

## Report to Council

**Report Title:** 2019 Tax Rate

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

**Department:** Finance

**Date:** June 4, 2019

**Report Number:** FIN2019-22

**File Number:** C11FIN

**Attachments:** None

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### Recommendation:

That the Council of the Municipality of Brockton hereby approves Report Number FIN2019-22 – 2019 Tax Rate, prepared by Trish Serratore, Chief Financial Officer and in doing so authorizes a By-Law coming forward to adopt the 2019 Tax Rate.

### Report:

#### Background:

At the March 7, 2019 Council Meeting, staff presented Report Number FIN2019-05 - 2019 Municipal Budget with the recommendation to accept a \$100 Road Infrastructure Fee. The recommendation at that time was to implement a fee that would be applied to the interim and final (\$50 each bill) tax bills each year for each property within Brockton. The revenue earned would be allocated into a separate “Roads Infrastructure” Reserve Fund and be used for the future repairs, maintenance and reconstruction of the rural and urban roads and bridges.

#### Analysis:

After that meeting, there were two significant changes that warranted Council returning to this decision. First, the Association of Municipalities of Ontario (AMO) announced additional one time funding in the amount of \$287,011.00. The Municipality of Brockton has historically dedicated the AMO Gas Tax funds to roads and infrastructure.

In addition, when considering how best to implement the proposed Roads Infrastructure Fee, staff received guidance from the Ministry of Municipal Affairs and Housing indicating that the flat fee may not be the fairest approach.

As a result, staff recommended that Council reconsider the Roads Infrastructure Fee and consider including the AMO Gas Tax Funding to the Roads Infrastructure Reserve Fund with the additional amount of \$223,389.00 to be included in the Municipal Levy in accordance with the authority granted in the *Municipal Act, 2001*. By incorporating the funding required into the tax rate, residents are contributing their share based on their property assessment, which is the most appropriate, fair approach with the inclusion of the AMO Gas Tax funding to alleviate some of the tax rate burden.

The transfer to the Roads Infrastructure Reserve Fund of the AMO Gas Tax funding and the additional \$223,389.00 to be levied through the tax rate increase for 2019 will result in an additional 2.67% increase in the tax rate, for a 5.51% total increase over 2018.

Below is a chart that will illustrate the change in the average households municipal and blended tax rate increase:

Average Household Assessment	Municipal Tax Rate	Increase in Taxes	Blended Tax Rate	Increase in Taxes	With \$100 Infrastructure Fee	Total Increase
\$237,090	2.84%	\$51.95	0.01345286	\$37.14	\$100.00	\$137.14
\$237,090	5.51%	\$100.90	0.01365932	\$86.09	-	\$86.09
<b>Total Decrease</b>						<b>(\$51.05)</b>

As illustrated above, with the changes recommended above, the average household will see a **decrease** of \$51.05 with the removal of the \$100 set infrastructure fee and incorporating the funding requirements into the tax rate. Staff feel this is the most appropriate, fair approach to the residents that best adheres to the legislation.

### 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? Yes
- Do the recommendations contribute to achieving Cultural Vibrancy? Yes
- Do the recommendations contribute to achieving Economic Prosperity? Yes
- Do the recommendations contribute to Environmental Integrity? Yes
- Do the recommendations contribute to the Social Equity? Yes

### Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

Removing the \$100 Infrastructure fee and incorporating the funding into the tax rate does not have any financial impact on the budget and will save residents with an average home valued at \$237, 090 money.

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**Respectfully Submitted by:**



Trish Serratore, Chief Financial Officer

**Reviewed By:**



**Chief Administrative Officer**