



Council Meeting Minutes
Tuesday, March 26, 2013
9:30 a.m.
Council Chambers, Town Hall

Mayor M. Morrison
D. Beffort
N. de Boer
P. Foley
G. McClure
R. Mezzapelli (Absent – Personal Business)
R. Paterak
A. Thompson
R. Whitehead

Chief Administrative Officer: D. Barnes
Programs and Community Dev. Manager: H. Flaherty
Director of Development Approval & Planning Policy: M. Hall
Council/Committee Co-ordinator: B. Karrandjas
Manager of Corporate Communications: B. Lee
Director of Human Resources: J. Porter
Economic Development Officer: B. Roberts
Legislative Services Manager/Deputy Clerk: D. Thompson
Deputy Treasurer: P. Tollett
Treasurer: F. Wong

Other Staff Present Specific Items Only
Parks Manager/Landscape Architect: B. Baird
Manager of Revenue: H. Bryers
Senior Financial Analyst: K. Ermakovich

1. **CALL TO ORDER**

Mayor Morrison called the meeting to order at 9:36 a.m.

2. **APPROVAL OF AGENDA**

Moved by A. Thompson - Seconded by N. de Boer

2013-186

That the agenda for the March 26, 2013 Council Meeting, be approved as amended.

Carried.

3. **DISCLOSURE OF PECUNIARY INTEREST** - none

4. **CLOSED MEETING** – none

5. **PRAYER AND O CANADA**

Councillor Whitehead opened the meeting with a prayer.

6. **SUMMARY OF ADDENDUM ITEMS**

Added Report

(RB1) PREC-2013-007 Equestrian Use Signage on the Caledon Trailway. (5 minutes)

7. **URGENT BUSINESS**

1. PREC-2013-007 re: Equestrian Use Signage on the Caledon Trailway.

Moved by A. Thompson - Seconded by R. Whitehead

2013-187

That Report PREC-2013-007 regarding Equestrian Use Signage on the Caledon Trailway, be received.

Carried.

8. **COUNCIL WORKSHOP**

Moved by R. Whitehead - Seconded by A. Thompson

2013-188

That Council convene into Council Workshop.

Carried.

1. Re-Assessment and Tax Ratios.

Hillary Bryers, Manager of Revenue presented the following information:

Workshop Agenda

- Re-Assessment : What are the tax impacts of the recent re-assessment conducted by MPAC?
- Tax Ratios: What are they and how do they affect the impacts of re-assessment?
- Tax Policy: What are the Town's options?

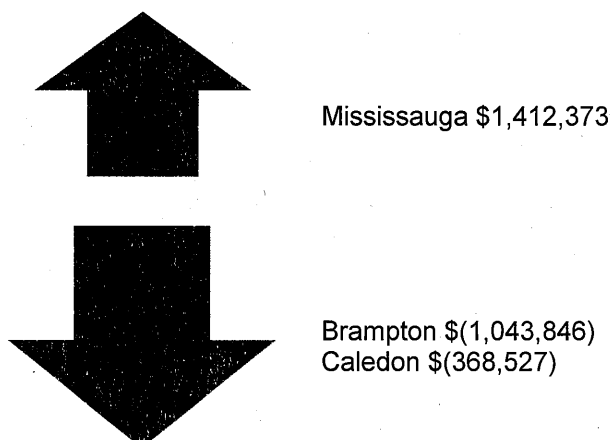
Proposed 2013 Tax Policy Goals

- Allocate Tax Burden shift, due to re-assessment, away from Farm class
- Maintain split between residential and non-residential tax revenue

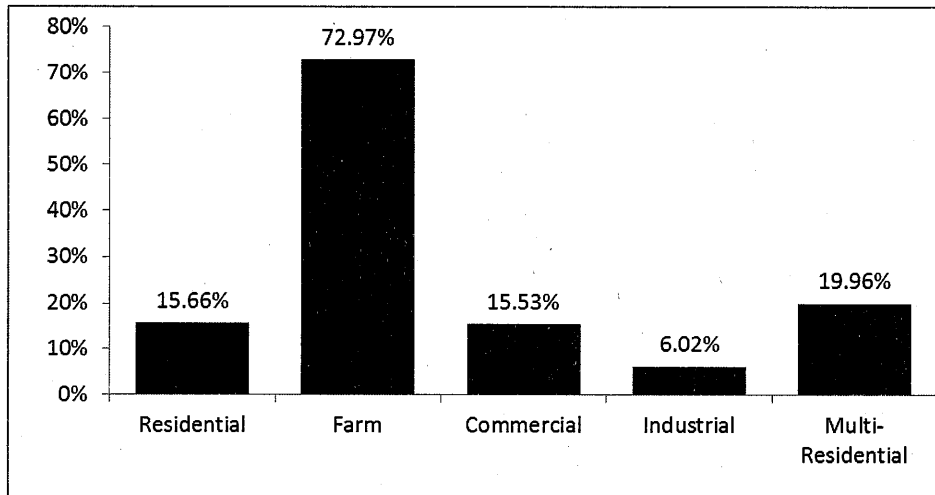
Re-Assessment

- Conducted by MPAC in 2012
- Province-wide
- Will be used for tax years 2013-2016
- Increases in individual property assessments are phased in over 4 years
- Decreases in individual property assessments are implemented immediately for the 2013 tax year
- Reflects current market value to ensure greater fairness amongst taxpayers
- Does not represent "new" revenue to a municipality
- Acts to shift tax burdens:
 - Between properties in the same tax class
 - Between tax classes
 - Between lower tier municipalities in a two tier system (between Caledon, Brampton and Mississauga within the Region of Peel)

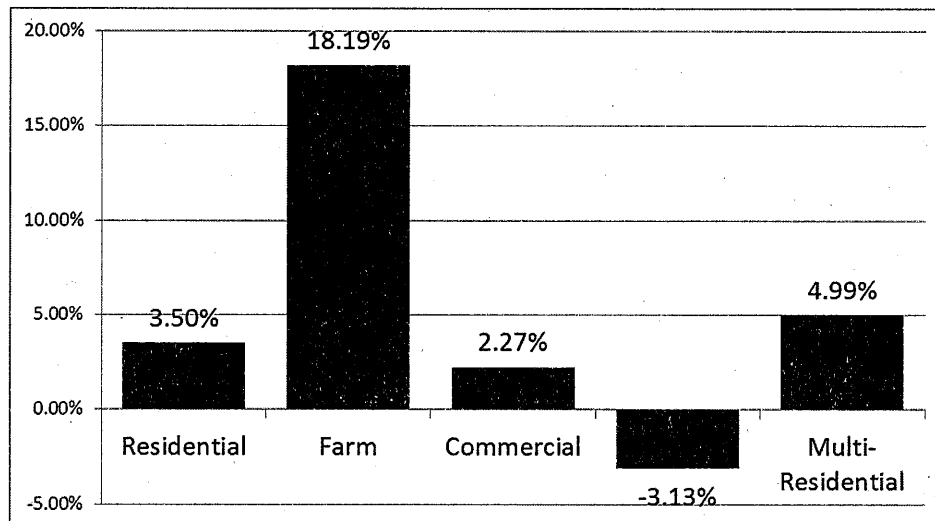
2013 Shifts in Regional Levy



Fully Phased-In 2016 Assessments



2013 Phased-In Assessments



The Tax Trifecta

Three Parts to a tax class rate

What is a Tax Ratio?

- Tax Ratios act to allocate the burden between tax classes
- The Region of Peel delegated tax ratio setting authority to the lower tier municipalities for the 2013 taxation year
- Tax Ratios must be set within provincially mandated ranges and prescribed regulation
- Affect Town and Region portions of tax bill
- Education rates are prescribed by Provincial regulation

How Tax Ratios Work to Generate Tax Rates

- Tax Ratios are applied against the assessment for each tax class to generate a weighted assessment
- Example: A Town needs to raise \$95,000 and has two property classes: Residential assessed at \$10,000,000 and Commercial at \$10,000,000. With a Commercial tax ratio of 2.0, the total weighted assessment is = \$10,000,000 + (\$10,000,000*2) = \$30,000,000
- Using the formula:
- $$\frac{\text{Budget Levy Requirement}}{\text{Total Weighted Assessment}} = \text{Residential Tax Rate}$$
- This would give a residential tax rate of:

$$\frac{\$95,000}{\$30,000,000} = 0.31667\%$$

Examples of Shifting between Tax Classes due to Re-assessment

\$95,000 is to be raised as the
 Municipal Budget Amount.

	(A) Assessed Value	Tax Ratio	Weighted Assessment	(B) Tax Rate (%)	Taxes Paid (Assessed Value x Tax Rate) (A) x (B)
Example One: Base Calculation					
Residential	10,000,000	1.00	10,000,000	0.316667	\$31,666.67
Commercial	10,000,000	2.00	<u>20,000,000</u>	0.633333	<u>\$63,333.33</u>
			<u>30,000,000</u>		<u>\$95,000.00</u>
Example Two: Shift in Tax Burden to Residential Class					
Residential	10,000,000	1.00	10,000,000	0.380000	\$38,000.00
Commercial	7,500,000	2.00	<u>15,000,000</u>	0.760000	<u>\$57,000.00</u>
			<u>25,000,000</u>		<u>\$95,000.00</u>
Example Three: Shift in Tax Burden to Commercial Class					
Residential	10,000,000	1.00	10,000,000	0.292308	\$29,230.77
Commercial	11,250,000	2.00	<u>22,500,000</u>	0.584615	<u>\$65,769.23</u>
			<u>32,500,000</u>		<u>\$95,000.00</u>

Scenario One: 2013 Tax Revenue Shifts between Tax Classes due to Re-Assessment
 (Using 2012 Tax Ratios and No impact of Regional Shifts)

Tax Class	2012 Tax Revenue	% of Total Revenue	2013 Tax Revenue (Phase-in Assessments)	% of Total Revenue (2013)	Tax Shifts due to Re-Assessment
Residential	\$66,133,395.12	80.57%	\$66,426,479.16	80.93%	\$293,084.04
Farm	\$969,696.20	1.18%	\$1,112,278.96	1.36%	\$142,582.76
Multi-Residential	\$343,580.80	0.42%	\$350,081.81	0.43%	\$6,501.01
Managed Forest	\$94,109.42	0.11%	\$101,088.21	0.12%	\$6,978.79
Commercial	\$9,544,938.71	11.63%	\$9,470,034.49	11.54%	-\$74,904.23
Industrial	\$4,886,950.58	5.95%	\$4,514,176.92	5.50%	-\$372,773.67
Pipeline	\$106,551.17	0.13%	\$105,082.45	0.13%	-\$1,468.71
Total	\$82,079,222.00	100.00%	\$82,079,222.00	100.00%	\$0.00

2012 Figures include Year End Assessment Growth
 2012 Tax Revenue was 81% Residential versus 19% Non-residential
 Includes Town of Caledon and Region of Peel taxes only—excludes Education portion

Projected 2016 Tax Revenue Shifts between Tax Classes due to Re-Assessment
 (Using 2012 tax ratios, no budget impacts or assessment growth for 2013-2016 and no impact of regional shifts)

Tax Class	2012 Tax Revenue	% of Total Revenue (2012)	2016 Tax Revenue	% of Total Revenue (2016)	Tax Shifts due to Re-Assessment
Residential	\$66,133,395.12	80.57%	\$66,394,803.66	80.89%	\$207,015.56
Farm	\$969,696.20	1.18%	\$1,455,973.32	1.77%	\$485,479.57
Multi-Residential	\$343,580.80	0.42%	\$357,778.25	0.44%	\$13,914.87
Managed Forest	\$94,109.42	0.11%	\$123,809.33	0.15%	\$29,622.51
Commercial	\$9,544,938.71	11.63%	\$9,460,853.80	11.53%	-\$91,935.38
Industrial	\$4,886,950.58	5.95%	\$4,187,517.22	5.10%	-\$635,944.75
Pipeline	\$106,638.80	0.13%	\$98,486.41	0.12%	-\$8,152.39
Total	\$82,079,222.00	100.00%	\$82,079,222.00	100.00%	\$0.00

What are our options?

(*Denotes Ratios that can be increased only under special circumstances that qualify under Ontario Regulation 385/98)

Property Class	2012 Town of Caledon and City of Brampton Tax Ratios	Can Ratio be Changed?	Permitted Tax Ratio Ranges	2012 City of Mississauga Tax Ratios
Residential	1.0000	No		1.0000
Farm	0.2500	Yes	0.0 - 0.25	0.2500
Managed Forest	0.2500	No		0.2500
Commercial	1.2971	Yes – Decrease*	0.6-1.2971	1.409816
Industrial	1.4700	Yes – Decrease*	0.6-1.4700	1.570762
Multi-Residential	1.7050	Yes – Decrease*	1.0-1.7050	1.778781
Pipelines	0.9239	Yes – Decrease*	0.6-0.9239	1.151172

What if...

...the Farm Ratio is changed to make re-assessment revenue neutral for the class?
 Farm Ratio = 0.2175

Scenario Two: 2013 Tax Revenue Shifts between Tax Classes due to Re-Assessment with Farm Ratio at 0.2175

Tax Class	2012 Tax Revenue	% of Total Revenue	2013 Tax Revenue (Phase-in Assessments)	% of Total Revenue (2013)	Tax Shifts due to Re-Assessment
Residential	\$66,133,395.12	80.57%	\$66,543,707.02	81.07%	\$410,311.90
Farm	\$969,696.20	1.18%	\$969,390.44	1.18%	-\$305.76
Multi-Residential	\$343,580.80	0.42%	\$350,699.63	0.43%	\$7,118.83
Managed Forest	\$94,109.42	0.11%	\$101,266.61	0.12%	\$7,157.19
Commercial	\$9,544,938.71	11.63%	\$9,486,746.98	11.56%	-\$58,191.74
Industrial	\$4,886,950.58	5.95%	\$4,522,143.43	5.51%	-\$364,807.16
Pipeline	\$106,551.17	0.13%	\$105,267.90	0.13%	-\$1,283.27
Total	\$82,079,222.00	100.00%	\$82,079,222.00	100.00%	\$0.00

By 2016, the Farm Ratio would need to be reduced to 0.1650 in order to maintain tax revenues of approximately \$969,000 for farm properties (Projected)

Industrial and Commercial show shifts onto Residential. Can these ratios be increased?

- Yes! Ontario Regulation 385/98 allows for a Municipality to make request higher tax ratios from the Minister of Finance under qualifying circumstances

Ont. Reg. 385/98

- Allows for increases to qualifying tax ratios
- Applicable when re-assessment results in a decrease in the percentage of total taxes to be paid by certain classes.
- For Caledon in 2013, the commercial, industrial and pipeline tax ratios are qualifying ratios.
- Can be used in conjunction with changes to Farm Ratio

Scenario Three: Change Multi-Residential, Farm, Commercial and Industrial Tax Ratios

Tax Class	2012 Tax Ratios (Caledon and Brampton)	2013 Caledon Proposed Tax Ratios	2012 City of Mississauga Tax Ratios
Residential	1.0000	1.0000	1.0000
Farm	0.2500	0.2194	0.2500
Managed Forest	0.2500	0.2500	0.2500
Commercial	1.2971	1.312362	1.409816
Industrial	1.4700	1.5805	1.570762
Multi- Residential	1.7050	1.6843	1.778781
Pipelines	0.9239	0.9239	1.151172

Scenario Three: Change Multi-Residential, Farm, Commercial and Industrial Tax Ratios

Tax Class	2012 Tax Revenue	% of Total Revenue	2013 Tax Revenue (Phase-in Assessments)	% of Total Revenue (2013)	Tax Shifts due to Re-Assessment
Residential	\$66,133,395.12	80.57%	\$66,176,931.22	80.63%	\$43,536.10
Farm	\$969,696.20	1.18%	\$972,468.92	1.18%	\$2,772.72
Multi- Residential	\$343,580.80	0.42%	\$344,532.35	0.42%	\$951.55
Managed Forest	\$94,109.42	0.11%	\$100,708.44	0.12%	\$6,599.02
Commercial	\$9,544,938.71	11.63%	\$9,545,369.21	11.63%	\$430.50
Industrial	\$4,886,950.58	5.95%	\$4,834,524.18	5.89%	-\$52,426.41
Pipeline	\$106,551.17	0.13%	\$104,687.68	0.13%	-\$1,863.48
Total	\$82,079,222.00	100.00%	\$82,079,222.00	100.00%	\$0.00

Includes Town of Caledon and Region of Peel taxes only – excludes Education portion.

Have other municipalities change their farm ratios?

Municipality	Year	Farm Ratio
Hamilton	2012	0.1982
Ottawa	2012	0.2500
Durham Region	2012	0.2000
Halton Region	2012	0.2000
North Bay	2012	0.1500
Brampton	2012	0.2500
Mississauga	2012	0.2500
Caledon - Current	2012	0.2500
Caledon Proposed Scenario Two	2013	0.2175
Caledon Proposed Scenario Three	2013	0.2194

2013 Total Taxes for Sample Properties – Includes Budget Increases and Education Portion

Property Class	2012 Assessment	2012 Taxes	2013 Assessment	Scenario One: 2013 Taxes No Ratio Change	Scenario Two: 2013 Taxes with Farm Ratio Change	Scenario Three: 2013 Taxes with Farm, Multi-Res, Industrial and Commercial Ratio Change
Residential	447,000	\$4,206.66	463,250	\$4,333.08	\$4,339.00	\$4,320.70
Farm	497,900	\$1,171.42	586,375	\$1,371.19	\$1,234.96	\$1,237.96
Commercial	524,000	\$11,063.79	535,750	\$11,174.43	\$11,183.31	\$11,214.79
Industrial (Increasing Assessment)	1,688,000	\$41,868.23	1,765,000	\$43,464.96	\$43,498.11	\$44,801.19
Industrial (Decreasing Assessment)	2,612,000	\$64,786.61	2,406,000	\$59,250.25	\$59,295.44	\$61,071.77

Does not include any possible effects of the Provincially mandated capping program

Impact Comparison
 2013 Total Taxes versus 2012 Total Taxes including Education Portion

Property Class	Scenario One: Impact of Status Quo Ratios		Scenario Two: Impact of Farm Ratio Change		Scenario Three: Impact of Farm, Multi-Res, Industrial and Commercial Ratio Change	
	%	\$	%	\$	%	\$
Residential	3.01%	\$126.42	3.15%	\$132.34	2.71%	\$114.04
Farm	17.05%	\$199.77	5.42%	\$63.54	5.68%	\$66.54
Commercial	1.00%	\$110.64	1.08%	\$119.52	1.36%	\$150.99
Industrial (Increasing Assessment)	3.81%	\$1596.73	3.89%	\$1629.88	7.01%	\$2932.96
Industrial (Decreasing Assessment)	-8.55%	-\$5536.36	-8.48%	-\$5491.17	-5.73%	-\$3714.84

Scenario Three: Change Multi-Residential, Farm, Commercial and Industrial Tax Ratios

Tax Class	2012 Tax Revenue	% of Total Revenue	2013 Tax Revenue (Phase-in Assessments)	% of Total Revenue (2013)	Tax Shifts due to Re-Assessment
Residential	\$66,133,395.12	80.57%	\$66,176,931.22	80.63%	\$43,536.10
Farm	\$969,696.20	1.18%	\$972,468.92	1.18%	\$2,772.72
Multi-Residential	\$343,580.80	0.42%	\$344,532.35	0.42%	\$951.55
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Industrial	\$4,886,950.58	5.95%	\$4,834,524.18	5.89%	-\$52,426.41
Pipeline	\$106,551.17	0.13%	\$104,687.68	0.13%	-\$1,863.48
Total	\$82,079,222.00	100.00%	\$82,079,222.00	100.00%	\$0.00

Includes Town of Caledon and Region of Peel taxes only – excludes Education portion.

Summary of Analysis

	Scenario One	Scenario Two	Scenario Three
Allocates Tax Burden shift, due to re-assessment, away from Farm Class?	No	Yes	Yes
Minimizes Residential Tax Burden Increase?	No	No	Yes
Residential to Non-Residential Split?	83% Residential to 17% Non-Residential	83% Residential to 17% Non-Residential	82% Residential to 18% Non-Residential
Minimizes Non-Residential tax burden decrease?	No	No	Yes
Requires Ministry of Finance Approval?	No	No	Yes

Two-tiered system for agricultural land?

- Currently, all farmland is assessed as the Farm Class, with no ability to differentiate between farmers and developer-owned farms
- Farm classification is established by the Province through the Assessment Act
- Who would fall into what tier? Farmers often lease lands from developers in order to farm these lands in addition to the lands they own themselves
- Increasing taxes on developer owned land could increase the price farmers pay to lease this land

Next Steps

- Would Council like a workshop on tax policy in 2014? Council can only establish tax ratios for one year at a time.

If Scenario Three is selected:

1. Staff will seek formal approval of new ratios from Ministry of Finance (Calculations verified and preliminary approval received from Ministry)
2. Follow-up Report to Council April 16th on the Establishment of 2013 Tax Ratios
3. Final Tax Bills Mailed by week of June 3rd

If Scenario One or Two is selected:

1. Follow up report to Council April 16th on the Establishment of 2013 Tax Ratios
2. Final Tax Bills Mailed by week of June 3rd

2. Employee Award Program

Judy Porter, Director of Human Resources presented the following information

Overview:

An Award given to an individual at any level within the Corporation who through leadership, spirit and commitment, has inspired staff and has made significant contributions to the community. The creation of this award has been inspired by the commitment and dedication of Garth Young, who worked for the Town of Caledon for 38 years.

Recognition criteria:

- Current or prior employment with the Town (within the recognition period January to December of the year in and/or prior to the year the award is being given)
- Current resident of Caledon (minimum 10 years)
- Demonstrated ongoing commitment and efforts to making a positive contribution in the community
- High community involvement
- Viewed as an ambassador for the Town

- Role model that inspires others to be involved in making the community a better place to live, work, and play.

Nomination process:

- Nominations to be submitted on standard form (to be developed)
- Nominations will be submitted by Mayor, Members of Council, CAO or Directors
- Nominations will be voted on by Mayor and Members of Council
- Mayor and Members of Council will be able to vote for only 1 nominee.
- Successful candidate must receive a majority of votes from Mayor and Members of Council
- If majority of votes are not received, nominee with the least votes is eliminated from the vote and vote continues with remaining nominees.
- If all nominees are eliminated due to the above process, then the nomination process restarts with all nominees.

Other guidelines:

- Only one (1) award may be awarded on an annual basis
- The award will be presented at the annual Service Recognition event (normally in April)
- Nominations are to be submitted by January 15th of each year
- Voting on the nominations to take place by February 15th of each year
- Successful award recipient will be presented with the award at the annual Service Recognition event (in April of each year)
- Awards will only be awarded on valid merit – if there are no appropriate nominations, an award will not be issued.

Suggested award names (open for discussion)

- Town of Caledon - Award of Merit (could also be Town of Caledon Mayor and Council Award of Merit)
- Town of Caledon - Award of Excellence
- Town of Caledon – Legacy Award
- Town of Caledon – Ambassador Award
- Town of Caledon – Spirit Award

Moved by R. Whitehead – Seconded by A. Thompson

2013-189

That Council rise out of Council Workshop.

Carried.

9. PUBLIC QUESTION PERIOD

- i) Randy McLeod, resident, commented on the property tax assessment as it relates to the agricultural community and noted that the retail value of the property indicates the assessment value. Mr. McLeod indicated that he is supportive of Council's actions to assist the farmers. Mr. McLeod stated that if the public was provided with requested information from MPAC a lot of their questions would be answered.

Mayor Morrison advised that at a recent AMO Board this matter was discussed and suggestions were made as to how to get MPAC to revisit the issue.

- ii) Tom Dolson, resident, suggested we need to stay on top of this every year and inquired if there have been any changes in the commercial/industrial in the last few years. D. Barnes, CAO advised there have not been any changes.

T. Dolson expressed frustration with the antiquated tax classification and inquired if the two tier system would benefit residents in the future or would it be a negative impact. Mayor Morrison advised that this is not known at this time.

10. BY-LAWS

Moved by P. Foley - Seconded by R. Whitehead

2013-190

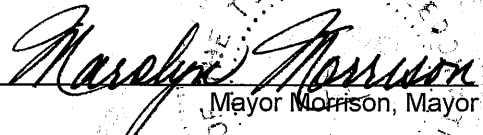
That the following by-law be taken as read three times and finally passed in open council:

BL-2013-034 To confirm the proceedings of the Council for The Corporation of the Town of Caledon at its Council Meeting held on the 26th day of March, 2013.

Carried.

11. **ADJOURNMENT**

On verbal motion moved by Councillor Thompson and seconded by Councillor Foley, Council adjourned at 11:00 a.m.


Marilyn Morrison, Mayor


Deborah Thompson, Deputy Clerk