul>

Town of Strathmore, AB	Community Standards By-law (23-27)	<ul style="list-style-type: none"> <li>• Same scope as the City of Calgary by-law, except the by-law does not apply to mail delivered by Canada Post or requested by the resident.</li> </ul>
Town of Okotoks, AB	Community Standards By-law (31-23)	<ul style="list-style-type: none"> <li>• Same scope as the City of Calgary by-law; except: <ul style="list-style-type: none"> <li>Graphic images are defined as visual image showing, or purporting to show any subject matter that is not in compliance with the Canadian Code of Advertising Standards and offends the standards of public decency prevailing among a significant segment of the population.</li> <li>○ Fines for each offence starts at \$500 and increases by \$250 for every subsequent offence conducted in the same calendar year, for a maximum of \$1,000</li> </ul> </li> </ul>
City of London	Graphic Image Delivery By-law (PW-14)	<ul style="list-style-type: none"> <li>• Same scope as the City of Calgary by-law; except: <ul style="list-style-type: none"> <li>○ Violation of the By-law can result in a maximum fine of \$5,000.</li> <li>○ By-law does not apply to mail delivered by Canada Post or requested by the resident.</li> </ul> </li> </ul>
Town of Ingersoll	Graphic Image Delivery By-law (23-5268)	<ul style="list-style-type: none"> <li>• Same scope as the City of London By-law.</li> </ul>
City of Woodstock	Graphic Image Delivery By-law (9576-23)	<ul style="list-style-type: none"> <li>• Same scope as the City of London By-law</li> </ul>
City of St. Catharines	Graphic Image Delivery By-law (2023-150)	<ul style="list-style-type: none"> <li>• Same scope as the City of London By-law, except minimum and maximum fees are not specified.</li> </ul>
City of Burlington	Delivery of Graphic Images By-law (13-2024)	<ul style="list-style-type: none"> <li>• Same scope as the City of London By-law, except minimum and maximum fees are not specified.</li> </ul>

## Memorandum

**CSC-C 11-2024**

**Subject:** City of St. Catharines Report – Older Homeowner Tax Increase Deferral Program

**Date:** November 6, 2024

**To:** Corporate Services Committee

**From:** Ann-Marie Norio, Regional Clerk

---

At its meeting held on October 9, 2024, the Corporate Services Committee passed the following recommendation:

1. That Report CSD 32-2024, dated October 9, 2024, respecting Low-Income Seniors & Disability Property Tax Deferral Program, **BE RECEIVED**; and
2. That staff **BE DIRECTED** to provide a report on the City of St. Catharines Older Homeowner Tax Deferral Program.

Further to the direction above, the report from the City of St. Catharines respecting the Older Homeowner Tax Increase Deferral Program is attached for Committee's information.

Respectfully submitted and signed by

---

Ann-Marie Norio  
Regional Clerk



## Corporate Report City Council

**Report from:** Financial Management Services, Billing

**Report Date:** October 13, 2023

**Meeting Date:** October 30, 2023

**Report Number:** FMS-113-2023

**File:** 10.57.99

**Subject:** Older Homeowner Tax Increase Deferral Program

### Strategic Pillar:

This report aligns with the following St. Catharines Strategic Plan pillars: economic and social wellbeing.



### Recommendation

That Council approve a property tax increase deferral program for the City's tax increase of property tax for low-income older adult homeowners for implementation in 2024 as outlined in this report; and

That the City Solicitor be directed to prepare the necessary by-law(s).

### Summary

At the meeting of March 22, 2021, the Budget Standing Committee (BSC) directed staff to prepare a report on the possibility of an older adults' tax deferral program to come back in Q1 of 2022.

At the March 29, 2023, BSC meeting a motion was approved:

That staff report back on the concept of a Property Tax Increase Deferral Program for low-income seniors, as outlined in a 2021 BSC request.

Peter Frise from Municipal Tax Equity (MTE) Consultants Inc. presented on the Enhanced Senior Tax Deferral Program at the May 24, 2023, BSC meeting. The general scope and purpose of the presentation was to give committee members an understanding (high-level) as to the structure of an enhanced deferral program and to highlight some of the most critical considerations.

## Relationship to Strategic Plan

The Older Homeowner Tax Deferral Program would enhance the Social Well Being Pillar by supporting the City's commitment to enhancing the quality of life for seniors.

## Background

A mandatory tax relief program for low-income older adults and low-income homeowners with disabilities was introduced as part of the 1998 property tax reform under s. 319 of the *Municipal Act, 2001* (the Act). The eligibility criteria for this program were established by upper-tier municipalities and are administered by the local municipalities. The Niagara Region established the eligibility criteria which is reviewed as part of the annual tax policy report. The program allows for an interest-free deferral of all annual property tax increases for eligible low-income older adults and low-income homeowners with disabilities.

The mandatory tax deferral program allows low-income seniors and low-income persons with disabilities to defer their tax increase through an annual application process at the local municipalities. The amount of tax increase deferred under the current program (Section 319) is low relative to the annual taxes paid. The uptake of this program has been limited. Details of the existing tax deferral program can be found in Appendix 1.

## Report

Under Section 319 of the *Municipal Act, 2001*, all municipalities are required to maintain a program to provide financial relief from year-over-year tax increases for low-income seniors, and low-income persons with disabilities. This mandatory program only applies to the marginal amount a property's taxes increase from one year to the next and relief can be provided in the form of either a deferral or cancellation of all, or portion of the eligible increase. Staff has observed that in general, the low uptake of the current tax deferral program is not limited to the City of St. Catharines.

The City does receive a handful of applications every year.

To qualify:

- property taxes must increase by \$200.00 dollars, and
- the deferral is the amount above the \$200.00 threshold,
- along with a qualifying income of \$28,005 per couple.

Most do not find it beneficial to defer a low amount. The one advantage of the legislated program is that deferred amounts attract no interest, making it a more cost-effective option if one were comparing deferred dollar to deferred dollar with a program under which interest is imposed.

The City of St. Catharines is currently exploring its options and opportunities regarding implementing an enhanced property tax increase deferral program for older homeowners with lower household incomes. The City has engaged Municipal Tax

Report Page 2 of 8



Equity (MTE) Consultants Inc. to provide policy, program, and implementation design support in relation to this project.

The overarching concept is to allow older, lower-income homeowners to defer the increase in the City portion of their annual property tax bill from the year of application until such time as they sell or otherwise dispose of their home.

- Eligible homeowners would be those 65 years and older, whose household income falls below the City median. Applicants will also be required to meet several technical requirements related to residency, occupancy, and the status of their tax account.
- Once enrolled, participants will be automatically eligible to defer subsequent year's taxes.
- Deferred taxes will be subject to interest; however, this would be subsidized by the City resulting in the effective rate being substantially lower than that which applies to outstanding taxes generally.

The program design elements detailed in Appendix 2 have been developed within these general parameters.

The current program design contemplates that eligible homeowners will be able to defer their property tax increase on the City's portion of their annual property tax bill once they are enrolled in the program. All deferred taxes represent a debt to the City and carry a priority lien against the subject property. These deferred amounts will attract interest for as long as they remain outstanding, however, the interest rate under this program will be offset by a grant from the City which reduces the interest charges on the tax accounts in comparison to interest charges which apply to all other outstanding taxes.

## **Residential Tenants**

While residential tenants contribute to the cost of property taxes as part of their rent or may be solely responsible for those taxes in addition to their base rent, the City cannot extend this program to tenants or any party other than property owners. By its very nature, this program involves the accrual of tax arrears, which will represent a priority lien against the subject property. For the same essential reasons, a tenant cannot use a leased home as security for a bank loan, a tenant has no standing or authority to enter a program of this nature.

## **Eligible Amounts – Defining City Taxes**

The following table provides a breakdown of 2023 property taxes for each 100,000 of Current Value Assessment (CVA). As can be seen, the total taxes are made up of amounts levied by the Region, the City, and the Province, which sets education tax rates.

**2023 Tax Levy Per 100,000 of Residential Assessment**

<b>Description</b>	<b>Levy</b>	<b>Share of Levy</b>
City General	\$639	38.99%
Urban Service Levy	\$7	0.43%
City Hospital Levy	\$12	0.73%
Infrastructure Levy	\$10	0.61%
<b>City Total</b>	<b>\$668</b>	<b>40.76%</b>
Regional - General	\$624	38.07%
Regional – Waste	\$74	4.51%
Regional – Transit	\$120	7.32%
Regional – Total	\$818	49.91%
Education	\$153	9.33%
<b>Grand Total</b>	<b>\$1,639</b>	<b>100.00%</b>

The foundational concept of the older homeowner tax increase deferral program was to allow eligible taxpayers to defer any increases to the City portion of their tax bill based on the year they enroll. If taxpayer were to enroll today, their annual deferral amount would be the amount by which each year’s City taxes exceed their total 2023 City taxes.

**Rates and Form of Interest**

Deferred amounts will attract interest, but at a rate much lower than the default 15% per year that applies to outstanding tax balances generally. Staff are recommending that the City implement a fixed interest rate of 5% for this program for a number of reasons;

- If interest rates were to increase significantly, a participant could find themselves facing carrying costs they had not contemplated with a variable rate.
- A fixed rate will allow taxpayers to make solid, informed decisions as to how this program might fit and benefit them. A fixed rate will ensure that what they plan for, and the benefits they expect will not change over time.
- A floating interest rate could give the program the outward appearance of a financing product, rather than a relief program, which is understood to be the core objective.
- Recent interest rate movements are a reminder how stressful, concerning and materially impactful rate changes can be for those who are carrying debt; staff suggest that this is something that should be avoided regarding a public assistance program.
- There will be significant administrative complications involved with adjusting for the difference between the default interest rate and the program rate. A floating program rate will intensify the administrative effort for staff and make it more complicated to understand for the taxpayer.

The 15% penalty and interest are replaced by a 5% interest charge to the applicant by a grant equivalent to the difference between 15% and 5%. This grant is provided by City under Section 107 of the Act. Section 107 allows municipalities to make grants as the council considers appropriate to any person, group, or body for any purpose that council considers to be in the interests of the municipality.

There are very few municipalities in Ontario that offer enhanced tax deferral programs. In 2016, Halton Region implemented their Full Older Adults Property Tax Deferral Program. The program is a Regional program with each local municipality having the option to participate in the program. Halton Region has a population of approximately 597,000 and the home of approximately 67,000 older adults aged 65 years and older. In 2021, a total of 52 households participated in the program Region-wide at a cost of \$140,400. An annual budget of \$50,000 is included in the annual tax levy budget to cover the cost of the tax increase deferral program. It should be noted, however, that because Halton's program is a Regional one, the Region itself must make real cash disbursements to the local municipalities to compensate them for lost interest revenue. In the City's case, as the sole recipient of interest on past due tax accounts and as such, the costs associated with offsetting interest amounts for participants will not result in any external expenditures. However, there is a cost to the municipality of providing the grant for lower interest to the older homeowner and therefore, requires the inclusion in the City's operating budget.

Eligibility for any of these programs is typically income tested based on the Notice of Assessment from the Canada Revenue Agency (CRA). Income would also include all government assistance including Old Age Security (OAS), Canada Pension Plan (CPP), Guaranteed Income Supplement (GIS) and Guaranteed Annual Income Supplement (GAINS). Staff are recommending using the Statistics Canada's Median Total Income for Households for St Catharines adjusted annually for the annual Consumer Price Index (CPI). The income threshold calculated in this manner for 2022, which would support an application in 2023 would be \$81,000.

This program is being offered in addition to, and mutually exclusive of, the existing Regional property tax increase deferral discussed above for low-income older adults (s. 319 of the *Municipal Act, 2001*). For example, if an older adult is accepted for the tax deferral program, then the same person is not eligible for the City's tax deferral for the property tax increase for low-income older adults.

Residents will be encouraged to consult a financial advisor before applying for this tax increase deferral. In particular, participants will want to confirm any and all potential implications around their eligibility to claim property tax related income tax credits such as the Ontario Property Tax Credit and the Senior Homeowner's Property Tax Grant. They must also inform themselves as to how participation in the program might affect lending arrangements that are currently in place or obtained in the future.

## Financial Implications for Homeowner

The proposed program allows eligible homeowners to defer their property tax increase on the City’s portion of their annual property tax bill. The illustrations below provide details on how this new program benefits the homeowner. Although the deferred / unpaid city taxes continue to attract penalty at 15%, they are receiving a grant from the City equal to 10% to offset the penalties charged which reduces the interest paid to 5%.

### Five Year Tax Deferral Illustration based on home with assessed value of \$250,000.

To illustrate how this program would function over time we have used the historical taxes for a sample property currently assessed at 250,000 and the hypothetical enrollment year of 2019.

Tax Year	Taxes		Eligible Increase for Deferral	Interest		Program Interest @ 5%	Payout Balance (Tax and Interest)
	Total	City Portion		Default Penalty @ 15%	Interest Offset @ 10%		
2018	\$3,245	\$1,428					
2019	\$3,386	\$1,502	\$74	\$6	-\$4	\$2	\$76
2020	\$3,580	\$1,586	\$158	\$25	-\$16	\$8	\$242
2021	\$3,639	\$1,615	\$187	\$51	-\$34	\$17	\$446
2022	\$3,735	\$1,663	\$235	\$83	-\$55	\$28	\$709
2023	\$4,097	\$1,668	\$240	\$119	-\$79	\$40	\$988
<b>Total</b>	<b>\$18,437</b>	<b>\$8,034</b>	<b>\$894</b>	<b>\$283</b>	<b>-\$189</b>	<b>\$94</b>	<b>\$988</b>

Under this illustration, the homeowner deferred \$894 in City taxes in a five-year period. The cost to the taxpayer would be \$94, excluding any enrollment fees.

This amount would represent a priority lien against the home and would become due if the property were sold or otherwise changed ownership. In addition, the Interest Offset of \$189 would be provided as a grant amount provided to the homeowner’s tax account would require annual funding support through the city’s tax levy.

## Municipal Funding of Deferrals

The proposed program provides for a deferral rather than the cancellation or rebate of tax. The full City taxes levied against participating properties will be collected.

The quantifiable relief being provided to the taxpayer is the reduced interest in comparison to what would apply if the same tax amounts were left unpaid outside this program. The interest offset amount is technically a cost to the City, but it is more of an opportunity loss than a hard cost. The City would however budget an estimated amount to cover the interest grants provided to those older adult homeowners participating in this program.

The primary function of penalty and interest provisions are to compel timely payment of tax levies; however, they also serve to offset the cashflow related expenses that result from delinquent accounts. In very simple terms, when taxes go unpaid the expenses that those taxes would have paid must be covered by borrowed money or funds drawn from reserves. Interest on the unpaid taxes offset the interest paid on loans, or not realized from funds that might otherwise be invested.

The utility and mechanics of this program are fairly straight forward; the increase in the City portion of taxes owed are deferred from the year program enrolment and accrue interest at a rate of 5% per year. From a municipal operational perspective, it is somewhat more complicated because interest cannot be imposed at a reduced rate in the first instance, nor can the difference simply be written-off.

The basic approach utilized is to allow taxes to go unpaid and attract the standard interest applicable to outstanding accounts and then reconcile the interest imposed for the year against what would have been imposed if the municipality charged only 5% rather than 15%. The City will leverage its authority to make grants to offset the taxpayer's accrued interest so that they are only responsible for paying the equivalent of 5%.

Affecting the reduced interest burden with an offset grant is necessary because municipalities are not permitted to simply write interest off once imposed, or to impose it at a rate other than that set in its by-laws. The outcome is the same for the taxpayer, but this approach is required in order for the program to fall into compliance with the *Municipal Act*, and to ensure a high level of transparency.

## **Next Steps**

Upon Council approval, the implementation of the program would require staff to finalize the program criteria and to develop application process and applicable by-laws. The program will be developed for the implementation in 2024 based on key principles pending Council's approval of the required funding. The tax deferral program would be reviewed annually and any changes to the program will be brought forward to Council for consideration as part of the Operating Budget process.

## **Environmental Sustainability Implications**

There are no environmental sustainability implications with this report.

## **Operational Implications**

There will be additional administrative efforts by staff to manage each of the properties which enter this tax deferral program. These efforts will be incorporated into existing roles and responsibilities of staff positions.

## **Operating Budget Implications**

The annual budget requirements of approximately \$50,000 will be included in the 2024-2026 multi year tax levy to fund the interest grant amount for those enrolled in the program. This estimate is based on the experience of other municipalities with similar programs and will be reviewed annually and adjusted required reported through the annual budget process. An increase in the tax levy budget to fund this program based on 2023 tax rates and the median home has an annual impact of \$0.71 or 0.04%.

With Council's creation and approval of Special Tax Mitigation Fund, the option now exists to have this new program supported by that fund and therefore not create an impact on the City's tax levy budget.

## **Conclusion**

The amount of tax increase deferred under the current program (Section 319) is small relative to the annual taxes paid, and the uptake of this program has been extremely limited. Therefore, the introduction of this enhanced tax increase deferral program for older adult homeowners would be more helpful for seniors in financial needs, especially with the increase in the income threshold.

## **Notifications**

Regional Clerk, Ann-Marie Norio  
Regional Treasurer, Todd Harrison

### **Prepared and submitted by**

Lisa Read, Manager of Revenue

### **Approved by**

Kristine Douglas, CPA, CMA  
Chief Financial Officer and Director of Financial Management Services / City Treasurer

## **Appendices**

1. Current Low-Income Seniors Deferral Program
2. 2023 Low Income Senior Tax Deferral

## Existing Regional Program

### Low-Income Seniors and Low-Income Persons with Disabilities

If you are a senior over 65 years of age or a low-income person with a disability and own your principal residence in Niagara, you may be eligible for an annual deferral of either all or part of your property tax increases. Basic eligibility requirements are as follows:

#### Applicant

- 65 years of age or older and in receipt of the monthly Guaranteed Income Supplement provided under Part II of the Old Age Security Act (Canada)
- or -
- Disabled and in receipt of on-going benefits under the Ontario Disability Support Program.

#### Ownership / Occupancy

- The applicant must own and occupy the property, within Niagara, as their principal residence for which the tax deferral is applied
- The applicant must have owned a residential property within Niagara for a period of one or more years preceding the application

#### Tax Account Standing

- Tax deferral applies to current taxes only and not tax arrears or outstanding taxes
- To maintain eligibility the property taxes must be current
- Eligibility for the deferral program is required for each taxation year
- A tax reduction from a successful assessment appeal may alter the amount of the tax deferral

Review the [Application for Deferral of Property Taxes and criteria for application \(By-law 96-2006\)](#) for more information about eligibility and tax deferral.

To determine your eligibility to receive a property tax deferral, contact the tax office of your local municipality. Applications for a tax year are to be submitted by February 28 of the following year.

## **New Proposed Program: Older Homeowner Tax Increase Deferral Program**

### **General Information**

The City of St. Catharines offers a tax increase deferral of the City's portion of property taxes to eligible older adult homeowners who require financial assistance. Under this program, the increase in the City's portion of property taxes from the year of enrolment is deferred for applicants who meet the enrollment and ongoing program requirements.

### **Program Criteria**

- This program only applies to taxable property in the residential class.
- All assessed owners must be listed as applicants on the deferral application.
- At least one assessed owner must be age 65 or older as of December 31 of the enrollment year, which is the first year for which eligible taxes will be deferred.
- No more than one assessed owner may be less than 65 years of age as of December 31 of the enrollment year.
- The subject property must be the principal and usual residence of all assessed owners with the exception of an owner living elsewhere for medical or long-term care.
- The property tax account related to the subject property must be current prior to enrollment, except for any amount eligible to be deferred in respect of the enrollment year.
- The total gross income for all assessed owners must be less or equal to the program threshold for the same year. These thresholds will be based on Statistics Canada's median household income for the City, adjusted annually by the annual Consumer Price Index (CPI). To illustrate, the threshold household income calculated in this manner for 2022 would be \$81,000.
- Applications may be made by an assessed owner, their spouse, or a duly authorized representative, however, only an assessed owner can enter into the terms of enrollment.
- For properties with more than one registered owner, all owners must agree to the program terms of enrollment and acknowledge the impact and implications of a tax deferral.
- Where a property is made up of differently classified portions (e.g.) Residential / Farmland, etc.) only taxes levied against the residential portion are eligible for deferral.
- Property owned by a commercial or industrial enterprise or occupied wholly or primarily by tenant(s) are not eligible.
- Enrollment will not be granted if any assessed owner of a subject property has debt to the City in relation to any service, matter or charge that has come due and remains unpaid in whole or in part.



- All applicants must not be currently receiving property tax relief (rebate, deferral, or grant) through another program offered by the Region or the Municipality.

### **Program Intake**

- A non-refundable enrolment fee of \$50 will be payable to the Municipality with the initial application.
- The increase deferral begins when the application is approved and after the final tax billing for the year has been completed. There will be no refunds for taxes already paid.
- An approved application is the agreement between the applicant(s) and the municipality regarding the applicant(s)'s participation in the program.
- The deferred amounts will be the increase in the City portion of their annual tax bill in comparison to the City taxes the year prior to enrolment.
- Interest on the deferred amounts will be charged at the rate of 5% per annum. These costs will be charged to the tax account.
- Interest on the total deferred amount will begin to accrue immediately.
- If enrolled in a pre-authorized payment plan it will be cancelled
- In the event of full repayment, an applicant would be considered withdrawn from the program, in accordance with the by-law. If still eligible, the applicant can apply to be re-admitted to the program. A complete application, as well as the enrolment fee of \$50, is required.
- When full repayment occurs, the applicant will receive a letter from the municipality confirming their withdrawal from the program.

### **Deferral Term**

There is no limit to the length of time participants can remain in the program and eligible amounts will be automatically deferred each year until:

- 1) The property owner(s) direct the City to cease deferring taxes.
- 2) The total balance of deferred taxes and associated interest reaches an amount equivalent to 30% of the property's assessed value.
- 3) The non-deferred portion of the property's taxes fall into arrears; or
- 4) The subject property is sold, transferred or is otherwise subject to a change in ownership.

Under the circumstances 1) through 3), no additional amounts will be deferred, but the outstanding balance remains eligible for deferral and does not become payable immediately.

Deferred balances do not become due until the day the subject property is sold, transferred or is otherwise subject to a change in assessed ownership, however, participants are free to make payments against their deferred balance at any time.

## Past due payments

A participant will become ineligible for further deferrals.

- Upon the third payment default within any two consecutive taxation years if any amount, including all or a portion of the third default remained outstanding for more than 30 days.
- Upon the fourth payment default within any two consecutive taxation years if no amount in respect of the first three defaults, including associated penalty remained outstanding for more than 30 days.
- If there is any outstanding, non-deferred amount as of December 31 of any taxation year.

## Initiating a Tax Sale on a Participant Property

The tax increase deferral program will result in what will technically be long-term tax arrears, that if left unpaid outside this program, would trigger the tax sale process. The City will initiate a tax sale when the non-deferred taxes levied in the year a participant is precluded from deferring further amounts as the basis for the timing of tax sale registrations. Registration will begin in the third, rather than second year from this marker. Under this timing, a taxpayer that goes into a default position in 2023 could see a tax sale process initiated in January of 2025 if a portion of those 2023 taxes remained unpaid at that time.

It should be noted that this would simply be the initiation point, taxpayers continue to have remedial option after a property has been registered for tax sale.

### Note:

Interested homeowners are encouraged to consult a financial advisor before applying for this tax increase deferral. In particular, taxpayers should not enroll until they are fully informed of all potential implications surrounding:

- 1) Their eligibility for, or the amount of property tax related income tax credits such as the Ontario Property Tax Credit and the Senior Homeowner's Property Tax Grant; and
- 2) How participation in the program, and the placement of a priority lien on their home might impact lending arrangements that are currently in place or which they may wish to obtain in the future.

## How to Apply

- Initial applications may be made at any time with the first eligible deferral being processed on the first final tax billing to come due once a homeowner has been approved and duly enrolled in the program.
- Applications must be made in writing or on-line by completing the application form and submitting it to the Tax Department at the City of St. Catharines
- Any taxes that are paid prior to the submission of the application will not be refunded.

- The municipality will respond to a completed application within 60 days.
- The applicant agrees to provide the necessary information to the municipality to demonstrate that eligibility requirements have been met. The applicant also signs a waiver providing the municipality access to personal information for the purpose of confirming eligibility.

Examples of which include:

- 1) Proof of age
- 2) Notice of Assessment prepared by Canada Revenue Agency (cannot be older than 2 years from the application date)
- 3) Applications must include signed authorization by the applicant(s) for the release to the Treasurer of the City of St. Catharines that may be required to verify the accuracy of the application.

### **Repayment**

Partial payment towards deferred taxes is permitted at any time.

The deferred taxes shall become due and payable at the earliest of the following dates:

- When the applicant(s) no longer meet eligibility criteria such as income.
- When the property is sold or transferred.
- Upon the death of the applicant, unless the applicant is survived by a spouse who continues to qualify for deferral (The tax deferral cannot be transferred to the estate of deceased owner(s))