

Assessment Update

Committee of the Whole

January 29, 2020

Assessment Roll has been Reviewed

ASSESSMENT ROLL

- 2020 Assessment Roll has been reviewed by staff and outstanding questions have been resolved.
 - Impact of 1% Assessment Cap;
 - Impact of growth (new vs existing homes, commercial);
 - Assessment attributed to Apartments (not eligible for Assessment Cap);
 - Properties under Tax Agreements rather than commercial tax rate; and,
 - Payments in Lieu of Taxes (PILT).

Impact on Property Tax Revenues (\$M)

	2020-21 Preliminary	2020-21 Final	Change
Residential & Transit Rates	\$313.1	\$319.7	\$6.6
Resource Tax	1.5	1.4	(0.1)
Commercial Tax	239.8	238.2	(1.7)
Sub-total	554.4	559.2	4.9
Payment in Lieu of Taxes	39.7	39.3	(0.4)
Total	\$594.1	\$598.5	\$4.5

Projected 2019/20 Surplus

OPERATING

- Based on preliminary projections for Dec 31st **\$16.2 M**
- Surplus is driven by
 - Deed Transfer Tax
 - Compensation and benefit savings
 - Investment Income
- Risks to surplus – weather, commodity costs (salt, fuel, diesel, etc.)

Options

OPERATING BUDGET

- Surplus is one-time money – it should be directed to one time expenses such as capital \$16.2 M
- Assessment lift is a base budget adjustment – it could be directed to ongoing expenses or capital \$4.5 M
- Options for additional revenue:
 - Reduce Debt and/or increase Capital from Operating
 - Fund unbudgeted items in the parking lot
 - Reduce the tax rate
 - Combination of the above

Impacts

OPERATING BUDGET

- If surplus is directed to capital to reduce debt – debt falls by \$3.3M instead of increase of \$17.4M.
 - P&I savings of \$800K 21/22, \$2.1M 22/23 and \$2.1M (23/24)
- Tax Revenue increase of \$4.5M directed to average tax rate increase:
 - No increase in residential tax rate the same requires \$770k of the increase, commercial rate up 0.012
 - To keep both residential and commercial flat would require \$1.83M
 - Applying all of the \$4.5M increase, Residential tax rates decrease 0.005; commercial rate decrease 0.006
- Decision to be made with Parking Lot discussion

