
MEMORANDUM

BRC-C 4-2021

Subject: Levy Workshop Discussion items from January 7, 2021

Date: January 14, 2021

To: Budget Review Committee of the Whole

From: Todd Harrison, Commissioner/Treasurer Corporate Services

This memo is a result of discussions that occurred at the January 7, 2021 Levy Workshop, staff is providing additional context for the following budget items:

1. Vacancy Rebates
2. Emerald Ash Borer program
3. Niagara Prosperity Initiative and Pro Kids
4. Pandemic Response Team Business Continuity Mitigations

1. Vacancy Rebates

Niagara Region Council at its meeting held on January 17, 2019, passed a recommendation from Report CSD-3-2019 to begin the phase-out of the Commercial/Industrial vacant unit rebate and vacant/excess subclass discount as approved in provincial O. Reg. 325/01 and O. Reg. 580/17 on February 6, 2019.

Vacant Unit Rebates:

- Application based program which is funded from regional and municipal operating budgets
- 2021 Rebate is 0% for commercial and industrial property classes if vacancies are experienced in year
- 2020 Rebate is 10% and included in the 2021 budget at a cost of \$558,000
- Business effected by COVID-19 closures are not eligible for the vacant unit rebate based on existing legislative requirements such as:
 - Business is vacant for at least 90 consecutive days

- No portion of the building or structure was used at any time in the period of time
 - The portion of the building was not used and was clearly delineated or separated by physical barriers from the portion of the building that was used
 - was capable of being leased for immediate occupation or unfit for occupation
- The budget measures act made amendments to the municipal act that permit a rebate which would prevail over the O. Reg. with the authority of the local municipality to pass a by-law with a rebate of up to 35%
- Options for municipal by-law as per the municipal act section 2.1
 - A local municipality that has a tax rebate program may, by by-law
 - a) Provide for requirements for the program in addition to the requirement under this section, including additional requirement or criteria for a property or portion of a property to be eligible property,
 - b) Specific circumstance under which no rebate is payable in respect of a property that would otherwise be eligible property, and
 - c) Specific, for each class in respect of which the rebate applies, a percentage for the rebate for eligible property of up to 35 per cent 2020. C.36. Sched. 30, s. 2(7).
- Should a local municipality choose to readopt a vacancy rebate; the Region can consider partnering however this would have budget implications which cannot be quantified until after municipalities' decisions are complete which will be after budget approval. This would result in an in-year budget amendment

Vacant Tax Rate Reduction:

- The vacant subclass reductions are approved in tax policy and are automatic in the tax rates for applicable properties
- Provided to commercial and industrial vacant/excess lands; amount to approximately \$1.8 million in 2020 (Regional portion only)
- Any change in the subclass discount percentage results in a shift to other property types primarily residential as it represents approximately 75% of taxes collected

- Eligibility for the subclasses is determined by MPAC and is reflected annually on the tax roll

Table 1

Taxation Year	Vacant Unit Rebate %	Vacant/Excess Land Tax Rate Reduction %
2018	30%	30%
2019	20%	30%
2020	10%	30%
2021	0%	22.5%
2022	0%	15%
2023	0%	7.5%
2024 and onwards	0%	0%

Staff are preparing a report for Corporate Services Committee for the February meeting to discuss the recently announced optional small business tax class which will also include discussion on other programs and options that are available as financial support to businesses. This report will be in advance of the formal tax policy setting exercise to be presented to committee in April.

2. Emerald Ash Borer Program

Niagara Region's original plan to combat the Emerald Ash Borer (EAB) beetle infestation was to remove all dead and/or dying ash trees in the Right of Way (ROW) over a ten (10) year timeframe, beginning in 2017. High risk and unsafe trees were targeted first to avoid significant damage and reduce liability to the Niagara Region. Due to high infestation rates in Niagara; the lack of reliable proven treatments, the Region decided upon tree removal versus injections or the application of other treatments to EAB trees (as determined by trained arborists and staff). Staff estimated that there were approximately 15,000 dead and/or dying ash trees in the ROW.

- 2020 Budget was \$700,000
- 2021 Budget is \$400,000 (\$300,000 reduction)
- 13,500 ash trees have been removed to-date with approximately 1,500 ash trees still to be removed. This was established as a 10 year program, but with favourable tender pricing and available resourcing, the removals have been expedited and will be finished within a 5 year time period (half of the timeframe)
- This advances the start of the tree replanting program to 2022

- The tree planting/replanting phase of the EAB program is targeted at a rate of 2:1 replacement for each ash tree removed per Public Works department PW5.T01.2 Tree Removal Policy; which equates to approximately 30,000 trees or other plantings
- As stewards of the environment, staff are reviewing the viability of planting/replanting 30,000 trees within the Region's ROW in collaboration with the work underway with the Transportation Engineering roads rehabilitation and reconstruction projects where trees are already being planted; complete streets design guidelines; planting strategy; funding availability and competitive procurement pricing; and ROW width and availability to replant
- To date approximately 300 trees have been replanted due to requests by residents for a new tree to be planted
- Staff also consult with the Conservation Authority and Local Area Municipalities to see if synergies can be coordinated to assist with the increase of tree canopies through the Niagara Region
- If tree replanting is completed across a twenty (20) year period, 30,000 trees can be replanted at a cost of \$750,000 per operating year
- Price vary from \$275 to \$600 depending on tree size and type, this also includes maintenance costs for one year
- With \$400,000 per operating year we can plant 30,000 treats in 35 years
- In addition to the EAB program there is a general tree planting/replacing budget included in the 2021 budget of \$90,000

3. Niagara Prosperity Initiative (NPI) and Pro Kids

Niagara Prosperity Initiative (NPI):

- The annual budget for NPI is \$1,500,000
- In 2020 this was reduced by \$250,000 in order to support our efforts to meet the budget planning strategy
- The reduction is not anticipated to have a significant impact on the program for 2021
- The category within NPI that would be removed for this year has been identified previously as having lower individual poverty reduction impacts (Community Engagement category) and also tends to include activities that currently are restricted or impacted due to the pandemic. In addition the initiative was underspent as of the end of 2020 due to the pandemic
- Brock University is currently concluding its research and evaluation of the NPI program and will be bringing further recommendations for NPI in early spring

which will help inform future project categories that are hoped to have the greatest impacts in Poverty Reduction

Pro Kids:

- The annual budget for NPI is \$250,000
- There is a one-time reduction of \$100,000 included in the 2021 budget. The program includes funding for many recreational activities including sports memberships for youth, and YMCA memberships, many of which are currently not possible due to the pandemic. As a result there were savings with the program in 2020
- The proposed one-time reduction is not expected to negatively impact the program for 2021

The plan is to fully re-establish these budgets in future years if budget strategy permits.

4. Pandemic Response Team Business Continuity Mitigations

Additional information in relation to the reduction of services in Public Health General has been included in Appendix 1 detailing the impact of the service changes on the community and the budgeted savings by division/service change. These changes are resulting from operations that are impacted by COVID-19 related restrictions and therefore provide for the repurposing of resources, both human and financial, to the Pandemic Response Team.

Respectfully submitted and signed by

Todd Harrison, CPA, CMA
Commissioner/Treasurer Corporate Services

Appendix 1 Community Impact of Public Health General Service Changes