

## Report to Council

**Report Title:** Postponement of Property Assessment

**Prepared By:** Trish Serratore, Chief Financial Officer

**Department:** Finance

**Date:** December 14, 2021

**Report Number:** FIN2021-34

**File Number:** C11FIN

**Attachments:**

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### Recommendation:

That the Council of the Municipality of Brockton hereby receives Report FIN2021-34 – Postponement of Property Assessment, prepared by Trish Serratore, Chief Financial Officer for information purposes.

### Report:

#### Background:

2020 was scheduled to be a reassessment year for property owners. Currently the property assessment is valued at the 2016 valuations. However, due to Covid-19, the Province postponed that reassessment and the 2021 property assessments remained consistent with the fully phased in assessment values in 2020. For Brockton, this reflected no assessment increase from 2020 to 2021, which resulted in no increase tax funding to assist with the increased operating costs. In addition, Brockton has experienced significant growth due to new construction, however, these updated assessments were also delayed in 2021 due to Covid-19.

#### Analysis:

On November 4, 2021, Peter Bethlenfalvy, Minister of Finance and President of the Treasury Board announced the Province's decision to once again postpone a province-wide property assessment update due to the pandemic.

Property assessments for the 2022 and 2023 property tax years will continue to be based on January 1, 2016 current values. This means your property assessment remains the same as it was for the 2021 tax year, unless there have been changes to your property, for example:

A change to your property including an addition, new construction, or renovation.

- A structure on your property was assessed for the first time
- A change to your property's classification
- A property no longer qualifies as farmland, conservation land or managed forests

- All or part of your property no longer qualifies to be tax exempt

Brockton has started to receive supplemental assessments for some of the new development that has occurred within the Municipality. In 2021, the Municipality processed \$27,928,192 in additional assessment, which resulted in \$217,936 in additional tax revenue.

This has a significant financial impact on the Municipality as we continue to see an increase in operating and capital costs due to increased health and safety measures required to protect the residents from Covid-19, and increased costs in goods and services. Staff will continue to explore cost efficient measures to reduce the impact to the residents and present council with a fiscally responsible budget. However, these delays in the property assessment may result in significant increases in the future to residents as property values have spiked; which will result in an increased tax burden to the Residential Tax Class similar to what occurred in 2016 with the Farm Tax Class.

### **Sustainability Checklist:**

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- |   |     |
|---|-----|
| • Do the recommendations help move the Municipality closer to its Vision? | N/A |
| • Do the recommendations contribute to achieving Cultural Vibrancy?       | N/A |
| • Do the recommendations contribute to achieving Economic Prosperity?     | N/A |
| • Do the recommendations contribute to Environmental Integrity?           | N/A |
| • Do the recommendations contribute to the Social Equity?                 | N/A |

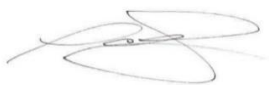
### **Financial Impacts/Source of Funding:**

- Do the recommendations represent a sound financial investment from a sustainability perspective? No

Continuing operations based on the 2016 Assessment values creates significant financial burden on the Municipality. Operating costs have increased significantly and without additional revenue from assessment growth, staff will be challenged to continue to operate at the same service levels and ensure the facility and infrastructure renewal required without an increase in the tax rate.

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### **Respectfully Submitted by:**



Trish Serratore, Chief Financial Officer

### **Reviewed By:**



Sonya Watson, Chief Administrative Officer