

Executive Summary—Region of Niagara

Socio-Economic Factors

Socio-economic indicators describe and quantify a municipality's wealth and economic conditions and provide insight into a municipality's collective ability to generate revenue relative to the municipality's demand for public services. An evaluation of socio-economic factors contributes to the development of sound financial policies. An examination of local economic and demographic characteristics can identify the following situations:

- Changes in the tax base as measured by population, property value, employment, or business activity
- A need to shift public service priorities because of demographic changes in the municipality
- A need to shift public policies because of changes in economic conditions

Socio Economic Factors	2020 Pop Density per sq. km.	2011 2016 Pop Increase %	2019 Building Construction \$ per Capita	2020 Estimated Avg Household Income	2020 Weighted Median Value of Dwelling	2020 Unweighted Assessment per Capita	2020 Weighted Assessment per Capita
Fort Erie	197	2.5%	\$ 3,288	\$ 85,036	\$ 247,126	\$ 120,323	\$ 128,782
Grimsby	437	7.9%	N/A	\$ 123,318	\$ 407,339	\$ 163,870	\$ 174,784
Lincoln	153	5.8%	N/A	\$ 120,162	\$ 374,422	\$ 164,908	\$ 164,176
Niagara Falls	459	6.1%	N/A	\$ 83,246	\$ 266,813	\$ 129,830	\$ 157,231
Niagara-on-the-Lake	146	13.7%	\$ 6,192	\$ 124,505	\$ 522,048	\$ 291,664	\$ 307,001
Pelham	144	3.1%	\$ 2,373	\$ 134,479	\$ 385,693	\$ 156,751	\$ 155,434
Port Colborne	156	-0.6%	N/A	\$ 81,223	\$ 212,286	\$ 103,117	\$ 115,444
St. Catharines	1,463	1.3%	\$ 1,255	\$ 84,015	\$ 255,391	\$ 110,317	\$ 127,388
Thorold	262	4.9%	\$ 84	\$ 88,067	\$ 252,878	\$ 114,190	\$ 126,096
Wainfleet	31	0.3%	N/A	\$ 108,155	\$ 338,828	\$ 173,350	\$ 154,260
Welland	691	3.3%	\$ 2,342	\$ 77,897	\$ 218,427	\$ 89,129	\$ 100,959
West Lincoln	41	4.8%	N/A	\$ 113,094	\$ 365,634	\$ 150,606	\$ 137,530
Total Survey Avg	549	4.8%	\$ 3,415	\$ 107,715	\$ 371,559	\$ 174,539	\$ 175,380
Niagara Region	348	3.8%	\$ 2,589	\$ 101,933	\$ 320,574	\$ 147,338	\$ 154,090

Financial Indicators

The Municipal Financial Indicators section of the report includes a number of measures such as the financial position, operating surplus, asset consumption ratio, reserves, debt and taxes receivables.

Key financial indicators have been included to help evaluate each municipality's existing financial condition and to identify future challenges and opportunities. A number of Industry recognized indicators that are used by credit rating agencies and/or recommended by Government Finance Officers' Association (GFOA) and the Ministry of Municipal Affairs and Housing have been included. Indicators related to **Sustainability**, **Flexibility** and **Vulnerability** have been included. It should be noted that Water and Wastewater indicators have also been included in the Water/Wastewater section of the report.

Sustainability

The ability to provide and maintain service and infrastructure levels without resorting to unplanned increases in rates or cuts to services.

2019 Sustainability Indicators	Financial Position per Capita	Tax Asset Consumption Ratio	Net Financial Liabilities Ratio
Fort Erie	\$ 1,317	48.7%	(0.8)
Niagara-on-the-Lake	\$ 1,382	35.7%	(0.8)
Pelham	\$ (1,823)	38.1%	1.5
Port Colborne	\$ (1,322)	39.2%	0.8
St. Catharines	\$ 56	45.3%	(0.0)
Thorold	\$ 1,420	47.8%	(1.0)
Welland	\$ 728	44.0%	(0.5)
Total Survey Average	\$ 687	44.2%	(0.5)

Vulnerability

Addresses a municipality's vulnerability to external sources of funding that it cannot control and its exposure to risks.

2019 Vulnerability Indicators	Tax Reserves as % of Taxation	Tax Reserves as % of Own Source Revenues	Tax Reserves / Capita	Tax Debt Charges as % of OSR	Total Debt Out. / Capita	Tax Debt Out. / Capita	Debt Out. per Own Source Revenue	Debt to Reserve Ratio
Fort Erie	91.3%	75.9%	\$ 790	2.6%	\$ 193	\$ 101	11.9%	0.2
Niagara-on-the-Lake	41.7%	24.5%	\$ 279	1.1%	\$ 194	\$ 157	11.3%	0.3
Pelham	21.9%	18.0%	\$ 171	6.8%	\$ 1,766	\$ 1,723	148.0%	6.3
Port Colborne	89.4%	69.2%	\$ 867	10.3%	\$ 1,440	\$ 1,286	81.8%	1.5
St. Catharines	43.8%	31.3%	\$ 343	11.6%	\$ 933	\$ 881	63.8%	2.2
Thorold	186.3%	152.2%	\$ 1,524	0.7%	\$ 44	\$ 44	3.1%	0.0
Welland	130.5%	101.1%	\$ 1,050	13.4%	\$ 882	\$ 723	58.0%	0.8
Total Survey Average	79.7%	59.5%	\$ 831	4.3%	\$ 732	\$ 514	38.5%	0.8

Flexibility

The ability to issue debt responsibly without impacting the credit rating. Also, the ability to generate required revenues.

2019 Flexibility Indicators	Taxes Receivable as % of Taxes Levied	Rates Coverage Ratio
Fort Erie	5.7%	109.0%
Niagara-on-the-Lake	3.8%	96.6%
Pelham	4.9%	90.1%
Port Colborne	9.4%	85.4%
St. Catharines	3.6%	94.8%
Thorold	9.1%	111.3%
Welland	8.8%	93.4%
Total Survey Average	5.6%	91.6%

Analysis of Net Municipal Levy Per Capita and Per Assessment

In order to better understand the relative tax position for a municipality, another measure that has been included in the study is a comparison of net municipal levies on a per capita and per \$100,000 basis. This measure indicates the total net municipal levy needed to provide services to the municipality. This analysis does not indicate value for money or the effectiveness in meeting community objectives. Net municipal expenditures per capita may vary as a result of:

- Different service levels
- Variations in the types of services
- Different methods of providing services
- Varying demand for services
- What is being collected from rates vs. property taxes
- Locational factors
- Demographic differences
- Socio-economic differences
- Urban/rural composition differences
- User fee policies

As such, this analysis is not an “apples to apples” comparison of services, but rather has been included to provide insight into the net cost of providing municipal services within each municipality. Further analysis would be required to determine the cause of the differences across each spending envelope and within each municipality. This analysis was completed using the most current information available - net municipal levies as per the 2020 municipal levy by-laws and the 2020 estimated populations.

	Net Municipal	
2020	Levy per Capita	Levy per \$100,000
		Unweighted CVA
Fort Erie	\$ 1,699	\$ 1,412
Grimsby	\$ 1,746	\$ 1,065
Lincoln	\$ 1,731	\$ 1,050
Niagara Falls	\$ 1,584	\$ 1,220
Niagara-on-the-Lake	\$ 2,531	\$ 868
Pelham	\$ 1,789	\$ 1,141
Port Colborne	\$ 1,766	\$ 1,712
St. Catharines	\$ 1,585	\$ 1,437
Thorold	\$ 1,555	\$ 1,361
Wainfleet	\$ 1,959	\$ 1,130
Welland	\$ 1,453	\$ 1,630
West Lincoln	\$ 1,336	\$ 887
Total Survey Average	\$ 1,661	\$ 1,082
Niagara Region	\$ 1,728	\$ 1,243

User Fees

A number of user fees have been included in the Study including the following:

2020 Fees	Development Charges - Single Detached	Residential Building Permit Fee
Fort Erie	\$ 37,146	\$ 2,373
Grimsby	\$ 37,537	\$ 2,319
Lincoln	\$ 43,614	\$ 2,338
Niagara Falls	\$ 33,060	\$ 2,019
Niagara-on-the-Lake	\$ 31,247	\$ 2,535
Pelham	\$ 38,798	\$ 2,642
Port Colborne	\$ 24,398	\$ 2,301
St. Catharines	\$ 19,835	\$ 2,606
Thorold	\$ 37,595	\$ 2,535
Wainfleet	\$ 26,732	\$ 2,428
Welland	\$ 27,697	\$ 2,606
West Lincoln	\$ 35,179	\$ 1,991
Total Survey Average	\$ 37,789	\$ 2,348
Niagara Region	\$ 32,737	\$ 2,391

Comparison of Tax Ratios

Tax ratios reflect how a property class tax rate compares to the residential rate. Changes in tax ratios affect the relative tax burden between classes of properties. Tax ratios can be used to prevent large shifts of the tax burden caused by relative changes in assessment among property classes as well as to lower the tax rates on a particular class or classes.

2020 Tax Ratios	Niagara Region	Total Survey Average
Multi-Residential	1.9700	1.7603
Commercial (Residual)	1.7349	1.6747
Industrial (Residual)	2.6300	2.1610

Taxes and Comparison of Relative Taxes

The purpose of this section of the report is to undertake “like” property comparisons across each municipality and across various property types. In total there are 12 property types in the residential, multi-residential, commercial and industrial classes. There are many reasons for differences in relative tax burdens across municipalities and across property classes including, but not limited to:

- Differences in values of like properties
- Differences in the tax ratios and the use of optional classes
- Non-uniform education tax rates in the non-residential classes
- Level of service provided and the associated costs
- Extent to which a municipality employs user fees
- Access to other sources of revenues such as dividends from hydro utilities and casino revenues

2020 Property Taxes	Detached Bungalow	2 Storey Home	Senior Executive Home	Walk Up Apartment (per Unit)	Mid/High Rise (per Unit)	Neigh. Shopping (per sq. ft.)
Fort Erie	\$ 3,381	\$ 4,832	N/A	\$ 1,427	\$ 1,588	\$ 4.11
Grimsby	\$ 4,329	\$ 5,604	\$ 6,678	\$ 1,559	\$ 1,559	\$ 4.69
Lincoln	\$ 4,190	\$ 5,105	\$ 7,023	\$ 1,667	\$ 1,559	\$ 3.65
Niagara Falls	\$ 3,512	\$ 4,935	\$ 6,425	\$ 1,960	\$ 1,885	\$ 4.31
Niagara-on-the-Lake	\$ 3,903	\$ 3,695	\$ 6,977	N/A	N/A	\$ 3.63
Pelham	\$ 3,557	\$ 4,949	\$ 6,695	\$ 1,427	\$ 1,291	\$ 3.64
Port Colborne	\$ 3,512	\$ 5,544	\$ 6,630	\$ 1,612	\$ 1,784	\$ 4.81
St. Catharines	\$ 4,068	\$ 5,155	\$ 7,182	\$ 2,060	\$ 2,443	\$ 5.28
Thorold	\$ 3,330	\$ 4,914	\$ 6,476	\$ 1,807	\$ 1,818	\$ 3.90
Wainfleet	\$ 3,812	N/A	N/A	\$ 1,520	N/A	N/A
Welland	\$ 3,840	\$ 5,411	\$ 6,393	\$ 1,633	\$ 2,243	\$ 4.64
West Lincoln	\$ 3,586	\$ 4,647	N/A	\$ 1,357	N/A	\$ 3.13
Total Survey Average	\$ 3,549	\$ 4,714	\$ 6,560	\$ 1,430	\$ 1,802	\$ 3.88
Niagara Region	\$ 3,752	\$ 4,981	\$ 6,720	\$ 1,639	\$ 1,797	\$ 4.16

2020 Property Taxes	Office Building (per sq. ft.)	Hotels (per Suite)	Motels (per Suite)	Industrial Std (per sq. ft.)	Industrial Large (per sq. ft.)	Industrial Vacant Land (per Acre)
Fort Erie	\$ 2.48	\$ 985	\$ 731	\$ 1.26	\$ 0.50	\$ 1,620
Grimsby	\$ 4.62	\$ 1,313	\$ 1,130	\$ 2.92	\$ 2.12	\$ 10,316
Lincoln	\$ 1.96	\$ 1,591	N/A	\$ 1.93	N/A	\$ 4,962
Niagara Falls	\$ 2.56	\$ 3,086	\$ 1,320	\$ 1.82	\$ 1.04	\$ 4,573
Niagara-on-the-Lake	\$ 3.22	\$ 4,063	\$ 1,746	\$ 2.40	N/A	\$ 5,964
Pelham	N/A	N/A	\$ 869	\$ 1.62	N/A	\$ 605
Port Colborne	\$ 3.34	N/A	\$ 1,060	\$ 2.02	\$ 1.40	\$ 994
St. Catharines	\$ 3.01	\$ 1,372	\$ 1,797	\$ 2.12	\$ 1.22	\$ 7,621
Thorold	\$ 2.67	\$ 1,755	\$ 792	\$ 1.96	\$ 0.87	\$ 7,030
Wainfleet	N/A	N/A	\$ 971	\$ 2.07	N/A	\$ 567
Welland	\$ 2.63	\$ 1,370	\$ 1,097	\$ 1.40	\$ 0.33	\$ 1,514
West Lincoln	N/A	N/A	N/A	\$ 2.07	\$ 0.33	\$ 1,721
Total Survey Average	\$ 3.20	\$ 1,644	\$ 1,273	\$ 1.72	\$ 1.19	\$ 4,681
Niagara Region	\$ 2.94	\$ 1,942	\$ 1,151	\$ 1.97	\$ 0.98	\$ 3,957

Comparison of Water and Sewer User Costs

A comparison was made of water/sewer costs in each municipality. The following table summarizes the costs in the municipality for water and sewer on typical annual consumption against the overall survey average.

2020 Water/Sewer Cost of Service	Residential - 200 m³	Commercial - 10,000 m³	Industrial - 30,000 m³	Industrial - 100,000 m³	Industrial - 500,000 m³
Fort Erie	\$ 1,496	\$ 37,072	\$ 113,060	\$ 358,712	\$ 1,754,318
Grimsby	N/A	N/A	N/A	N/A	N/A
Lincoln	\$ 1,056	\$ 46,577	\$ 138,716	\$ 460,455	\$ 2,298,098
Niagara Falls	\$ 954	\$ 26,392	\$ 76,152	\$ 244,414	\$ 1,187,453
Niagara-on-the-Lake	\$ 1,172	\$ 29,415	\$ 89,711	\$ 284,993	\$ 1,394,610
Pelham	\$ 878	\$ 27,617	\$ 82,143	\$ 267,907	\$ 1,321,810
Port Colborne	\$ 1,480	\$ 30,169	\$ 92,647	\$ 287,730	\$ 1,393,044
St. Catharines	\$ 974	\$ 34,449	\$ 104,043	\$ 339,942	\$ 1,684,863
Thorold	\$ 1,113	\$ 32,532	\$ 96,652	\$ 321,072	\$ 1,603,472
Wainfleet	N/A	N/A	N/A	N/A	N/A
Welland	\$ 1,353	\$ 51,681	\$ 155,821	\$ 511,730	\$ 2,542,059
West Lincoln	\$ 1,168	\$ 36,476	\$ 105,251	\$ 336,049	\$ 1,641,097
Total Survey Average	\$ 1,151	\$ 37,812	\$ 109,553	\$ 355,584	\$ 1,751,816
Niagara Region	\$ 1,164	\$ 35,238	\$ 105,420	\$ 341,300	\$ 1,682,082

2020 Property Taxes and Water/Wastewater Costs as a % of Income

This section of the report provides a comparison of the availability of gross household income to fund municipal services on a typical household. This provides a measure of affordability within each community.

Economic Development Programs

A summary was completed of programs that municipalities have implemented to promote economic development in the areas of retention and expansion, downtown development, and brownfield redevelopment.

2020 Affordability Indicators	Property Taxes as a % of Household Income	Water/Sewer + Taxes as a % of Household Income
Fort Erie	4.3%	6.1%
Grimsby	3.9%	4.4%
Lincoln	3.8%	4.7%
Niagara Falls	4.1%	5.3%
Niagara-on-the-Lake	4.0%	4.9%
Pelham	3.7%	4.4%
Port Colborne	4.4%	6.3%
St. Catharines	4.4%	5.5%
Thorold	4.0%	5.3%
Wainfleet	4.5%	4.5%
Welland	4.5%	6.2%
West Lincoln	3.7%	4.7%
Total Survey Average	3.8%	4.8%
Niagara Region	4.1%	5.2%