



**City of Hamilton**  
**AUDIT, FINANCE AND ADMINISTRATION COMMITTEE**  
**AGENDA**

**Meeting #:** 24-016  
**Date:** September 19, 2024  
**Time:** 9:30 a.m.  
**Location:** Council Chambers  
Hamilton City Hall  
71 Main Street West

Tamara Bates, Legislative Coordinator (905) 546-2424 ext. 4102

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1. **CEREMONIAL ACTIVITIES**
2. **APPROVAL OF AGENDA**  
(Added Items, if applicable, will be noted with \*)
3. **DECLARATIONS OF INTEREST**
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING**
  - 4.1 September 5, 2024
5. **COMMUNICATIONS**
6. **DELEGATION REQUESTS**
7. **DELEGATIONS**
8. **STAFF PRESENTATIONS**
9. **CONSENT ITEMS**
  - 9.1 Annual Tax Arrears as of December 31, 2023 (FCS24020) (City Wide)
  - 9.2 Annual Assessment Appeals as of December 31, 2023 (FCS24021) (City Wide)

**10. DISCUSSION ITEMS**

**11. MOTIONS**

11.1 Ward 2 Community Grants - Q3 2024 - 2 (Ward 2)

**12. NOTICES OF MOTION**

**13. GENERAL INFORMATION / OTHER BUSINESS**

**14. PRIVATE AND CONFIDENTIAL**

**15. ADJOURNMENT**



## AUDIT, FINANCE AND ADMINISTRATION COMMITTEE MINUTES 24-015

9:30 a.m.

September 5, 2024

Council Chambers

Hamilton City Hall

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**Present:** Councillors T. Hwang (Chair), J. Beattie (virtually), B. Clark, C. Kroetsch, M. Tadeson, A. Wilson, and M. Wilson (virtually)

**Absent with**

**Regrets:** Councillor M. Spadafora – Personal

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### THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

#### 1. CONSENT ITEMS (Items 9.1-9.3)

**(Tadeson/Kroetsch)**

That the following Consent Items, be received:

- (a) Annual Employee Absence Report 2023 (HUR24005) (City Wide) (Item 9.1)
- (b) Community Benefits Charges Reserve Status Report as of December 31, 2023 (FCS24007) (City Wide) (Item 9.2)
- (c) Development Charges Reserves Status Report as of December 31, 2023 (FCS24043) (City Wide) (Item 9.3)

**Result: Motion CARRIED by a vote of 7 to 0, as follows:**

YES - Ward 1 Councillor Maureen Wilson  
YES - Ward 2 Councillor Cameron Kroetsch  
YES - CHAIR - Ward 4 Councillor Tammy Hwang  
YES - Ward 9 Councillor Brad Clark  
YES - Ward 10 Councillor Jeff Beattie  
YES - Ward 11 Councillor Mark Tadeson  
YES - Ward 13 Councillor Alex Wilson  
ABSENT - Ward 14 Councillor Mike Spadafora

#### 2. Development Agreement Surety Bonds (FCS21056(b)) (City Wide) (Outstanding Business List Item) (Item 10.1)

**(Kroetsch/A. Wilson)**

- (a) That the Development Agreement Surety Bond Policy (FPAP-DA-001) and the accompanying Development Agreement Surety Bond Language Template, attached as Appendix "A" to Report FCS21056(b), be amended as identified;
- (b) That staff be directed to allow developments which provided security prior to June 9, 2021, currently secured with a letter of credit or cash security, to replace the existing security with a surety bond, provided:
  - (i) The applicant submits an application form (Appendix "B") and a non-refundable application fee;
  - (ii) The applicant agrees to pay any third-party costs related to the approval of the application (e.g., legal fees, registration fee, title search);
  - (iii) The application is subject to joint approval by the General Manager of Planning and Economic Development (or designate) and the City Solicitor (or designate);
- (c) That the application fee applicable to allow developments currently secured with a letter of credit or cash security which provided security prior to June 9, 2021, to replace the existing security with a surety bond be:
  - (i) Established as \$300 for the 2024 calendar year;
  - (ii) Referred to the annual user fee by-law for 2025 and future years;
  - (iii) Credited to the Development Engineering Administration (45408 812015).

**Result: Motion CARRIED by a vote of 7 to 0, as follows:**

YES - Ward 1 Councillor Maureen Wilson  
YES - Ward 2 Councillor Cameron Kroetsch  
YES - CHAIR - Ward 4 Councillor Tammy Hwang  
YES - Ward 9 Councillor Brad Clark  
YES - Ward 10 Councillor Jeff Beattie  
YES - Ward 11 Councillor Mark Tadeson  
YES - Ward 13 Councillor Alex Wilson  
ABSENT - Ward 14 Councillor Mike Spadafora

**3. Fencing at 42 Mary Street (Ontario Aboriginal Housing Services) (Ward 2) (Item 11.1)**

**(Kroetsch/A. Wilson)**

WHEREAS, the management of 42 Mary Street was transferred from the City of Hamilton in partnership with Urban Native Homes to Ontario Aboriginal Housing Services in 2016;

WHEREAS, Ontario Aboriginal Housing Services receives financial support from the City of Hamilton through the Commercial Rent Supplement Program;

WHEREAS, Ontario Aboriginal Housing Services, as an affordable housing provider, does not have sufficient funding to take on emerging capital improvements;

WHEREAS, residents at 42 Mary Street have an outdoor seating area for gathering at the corner of Mary Street and King William Street;

WHEREAS, the outdoor seating area is frequently used as a shortcut, which makes it difficult for residents to enjoy;

WHEREAS, Ontario Aboriginal Housing Services hired Davis Fences to provide a quote to install a fence along the property line at 42 Mary Street, which was quoted at \$15,243.70, inclusive of HST.

THEREFORE, BE IT RESOLVED

- (a) That costs associated with installing a fence at 42 Mary Street be funded from the Ward 2 Special Capital Reinvestment Reserve 108052 at an upset limit, including contingency, not to exceed \$16,000; and
- (b) That the Mayor and City Clerk be authorized and directed to execute any required agreement(s) and ancillary documents, with such terms and conditions in a form satisfactory to the City Solicitor.

**Result: Motion CARRIED by a vote of 7 to 0, as follows:**

YES - Ward 1 Councillor Maureen Wilson  
YES - Ward 2 Councillor Cameron Kroetsch  
YES - CHAIR - Ward 4 Councillor Tammy Hwang  
YES - Ward 9 Councillor Brad Clark  
YES - Ward 10 Councillor Jeff Beattie  
YES - Ward 11 Councillor Mark Tadeson  
YES - Ward 13 Councillor Alex Wilson  
ABSENT - Ward 14 Councillor Mike Spadafora

**4. Financial Support for CityHousing Hamilton Capital Projects (Ward 2) (Item 11.2)**

**(Kroetsch/Hwang)**

WHEREAS, CityHousing Hamilton (CHH) does not have sufficient funding to take on emerging capital updates and repairs to their many buildings in Ward 2;

WHEREAS, CityHousing Hamilton owns the following properties in Ward 2:

- (i) 95 Hess Street South, a 291-unit singles building built in 1968;
- (ii) 181 Jackson Street West, a 265-unit singles building built in 1968;

- (iii) 206 Jackson Street East, a 30-unit mixed singles/family building built in 1974;
- (iv) 226 Rebecca Street, a 199-unit seniors building built in 1971;
- (v) 55 Hess Street South/181 Main Street West, a commercial mall and office space connecting 200 Jackson Street West and 191 Main Street West, a 467-unit seniors complex built in 1973; and,
- (vi) 185 Jackson Street East, a 50-unit one and two bedroom building built in 1991

WHEREAS, CityHousing Hamilton recognizes that its tenants, both residential and commercial, deserve structural and cosmetic upgrades to improve the overall quality of life for all by promoting well-being, safety, and community engagement;

WHEREAS, CityHousing Hamilton staff obtained the following quotes and estimates for necessary capital updates and repairs:

- (i) Community Room flooring replacement at 226 Rebecca Street for \$12,311.35;
- (ii) Community Room upgrades at 226 Rebecca Street for \$24,916.37;
- (iii) Balcony and railing replacement at 181 Jackson Street West for \$500,000;
- (iv) Lobby floor replacement at 181 Jackson Street West for \$11,526.00;
- (v) Community garden upgrades at 181 Jackson Street West for \$12,062.75;
- (vi) Pigeon netting at 181 Jackson Street West and 95 Hess Street South for \$166,800;
- (vii) Metal out handrail replacement at 95 Hess Street South for \$1,506.04;
- (viii) Community Room floor replacement at 185 Jackson Street East for \$11,300;
- (ix) Hallway flooring replacement at 206 Jackson Street East for \$11,100;

THEREFORE, BE IT RESOLVED:

- (a) That the CityHousing Hamilton Capital Funding be funded from the Ward 2 Capital Re-Investment Reserve #108052 at an upset limit, including contingency, not to exceed \$850,000; and
- (b) That the Mayor and City Clerk be authorized and directed to execute any required agreement(s) and ancillary documents, with such terms and conditions in a form satisfactory to the City Solicitor.

**Result: Motion CARRIED by a vote of 7 to 0, as follows:**

- YES - Ward 1 Councillor Maureen Wilson
- YES - Ward 2 Councillor Cameron Kroetsch
- YES - CHAIR - Ward 4 Councillor Tammy Hwang
- YES - Ward 9 Councillor Brad Clark
- YES - Ward 10 Councillor Jeff Beattie

YES - Ward 11 Councillor Mark Tadeson  
YES - Ward 13 Councillor Alex Wilson  
ABSENT - Ward 14 Councillor Mike Spadafora

**FOR INFORMATION:**

**(a) CHANGES TO THE AGENDA (Item 2)**

The Committee Clerk advised of the following changes to the agenda:

**6. DELEGATION REQUESTS**

6.1 Michelle Diplock, West End Home Builders' Association, respecting Development Agreement Surety Bonds (for today's meeting)

**(Tadeson/Kroetsch)**

That the agenda for the September 5, 2024 Audit, Finance and Administration Committee meeting, be approved, as amended.

**Result: Motion CARRIED by a vote of 7 to 0, as follows:**

YES - Ward 1 Councillor Maureen Wilson  
YES - Ward 2 Councillor Cameron Kroetsch  
YES - CHAIR - Ward 4 Councillor Tammy Hwang  
YES - Ward 9 Councillor Brad Clark  
YES - Ward 10 Councillor Jeff Beattie  
YES - Ward 11 Councillor Mark Tadeson  
YES - Ward 13 Councillor Alex Wilson  
ABSENT - Ward 14 Councillor Mike Spadafora

**(b) DECLARATIONS OF INTEREST (Item 3)**

There were no declarations of interest.

**(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)**

**(i) Approval of Minutes of Previous Meetings (Items 4.1-4.2)**

**(A. Wilson/Tadeson)**

That the following Minutes be approved, as presented:

- (1) July 11, 2024
- (2) August 21, 2024 (Special – Development Charges Hearing)

**Result: Motion CARRIED by a vote of 7 to 0, as follows:**

YES - Ward 1 Councillor Maureen Wilson  
YES - Ward 2 Councillor Cameron Kroetsch

YES - CHAIR - Ward 4 Councillor Tammy Hwang  
YES - Ward 9 Councillor Brad Clark  
YES - Ward 10 Councillor Jeff Beattie  
YES - Ward 11 Councillor Mark Tadeson  
YES - Ward 13 Councillor Alex Wilson  
ABSENT - Ward 14 Councillor Mike Spadafora

**(d) DELEGATION REQUESTS (Item 6)**

- (i) Michelle Diplock, West End Home Builders' Association, respecting Development Agreement Surety Bonds (for today's meeting) (Added Item 6.1)**

**(Tadeson/A. Wilson)**

That the Delegation Request from Michelle Diplock, West End Home Builders' Association, respecting Development Agreement Surety Bonds, be approved for today's meeting.

**Result: Motion CARRIED by a vote of 7 to 0, as follows:**

YES - Ward 1 Councillor Maureen Wilson  
YES - Ward 2 Councillor Cameron Kroetsch  
YES - CHAIR - Ward 4 Councillor Tammy Hwang  
YES - Ward 9 Councillor Brad Clark  
YES - Ward 10 Councillor Jeff Beattie  
YES - Ward 11 Councillor Mark Tadeson  
YES - Ward 13 Councillor Alex Wilson  
ABSENT - Ward 14 Councillor Mike Spadafora

**(e) DELEGATIONS (Item 7)**

- (i) Michelle Diplock, West End Home Builders' Association, respecting Development Agreement Surety Bonds (for today's meeting) (Added Item 6.1)**

Michelle Diplock, West End Home Builders' Association, addressed Committee respecting Development Agreement Surety Bonds.

**(A. Wilson/Kroetsch)**

That the Delegation from Michelle Diplock, West End Home Builders' Association, respecting Development Agreement Surety Bonds, be received and referred to the consideration of Report FCS21056(b), respecting Development Agreement Surety Bonds (City Wide) (Outstanding Business List Item).

**Result: Motion CARRIED by a vote of 7 to 0, as follows:**

YES - Ward 1 Councillor Maureen Wilson  
YES - Ward 2 Councillor Cameron Kroetsch  
YES - CHAIR - Ward 4 Councillor Tammy Hwang



YES - Ward 9 Councillor Brad Clark  
YES - Ward 10 Councillor Jeff Beattie  
YES - Ward 11 Councillor Mark Tadeson  
YES - Ward 13 Councillor Alex Wilson  
ABSENT - Ward 14 Councillor Mike Spadafora

**(f) GENERAL INFORMATION / OTHER BUSINESS (Item 13)**

**(i) Amendments to the Outstanding Business List (Item 13.1)**

**(A. Wilson/Beattie)**

That the following amendments to the Outstanding Business List, be approved:

(1) Items Requiring a New Due Date:

(a) Feasibility of a Bring Your Own Device Policy

Added: March 23, 2023

Current Due Date: January 1, 2024

New Due Date: March 31, 2025 (Q1 2025)

(2) Items Considered Completed and to be Removed:

(a) Development Agreement Surety Bonds (FCS21056(a)) (City Wide) (Outstanding Business List Item) - REVISED

Added: August 17, 2023

Addressed as Item 10.1 on today's agenda

(b) 2024 Development Charges Background Study and By-law Update - Open House Feedback (FCS23103(a))

Added: March 27, 2024

Addressed as Item 6.1 and 6.1(a) on the April 4, 2024 (Special) agenda

**Result: Motion CARRIED by a vote of 7 to 0, as follows:**

YES - Ward 1 Councillor Maureen Wilson  
YES - Ward 2 Councillor Cameron Kroetsch  
YES - CHAIR - Ward 4 Councillor Tammy Hwang  
YES - Ward 9 Councillor Brad Clark  
YES - Ward 10 Councillor Jeff Beattie  
YES - Ward 11 Councillor Mark Tadeson  
YES - Ward 13 Councillor Alex Wilson  
ABSENT - Ward 14 Councillor Mike Spadafora

**(g) ADJOURNMENT (Item 15)**

**(Tadeson/M. Wilson)**

That, there being no further business, the Audit, Finance and Administration Committee, be adjourned at 10:45 a.m.

**Result: Motion CARRIED by a vote of 7 to 0, as follows:**

YES - Ward 1 Councillor Maureen Wilson  
YES - Ward 2 Councillor Cameron Kroetsch  
YES - CHAIR - Ward 4 Councillor Tammy Hwang  
YES - Ward 9 Councillor Brad Clark  
YES - Ward 10 Councillor Jeff Beattie  
YES - Ward 11 Councillor Mark Tadeson  
YES - Ward 13 Councillor Alex Wilson  
ABSENT - Ward 14 Councillor Mike Spadafora


Respectfully submitted,

Councillor Tammy Hwang, Chair  
Audit, Finance and Administration  
Committee

Tamara Bates  
Legislative Coordinator  
Office of the City Clerk



# INFORMATION REPORT

<b>TO:</b>	Chair and Members Audit, Finance & Administration Committee
<b>COMMITTEE DATE:</b>	September 19, 2024
<b>SUBJECT/REPORT NO:</b>	Annual Tax Arrears as of December 31, 2023 (FCS24020) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Maria Di Santo (905) 546-2424 Ext. 5254 Rob Divinski (905) 546-2424 Ext. 6196
<b>SUBMITTED BY:</b>	Shelley Hesmer, Acting Director Financial Services and Taxation and Corporate Controller Corporate Services Department
<b>SIGNATURE:</b>	

## INFORMATION

Property taxation is the main source of revenue for municipalities to fund their operations. The City of Hamilton (City) must ensure that this primary source of revenue is protected and monitored closely. Report FCS24020 focusses on the level of annual property tax arrears over the last five years and the resulting collection efforts employed by Taxation staff.

Total tax arrears as of December 31, 2023 equated to \$91.6 M. This is an increase of approximately \$19.4 M (or 27%) from the previous year, where arrears totalled \$72.2 M. This increase coincides with current economic conditions, where inflation and higher mortgage rates are negatively impacting property owners. In addition, the lower than average volume of property sales (which assists in clearing property tax arrears, if any, at the time of sale) would also be considered a contributing factor to the arrears increase.

Staff surveyed a number of Ontario municipalities to aide in assessing if this trend is local or a broader experience. Based on responses received, a similar uptick was experienced in other Ontario municipalities. Most confirmed an increase in property tax arrears in 2023. Increases in charges added to the tax roll were also noted in many of the responses.

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Some municipalities, however, noted an increase in arrears since the pandemic. This was not the case for the City of Hamilton, as property tax arrears were lower in 2020 – 2022, when compared to 2019. Low interest rates, high volume of property sales and Provincial / Federal financial assistance programs in response to the pandemic, may have been contributing factors in the taxpayer's ability to pay.

Table 1 is an analysis of the tax arrears from 2019 to 2023.

**Table 1  
Five-Year Analysis of Tax Arrears**

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Total Arrears <sup>1</sup>	\$91,582,733	\$72,228,534	\$71,970,200	\$75,636,548	\$77,609,940
Increase / (Decrease) Over Previous Year	\$19,354,199	\$258,334	(\$3,666,338)	(\$1,973,932)	\$3,872,487
Percentage Increase / (Decrease)	26.80%	0.36%	(4.85%)	(2.54%)	5.25%
Current Taxes Levied <sup>2</sup> Plus Additions to Tax Roll	\$1,301,656,290	\$1,216,245,788	\$1,171,479,507	\$1,148,205,282	\$1,109,605,356
Increase / (Decrease) Over Previous Year	\$85,410,502	\$44,766,281	\$23,274,255	\$38,599,926	\$31,849,744
Percentage Increase / (Decrease)	7.02%	3.82%	2.03%	3.48%	2.96%
% of Total Arrears to Current Taxes Levied	7.04%	5.94%	6.14%	6.59%	6.99%

**Total Arrears<sup>1</sup>** is inclusive of current and prior years, penalty and interest charges and charges added to the tax roll (i.e., water arrears, property standards charges, etc.). Exclusive of supplementary / omitted billings levied but not due as of December 31<sup>st</sup> of each respective year.

**Current Taxes Levied<sup>2</sup>** is exclusive of supplementary / omitted billings levied but not due as of December 31<sup>st</sup> of each respective year.

As identified in Table 1, 2023 saw an increase in total arrears of approximately \$19.4 M when compared to 2022. The 2023 taxation year also represented a higher than average increase in charges added to the tax roll which, over the prior four years, ranged from \$23 M (or 2%) to \$45 M (or 3.8%).

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As noted above, the total arrears on the tax roll are not exclusively for property taxes, but also includes penalty and interest charges, as well as, other charges added to the tax roll (i.e., water arrears charges, property standards charges, development charges, *Provincial Offences Act* charges, etc.). Where allowable under the *Municipal Act*, charges are added to the tax roll and collected in the same manner as property taxes. Although this practice simply transfers the arrears to the tax roll, it is an efficient and effective method of collecting non-property tax arrears.

Table 2 identifies the total amount of charges added to the tax roll on an annual basis. This amount has increased each year, except for 2020, which was primarily due to the waiving of fees in response to the pandemic. The waiving of fees was only applicable during 2020 and, as such, once the waiving period expired, charges added to the tax roll continued to increase.

**Table 2  
Five-Year Analysis of Charges added to Tax Roll**

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Charges added to Tax Roll	\$9,239,360	\$7,728,180	\$7,658,050	\$6,154,450	\$6,653,770
\$ Increase / (Decrease) Over Previous Year	\$1,511,180	\$70,130	\$1,503,590	(\$499,320)	\$1,427,590
% Increase / (Decrease) Over Previous Year	20%	1%	24%	-8%	27%

Water arrears charges added to the tax roll continues to be a major contributing factor to recent trends. Over the last five years (2019-2023), water arrears equate to an average of 70% of the total annual charges added to the tax roll.

In 2022, the dollar threshold to transfer water arrears charges to the tax roll was increased from \$100 to \$125, resulting in lower volumes of water arrears transfers to the tax roll that year. The increase in the dollar threshold only temporarily reduced the water arrears transfer in 2022. By 2023, the volume of water arrears transfers to the tax roll increased (while maintaining the dollar threshold unchanged) from an average of 380 a week in 2022 to an average of 430 a week in 2023, almost back to the weekly average seen in 2021 when the dollar threshold to transfer to the tax roll was at \$100.

Water arrears and the applicable administration fee to add the water arrears to the tax roll, account for 77% of the \$1.5 M increase in charges added to the tax roll from 2022 to 2023.

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**Breakdown of Tax Receivable by Property Class**

Table 3 provides a breakdown of the annual Taxes Receivable by major property class and the respective share to the overall total Taxes Receivable. The second portion of Table 3 identifies the number of properties with a balance owing at the end of the year, by major property class and the respective share to the overall total number of properties with a balance owing at year-end.

It should be noted that the figures below include billings levied but not yet due. Each year, the final supplementary / omitted billing is issued late in the year, with due dates in January of the following year. With the exception of 2022, when this billing totalled \$9.3 M for 2023 and prior years, it has consistently averaged approximately \$5.5 M.

**Table 3  
Five-Year Analysis of Tax Receivable by Major Property Class**

	<b>12/31/2023</b>	<b>12/31/2022</b>	<b>12/31/2021</b>	<b>12/31/2020</b>	<b>12/31/2019</b>
Taxes Receivable <sup>1</sup>	<b>\$104,241,889</b>	<b>\$88,632,117</b>	<b>\$84,394,273</b>	<b>\$87,610,501</b>	<b>\$88,844,463</b>
Vacant Land	\$5,682,026 5.45%	\$6,291,421 7.10%	\$4,559,714 5.40%	\$3,851,997 4.40%	\$3,376,527 3.80%
Farm/Managed Forest	\$2,890,953 2.77%	\$2,479,096 2.80%	\$2,226,561 2.64%	\$2,300,603 2.63%	\$2,402,659 2.70%
Residential	\$64,819,761 62.18%	\$51,229,644 57.80%	\$46,195,729 54.74%	\$51,386,229 58.65%	\$53,397,051 60.10%
Commercial	\$14,915,550 14.31%	\$13,649,000 15.40%	\$15,709,208 18.61%	\$15,765,595 18.00%	\$15,233,912 17.15%
Industrial	\$15,698,122 15.06%	\$14,703,236 16.59%	\$15,518,357 18.39%	\$14,253,920 16.27%	\$14,306,901 16.10%
Other	\$235,477 0.23%	\$279,720 0.31%	\$184,704 0.22%	\$52,160 0.06%	\$127,414 0.14%
<b># of Properties</b>	<b>24,551</b>	<b>22,188</b>	<b>19,605</b>	<b>18,868</b>	<b>21,968</b>
Vacant Land	624 2.54%	674 3.04%	533 2.72%	491 2.60%	525 2.39%
Farm/Managed Forest	477 1.94%	432 1.95%	461 2.35%	390 2.07%	487 2.22%
Residential	22,083 89.95%	19,866 89.53%	17,452 89.02%	16,814 89.11%	19,618 89.30%
Commercial	1,009 4.11%	878 3.96%	879 4.48%	870 4.61%	996 4.53%
Industrial	322 1.31%	311 1.40%	256 1.31%	287 1.52%	325 1.48%
Other	36 0.15%	27 0.12%	24 0.12%	16 0.08%	17 0.08%

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**Tax Receivable**<sup>1</sup> is inclusive of supplementary / omitted billings levied but not due as of December 31<sup>st</sup> of each respective year and exclusive of credit balances or balances under \$5 as of December 31<sup>st</sup> of each respective year.

As shown in Table 3, there was an increase in Taxes Receivable in 2023, all attributed primarily to the Residential property class. All other property classes have remained relatively consistent over the last five years.

The 2023 Taxes Receivable increased to \$104.2 M compared to the prior four years, where the amount ranged between \$84.4 M (2021) and \$88.8 M (2019). This trend corresponds to increased reliance on property taxes, in part, in response to the opioid, mental health and housing emergency. Consequently, the reliance on property taxes to increasingly fund social programs is negatively affecting the ability of some property owner's capacity to meet their property tax obligations.

With respect to the number of properties with a balance owing as of December 31, although the number of properties continue to increase, the Residential property class consistently represents approximately 89% of the total number of properties, while the Commercial property class approximately 4% to 5% and the Industrial class approximately 1.5%. It should be noted that Table 3 identifies all properties with a tax receivable greater than \$5.00, therefore, it is not an indication of the severity of the receivable. Some of the properties identified may be due to an unpaid charge added to the tax roll, unpaid penalty and interest as a result of a late payment or simply one missed instalment. For example, here is a list of the 24,551 properties with a balance at the end of 2023:

- 7,716, or 31.4% of these properties, have a balance owing between \$5 and \$99.99;
- 1,810, or 7.4% of these properties, have a balance owing between \$100 and \$249.99;
- 1,639, or 6.7% of these properties, have a balance owing between \$250 and \$499.99;
- 990, or 4.0% of these properties, have a balance owing between \$500 and \$749.99;
- 857, or 3.5% of these properties, have a balance owing between \$750 and \$999.99.

As such, approximately 53% of the 24,551 properties had a balance owing (not necessarily past due) of under \$1,000. For comparison, in 2022, this percentage was 57%.

### **Breakdown of Property Tax Arrears by Ward**

To get a better indication of the severity of arrears, one must look at properties in three or more years in arrears. Table 4 is a breakdown of the number and percentage of properties by Ward that are in three or more years' arrears.

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**Table 4  
Property Breakdown of Arrears per Ward  
Number of properties in 3yrs+ arrears<sup>1</sup> (% of total ward)**

Ward	January 2024	January 2023	January 2022	January 2021	January 2020
1	92 (0.87%)	76 (0.71%)	65 (0.61%)	90 (0.85%)	97 (0.94%)
2	125 (1.31%)	101 (1.13%)	101 (1.13%)	117 (1.13%)	125 (1.44%)
3	241 (1.75%)	198 (1.44%)	221 (1.60%)	259 (1.89%)	290 (2.14%)
4	174 (1.16%)	136 (0.91%)	138 (0.94%)	162 (1.10%)	176 (1.20%)
5	84 (0.68%)	72 (0.58%)	77 (0.63%)	95 (0.78%)	104 (0.87%)
6	80 (0.63%)	88 (0.69%)	80 (0.64%)	99 (0.79%)	119 (0.95%)
7	98 (0.70%)	74 (0.52%)	82 (0.58%)	105 (0.75%)	134 (0.96%)
8	96 (0.84%)	79 (0.69%)	74 (0.65%)	93 (0.82%)	83 (0.74%)
9	108 (0.86%)	99 (0.81%)	98 (0.81%)	116 (0.98%)	101 (0.88%)
10	118 (0.74%)	107 (0.67%)	89 (0.57%)	112 (0.72%)	130 (0.87%)
11	89 (0.80%)	67 (0.60%)	72 (0.66%)	92 (0.87%)	108 (1.09%)
12	142 (0.82%)	124 (0.73%)	122 (0.72%)	150 (0.89%)	160 (0.96%)
13	87 (0.70%)	81 (.65%)	80 (0.64%)	98 (0.79%)	112 (0.90%)
14	63 (0.61%)	56 (0.54%)	57 (0.57%)	70 (0.71%)	82 (0.83%)
15	97 (0.77%)	88 (0.73%)	71 (0.60%)	106 (0.91%)	134 (1.23%)
<b>TOTAL</b>	<b>1,694 (0.88%)</b>	<b>1,446 (0.76%)</b>	<b>1,427 (0.76%)</b>	<b>1,764 (0.94%)</b>	<b>1,955 (1.06%)</b>

**Number of properties in three or more years' arrears<sup>1</sup>** is exclusive of supplementary / omitted billings completed in the second half of the year which may include billing for prior two years. Inclusive of properties with tax lien registered on title.

Table 4 shows that all Wards have properties in significant arrears. Total properties in three or more years of arrears have increased from 1,446 properties in January, 2023 to 1,694 properties in January, 2024. Although there is an increase, the number of properties is lower than 2020 and 2021, where there were approximately 1,760 to 1,950 properties. All Wards have seen an increase in the number of properties in arrears compared to the year prior, with only Ward 6 showing a minor decrease from 88 properties in 2023 to 80 in 2024. The average percentage of properties in three or more years' arrears has increased to 0.88% from 0.76% over the prior two years. This percentage is still favourable compared to 2021 at 0.94% and 2020 at 1.06%.

When looking at the different Wards, as of January 2024, the percentage of properties in three or more years' arrears by Ward ranged between 0.61% and 1.75%. This is an increase from January 2023, where the average arrears per Ward ranged between 0.52% and 1.44%. Similar to prior years, Ward 3 continues to have the highest percentage of properties in three or more years' arrears at 1.75%. However, this percentage has decreased from 1.89% in 2021 and 2.14% in 2020. Wards 6 and 14 have the lowest percentage of arrears at 0.63% and 0.61%, respectively.

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Of the 1,694 properties identified in Table 4, approximately 235 properties have a lien already registered on title, with the remainder being at risk of a lien being registered in 2024 should the arrears not be adequately addressed. Approximately 89% of these properties are Residential or Residential with a Commercial component.

As far as demographics are concerned, staff do not have a “profile” of a taxpayer in arrears. Based on discussions with taxpayers, the reasons for being in arrears vary, however, some common reasons include:

- Estate issues whereby the family is in the process of dealing with the estate or it is currently occupied by a surviving family member that is simply not addressing the property taxes or not expediting the settling of the estate promptly.
- Rental properties (i.e., single-family homes / condos not owner-occupied) where the property owner is assuming the tenant is paying the property taxes.
- Charges added to the tax roll (i.e., water arrears, property standards charges, provincial offences fines, development charges, etc.).
- Taxpayers in financial hardship (i.e., due to job loss, divorce, illness or the death of one of the owners or family, etc.). These cases are referred to the Compassionate Appeal process, requiring taxpayers to apply annually by the application deadline and provide the required financial records and / or attending physician’s statement.
- Taxpayers who are now experiencing hardship based on a higher cost of living which is attributed to an increase in the inflation rate, as well as, an increase in mortgage rates.
- Taxpayers making incorrect / misinformed assumptions (i.e., assuming they are paying their property taxes through their mortgage, assuming they are in good standing on their monthly pre-authorized payment plan, assuming another family member / partner is paying the property taxes, etc.).
- Opting to pay just the minimum required to discharge the lien or to avoid the City registering a lien. As such, these taxpayers are always in arrears and continue to incur significant penalties and interest charges each month.
- Remnant parcels, non-buildable lots, vacant properties.
- Pending assessment appeal (i.e., choosing not to fully pay the taxes levied by assuming a successful outcome to their appeal that will eventually clear the arrears once processed). Taxpayers are encouraged to pay their taxes in full, regardless of a pending appeal.
- Opting to enter into a two-year extension agreement once they are registered.

### **Residential Tax Assistance Programs**

There is a limited number of programs to assist taxpayers falling into arrears due to lower ability to pay. For the most part, the onus is on the taxpayer to contact the City to discuss options and available programs. Information is available on the City’s website, as well as, included in the tax information brochure mailed out with both the Interim and Final tax bills.

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The programs available to residential property owners include:

Seniors (65+) Tax Rebate – the 2023 rebate was \$223 (increased from \$210 the year prior), requiring an income of \$41,800 or lower and a maximum assessed residential property value of \$500,600. Prior year taxes must be paid in full. In 2023, there were approximately 2,750 seniors that received the rebate. The deadline to apply for the 2023 rebate was February 29, 2024.

Deferral of Tax Increase for Low-Income Senior or Low-Income Persons with Disability – the deferral requires an income of \$41,800 or lower and prior year taxes paid / deferred in full. In 2023, 10 applications were approved to defer their property tax increase, while one paid off prior year deferrals as part of the sale of the property. As of December 31, 2023, there were 40 taxpayers with a deferral. Some taxpayers apply every year to defer the annual increase, while others have only applied once or applied periodically. Repayment of the deferral typically occurs on the sale of the property. The deadline to apply for deferral of the 2023 tax increase was February 29, 2024.

Full Deferral for Low-Income Senior or Low-Income Persons with Disability – the program allows for the full deferral of the annual property taxes, however, requires an income of \$41,800 or lower and prior year taxes paid / deferred in full. In 2023, 17 applicants deferred their 2023 property taxes, five of which had not deferred in prior years. There were no repayments in 2023 and 10 applicants who deferred property taxes in prior years, elected not to apply for 2023. As of December 31, 2023, there were 27 taxpayers with a full deferral of one or more years. The deadline to defer the 2023 full property taxes was September 29, 2023, being the final instalment due date for the year.

Compassionate Appeals for Extreme Poverty or Sickness – hearings for relief of 2022 property taxes were held throughout 2023 (once all applications were received by the due date of February 28, 2023). In 2023, the City received 26 applications, significantly higher than the 15 applications received the year prior. Of the 26 applications received, only six were awarded 100% relief of their 2022 total property taxes. For the remaining applications, all but one, which had to be rescheduled for a hearing in 2024, were either dismissed, withdrawn or unsuccessful either due to failure to appear, withdrawn by the appellant or the income was too high to qualify. The deadline to apply for relief of the 2023 property taxes was February 29, 2024.

### **Penalty and Interest Analysis**

Table 5 identifies the penalty and interest charges applied to the tax roll accounts for amounts not paid by the due dates. In adherence to By-law 13-136 “A By-law to Set Penalty and Interest Rates”, taxpayers are charged a penalty of 1.25% on the first day of default, then interest of 1.25% per month (15% per year) thereafter, to all property taxes (inclusive of other charges added to the tax roll) past due, until paid in full.

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Penalty and interest charges are added on the first of the month, for the full month. The penalty and interest rate charged is the maximum allowable under the *Municipal Act* and is consistent with what most Ontario municipalities charge. The high interest rate acts as a deterrent for most taxpayers to avoid paying late or accumulating arrears, however, some taxpayers continue to pay late or allow the arrears to grow, regardless of the penalty and interest charges incurred.

As identified in Table 5, over the last five years, penalty and interest revenue has averaged approximately \$12.2 M per year. The 2023 penalty and interest charges of \$13.5 M is the highest in the last five years and approximately \$1.5 M higher than that of the any of the previous four years. In 2023, 48% of the total \$13.5 M penalty and interest charged was related to current year arrears only, an increase from 2022 and 2021, where it accounted for 47% and 44%, respectively.

**Table 5  
Five-Year Analysis of Penalty and Interest Charges**

	12/31/2023	12/31/2022	12/31/2021	12/31/2020 <sup>2</sup>	12/31/2019
P&I charges added to the Tax Roll <sup>1</sup>	\$13,505,480	\$11,933,392	\$12,030,300	\$11,459,885	\$12,012,070
\$ Increase / (Decrease) over Previous Year	\$1,572,088	(\$96,908)	\$570,416	(\$552,185)	\$721,169
% Increase / (Decrease) over Previous Year	13.17%	(0.81%)	4.98%	(4.60%)	6.39%

**P&I charges added to the Tax Roll<sup>1</sup>** is net of adjustments (i.e., write-off of current year penalty and interest due to misapplied payment, reduction of taxes due to successful appeal, etc.).

<sup>2</sup> The reduction in 2020 was primarily due to the Council-approved waiving of penalty and interest charges in response to the pandemic, as per staff Report FCS20038, Property Tax Assistance and Other Measures.

The increase in penalty and interest charges seen in 2023 is directly related to the increase in arrears. In light of the higher arrears and possible financial difficulty being experienced by taxpayers and their presumed lower ability to pay, there may be some consideration warranted of possibly lowering the penalty and interest rate. All factors will need to be considered as this revenue is budgeted for and, therefore, applied to lowering the overall municipal levy. Such a measure was taken in 2009 in order to assist taxpayers facing the uncertain economic future due to the global downturn at that time. The penalty and interest rate was lowered to 1% per month (12% per annum) from May, 2009 to June 2013. The rate was increased back to 1.25% per month (15% per annum) effective July 1, 2013 and has remained at this rate since, being the maximum allowable under the *Municipal Act*.

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### **Tax Collection Efforts**

The following identifies the steps taken by Taxation staff to ensure the protection and collection of property tax arrears, while adhering to requirements under the *Municipal Act, 2001*. There are several steps taken to ensure the City's taxes receivable are protected and ultimately collected:

- Arrears are indicated on both tax billings (Interim tax bill mailed out in early February and Final tax bill mailed out in early June).
- Setting the penalty and interest rate at the maximum allowable under the *Municipal Act* (1.25% per month / 15% per year) – this rate is identified on all tax bills and reminder notices, so taxpayers are aware of the cost of falling into arrears.
- Reminder notices issued seven times per year (in March, May, July, August, October, November and December).
- An annual letter is sent in January to all properties three or more years in arrears, advising the taxpayer a lien will be registered should the arrears not be dealt with. Taxpayers are made aware that should a lien be registered, any interested parties registered on title, such as a mortgage company, will be notified of the arrears.
- For taxpayers who ignore the three or more years in arrears' letters, liens are registered on title and notices are sent to anyone with an interest on title, including mortgage holders. The approved user fee to cover the City's costs for the registration of delinquent accounts is also added to the tax roll account. Tax staff monitor all properties three or more years in arrears, registering liens in order of largest arrears.
- On average, the City runs two tax sales per year. This is the last step in the collection of property tax arrears. For the most part, arrears are settled before the tax sale, by either the property owner or their mortgage company. For properties that do go to tax sale, the arrears are paid by the proceeds of the successful bidder.

When analyzing arrears and arriving at an acceptable level of collection, the level of arrears compared to the assessed value of the property will be considered in order to minimize all risk of eventually collecting the arrears, should the City need to proceed to tax sale. For the most part, a property's assessed value far exceeds their property tax arrears.

Table 6 identifies the number of reminder notices mailed out, as well as, the number of properties with a balance owing as of December 31st.

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**Table 6  
Five-Year Analysis of Reminder Notices Issued**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020<sup>3</sup></b>	<b>2019<sup>2</sup></b>
# of March Reminders	21,489	20,960	18,956	19,342	18,995
# of May Reminders	24,986	24,361	22,599	29,614	21,610
# of July Reminders	24,213	23,542	22,438	26,707	21,111
# of Aug Reminders	17,841	16,453	15,345	16,062	N/A
# of Oct Reminders	28,999	26,243	25,499	25,518	22,978
# of Nov Reminders	20,190	18,224	17,255	17,363	N/A
# of Dec Reminders	16,247	14,170	13,138	13,617	N/A
# of Properties billed <sup>1</sup>	<b>186,476</b>	<b>185,057</b>	<b>183,685</b>	<b>180,917</b>	<b>178,841</b>
# of Properties with balance at year-end	24,551	22,188	19,604	18,868	21,968
% of Properties in Arrears	<b>13.17%</b>	<b>11.99%</b>	<b>10.67%</b>	<b>10.43%</b>	<b>12.28%</b>

# of Properties billed<sup>1</sup> in the June final property tax billing for each respective taxation year.

<sup>2</sup> Prior to 2020, only four reminder notices were mailed out per year, in the month following the interim or final instalment due dates.

<sup>3</sup> Increase in reminder notices in May and July 2020 due to taxpayers taking advantage of the waiving of penalty and interest (relief measure due to pandemic) and withholding payment until the waiving period ended.

As Table 6 illustrates, the number of reminder notices issued has continued to increase since 2021. Reminder notices are mailed to all taxpayers with a balance of \$50 or greater. The timing of when charges are added to the tax roll (i.e., water arrears, property standards), as well as the volume of tax roll accounts with charges added to the tax roll, may contribute to the number of notices being mailed out.

There is typically an increase in reminder notices mailed out in May and October, due to taxpayers forgetting the second instalment of their Interim or Final property tax bill. A newspaper ad is also published in the local paper to remind taxpayers of the upcoming instalment due date. Regardless of this collection effort, some taxpayers will continue to misplace or lose their tax bills, sell / purchase property and pay on their previous roll number in error, or simply ignore the reminder notices until they risk being registered with a tax arrears lien. The annual increase in reminder notices, however, may be a sign of taxpayers' inability to pay their full tax instalment by the due date and as such, agrees to the higher penalty and interest revenue seen in 2023.

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As shown in Table 6, by the end of 2023, approximately 13% of the total number of properties billed had not paid their property taxes in full, an increase from prior years.

### **Tax Registration**

Table 7 identifies the number of properties issued a three or more years arrears' letter each year, compared to how many had a tax lien registered. The annual three or more years in arrears' letter (mailed out mid to late January each year), elicits several responses ranging from promises to pay, payment arrangements, payment of the minimum amount required to avoid a lien being registered (third year in arrears) and payment in full. Unfortunately, some taxpayers simply ignore the City's letter.

Taxation staff sort and monitor these arrears into different categories (i.e., properties with payment arrangements, properties that will pay in full, properties that can only settle the third year, properties that have not contacted the City, etc.). Staff then begin to register liens on those who have ignored collection efforts, starting with the properties with the largest arrears. Staff also monitors arrears of taxpayers who have failed on their payment arrangement and move them into the registration process. It has been the practice of Taxation staff to show compassion for taxpayers in financial difficulty and will work with the taxpayer to allow them some time, within reason, to sort out their financial affairs.

The tax registration and sale of properties is regulated under Part XI of the *Municipal Act, 2001*. Once a property is eligible to be registered, an extensive title check is required to determine who is registered on title. Once the lien is registered, Taxation staff must send notices within 60 days to all parties registered on title. The full cost of this process is added to the tax roll account, as per the annual Council approved user fee by-law. In many cases, mortgage companies will act to protect their interest and work with the taxpayer on the arrears or use their Power of Sale legislation.

If the tax arrears are not addressed on receiving the Notice of Registration, then Final Notices must be sent after 280 days of registering a lien. A tax sale cannot take place before one year (365 days) has passed since the registration of the lien.

In 2020, there was a freeze in registrations under Ontario Regulation 73/20. All deadlines pertaining to the *Municipal Act* and Municipal Tax Sale rules were suspended from March to September 2020. Taxation staff resumed registering liens once the 180-day suspension period expired.

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**Table 7  
Five-Year Analysis of Tax Registration /  
Three or More years in Arrears' Letters Issued**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Three or more years in Arrears' letters <sup>1</sup>	942	957	1,172	1,275	1,181
Increase / (Decrease) over Prior Year	(15)	(215)	(103)	94	(22)
Properties Registered with Tax Lien	369	360	415	210	452
% in Arrears for Three or More years Registered with Tax Lien	39.2%	37.6%	35.4%	16.5%	38.3%

**Three or more years in Arrears' letters<sup>1</sup>** mailed out in January of each respective year. Properties in receipt of a letter exclude properties that recently were issued a supplementary / omitted tax bill (which may include billing for prior two years), properties with a tax lien already registered on title, properties on the arrears pre-authorized payment plan, properties with arrears less than \$250 and properties on an approved payment plan which will clear their third year arrears amount prior to the end of Q3 in the current year.

As reflected in Table 7, over the last five years, Taxation staff typically register approximately 350 to 450 liens per year. Due to the pandemic, the registration of 210 liens in 2020 was the City's lowest over the last five years. This was due to the freeze in registering liens under Ontario Regulation 73/20. The 942 letters mailed out in January, 2023 was the lowest over the five-year period, however, staff still registered 369 liens. The percentage of liens registered when compared to the number of three or more years arrears' letters that were issued, (39.2% in 2023) was the highest over the last five years.

Although the *Municipal Act* was amended in 2017 to allow the registration of liens for properties in two or more years' arrears, staff is not recommending doing so at this time as this would increase the number of properties that could potentially be registered by over three times. Based on existing resources, Taxation staff will continue to register at three years in arrears. As the City has priority lien status and ultimately can collect the property taxes levied, any proposed change to the status quo would need to balance the expected resulting reduction in total tax arrears with the added costs for additional staff resources required, potential loss of penalty and interest revenue and impacts to taxpayers in financial difficulty.

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## **Tax Sale of Properties**

The tax sale of a property is the final step of the process and one with serious consequences. When a property goes to tax sale, several of the properties generally get rectified by the owners and pulled from the tax sale. Every effort possible is made to allow property owners to keep their properties by settling the arrears themselves. For many of the properties that go to tax sale, properties may also have large property standard charges and / or water arrears added to the tax roll, as well as, Federal and / or Provincial liens. The City must also deal with estate issues where no will exists. A further issue is where slivers of properties have been created and have been over-valued and where the only means to rectify the problem is through the tax sale process.

Of the properties that end up going through to the final bidding process of a tax sale, there are three potential results:

1. They sell for at least the minimum bid (taxes owing including all charges and fees added to the tax roll) and the City recovers all that is owed. Excess funds are paid into Court.
2. They do not sell (no acceptable bids are received) and the property is not vested to the City due to liability concerns. These properties are then dealt with by the City's process for potentially contaminated properties or re-evaluated by the Municipal Property Assessment Corporation (MPAC) to a reasonable value for unbuildable land and left in the current owner's name.
3. They do not sell (no acceptable bids are received) and the property is vested to the City. City Real Estate staff would then attempt to sell the properties vested, at which time, a report goes to Council to write-off any difference between what it sold for and the property taxes owing.

Table 8 confirms that most property tax arrears are eventually settled, with relatively very few properties required to proceed to tax sale. As shown below, no tax sales were held in 2020 or 2021 due to the pandemic. Tax sales resumed in the Fall of 2022.

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**Table 8  
Five-Year Analysis of Tax Sales**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Letters sent advising of impending tax sale	37	19	0	0	40
Properties advertised for tax sale	17	8	0	0	20
<b>% to Tax Sale</b>	<b>45.9%</b>	<b>42.1%</b>	<b>N/A</b>	<b>N/A</b>	<b>50.0%</b>
Rectified by Taxpayer	13	5	0	0	16
<b>%Rectified</b>	<b>76.4%</b>	<b>62.5%</b>	<b>N/A</b>	<b>N/A</b>	<b>80.0%</b>
<b>Sold at Tax Sale</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>% Sold at Tax Sale</b>	<b>11.8%</b>	<b>25%</b>	<b>N/A</b>	<b>N/A</b>	<b>20.0%</b>
No Bids Received	2	1	0	0	0
% with No Bids	11.8%	12.5%	N/A	N/A	0.0%
Sold at a later date by Real Estate	0	0	0	0	0

As shown in Table 8, most arrears are rectified by the taxpayer even after the property is advertised for tax sale. The figures for 2023 are the first figures since 2020 whereby the City conducted two tax sales, in the Spring and another in the Fall. Figures for 2022 are only based on one tax sale in the Fall, whereas there were no tax sales in 2020 or 2021 due to the pandemic. The number of properties that eventually go to tax sale ranges from just three to four properties per year over the three years where the City has held tax sales. Considering the total number of properties levied property taxes (ranging from approximately 179 k in 2019 to 186 k in 2023), this represents only 0.002% of all properties.

For the two tax sales conducted in 2023, the City received successful bids on two of the four properties. Staff will evaluate options on how to proceed with the two properties that did not receive any successful bids, which includes vesting to the City for possible sale by Real Estate staff to recover all or most of the arrears, attempt a second tax sale and / or possible write-off.

**APPENDICES AND SCHEDULES ATTACHED**

None

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# INFORMATION REPORT

<b>TO:</b>	Chair and Members Audit, Finance & Administration Committee
<b>COMMITTEE DATE:</b>	September 19, 2024
<b>SUBJECT/REPORT NO:</b>	Annual Assessment Appeals as of December 31, 2023 (FCS24021) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Maria Di Santo (905) 546-2424 Ext. 5254 David Janaszek (905) 546-2424 Ext. 4546
<b>SUBMITTED BY:</b>	Shelley Hesmer, Acting Director Financial Services and Taxation and Corporate Controller Corporate Services Department
<b>SIGNATURE:</b>	

## COUNCIL DIRECTION

N/A

## INFORMATION

### Introduction

Report FCS24021 is intended to keep Council apprised of the trends in assessment growth and offsetting losses due to assessment appeals over the last five years. As shown in Report FCS24021, both assessment growth and appeals can significantly vary year over year. There are factors affecting these results in which the City has limited control. These factors include the timing of when Municipal Property Assessment Corporation (MPAC) captures and reflects growth on the assessment roll, the number of assessment appeals initiated by taxpayers, the outcome of these appeals as well as the timing of when the appeal is ultimately settled and reflected on the tax roll. Staff make every effort to minimize these factors by following up with MPAC to ensure large developments are captured on the roll as soon as possible and actively participating in appeals where there is potential for significant municipal property tax losses.

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The 2023 taxation year saw a favourable net benefit in municipal property tax revenue of \$11.4 M. This net benefit far exceeds the results seen over the last five years. Contributing to this favourable outcome includes:

- Supplementary / omitted revenues of \$15.5 M in 2023, being the highest over the last five years;
- Municipal property tax losses of \$4.1 M in 2023 due to appeals and assessment changes, being the lowest over the last five years.

It should be noted that staff cannot measure the extent that the continued postponement of the reassessment may have on these results. Although it cannot be quantified, it is safe to assume that it does have an impact, both favourably and unfavourably.

With respect to the City's active participation in appeals, 2023 results show continued mitigation of potential municipal property tax losses. In 2023, the City participated in 65 *Assessment Act* and *Municipal Act* appeals, of which, 39 appeals were closed in 2023, while 26 remain open.

The estimated potential municipal property tax loss of the 39 appeals that were closed in 2023 totalled \$13 M. The results from these closed appeals are as follows:

- 11 appeals were settled totalling a municipal property tax loss of \$1,175,920;
- Three appeals were settled totalling a municipal property tax gain of \$533,050;
- 25 appeals were withdrawn or dismissed resulting in no municipal property tax loss;
- Total external costs incurred (in current and prior years) to participate in these 39 closed appeals totalled \$243,630;
- Net of the external costs, \$12.1 M (or 93%) of the total estimated potential municipal property tax loss was mitigated.

It is evident from the City's involvement in these appeals and the positive outcome of the closed appeals, that the actual municipal property tax revenue losses would have been significantly higher, had the City not initiated its program to actively participate in appeals.

### **Assessment Base Growth**

Assessment growth is the change in the assessment base due to the addition of new developments, as well as changes in the assessment of existing properties.

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Table 1 shows the positive gains over the last five years due to supplementary / omitted property tax revenues. Under the *Assessment Act* and *Municipal Act*, assessments and property taxes can be retroactively billed after the final roll is returned for the current year (referred to as supplementary taxes) and the prior two years (referred to as omitted taxes).

**Table 1  
Five-Year Analysis of Supplementary / Omitted Municipal Property Tax Revenues**

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Supplementary / Omitted Revenues	\$15,475,500	\$14,059,800	\$10,831,700	\$13,093,600	\$10,525,700
Loss due to Appeals*	-\$4,076,900	-\$6,503,100	-\$15,831,800	-\$8,460,200	-\$5,462,200
Net – Supplementary Revenues less Appeals	\$11,398,600	\$7,556,700	-\$5,000,100	\$4,633,400	\$5,063,500

\* Municipal property tax revenue losses resulting from Assessment Review Board (ARB) appeals, MPAC Request for Reconsideration (RfR), Post Roll Amended Notices (PRAN) and *Municipal Act* tax applications (under section 357/358 of the *Municipal Act*).

The five-year average for supplementary / omitted municipal property tax revenue is approximately \$12.8 M. This revenue is contingent on the volume of new development, the type of development, the length of construction and ultimately MPAC's ability to timely reflect the new development on the assessment roll. As shown above, the 2023 supplementary / omitted revenues of \$15.5 M were the highest over the last five years. The last time this revenue surpassed \$15 M was in 2015.

In 2023, the Province announced a further postponement of the province-wide reassessment while it conducts a review of the accuracy and fairness of the property tax and assessment system. As a result, properties will continue to be assessed at a January 1, 2016 valuation date for the 2024 tax year. This on-going postponement of the province-wide general reassessment may have had some positive impact, allowing MPAC staff more time to concentrate on growth. The City typically experiences a reduction in supplementary / omitted revenue the year prior to the reassessment, when MPAC resources are focussed on reassessing properties (for example, the 2016 supplementary / omitted revenues was only \$7.9 M).

In addition to the higher supplementary / omitted revenues, further benefiting the 2023 results were lower municipal property tax losses. The combination of the two factors resulted in the most favourable overall net benefit experienced over the last five years, being an overall net gain of \$11.4 M. This net gain reported in 2023 is significantly higher than in prior years.

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**Assessment Base Erosion**

Assessment base erosion is the depletion of the assessment base due to assessment appeals, requests for reconsideration and *Municipal Act* tax applications.

The figures reflected in Table 2 are municipal property tax revenue losses resulting from the following processes: Assessment Review Board (ARB) appeals, MPAC Request for Reconsideration (RfR), Post Roll Amended Notices (PRAN) and *Municipal Act* tax applications (under section 357/358 of the *Municipal Act*).

**Table 2  
Five-Year Analysis of Appeals / Tax Reduction by Property Type**

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Municipal Tax Loss	-\$4,076,900 <sup>2</sup>	-\$6,503,100	-\$15,831,800	-\$8,460,200 <sup>1</sup>	-\$5,462,200
<b>Taxes Lost by Property Type</b>					
Commercial	-\$1,183,900 29.0%	-\$4,180,700 64.3%	-\$9,893,400 62.5%	-\$2,593,800 30.7%	-\$3,384,600 62.0%
Taxable to Exempt	-\$124,800 3.1%	-\$84,000 1.3%	-\$321,400 2.0%	-\$586,800 6.9%	-\$164,000 3.0%
Farm / Managed Forest	-\$791,400 19.4%	-\$212,500 3.3%	-\$490,500 3.1%	-\$526,600 6.2%	-\$247,400 4.5%
Industrial	+\$84,700 -2.1%	-\$1,245,900 19.1%	-\$3,605,000 22.8%	-\$1,898,900 22.4%	-\$560,400 10.3%
Residential	-\$2,061,500 <sup>2</sup> 50.6%	-\$780,000 12.0%	-\$1,521,500 9.6%	-\$2,854,100 <sup>1</sup> 33.7%	-\$1,105,800 20.2%

<sup>1</sup> inclusive of \$1.1 M loss due to retirement of roll number for large residential development (this amount was offset through Supplementary / Omitted tax revenue).

<sup>2</sup> inclusive of \$1.5 M loss due to retirement of roll numbers for three large residential development (this amount was offset through Supplementary / Omitted tax revenue).

Appeals on a property's value is a constant risk to the City's assessment base. As such, through the budget process, the City recognizes that assessments will be challenged and lost. The expected loss of property tax revenue due to the reduction of assessment values is budgeted annually (2023 budget = \$7.5 M), with additional allowances set aside for more significant, multi-year appeals. The five-year average municipal property tax revenue loss due to the combined impacts of Assessment Review Board (ARB) appeals, MPAC Request for Reconsideration (RfR), Post Roll Amended Notices (PRAN) and *Municipal Act* tax applications (under section 357/358 of the *Municipal Act*) equates to approximately \$8.1 M, or 0.8% of the 2023 Municipal tax levy.

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This five-year average municipal property tax revenue loss considers the higher-than-normal amount of appeals processed in 2021, the losses due to the retirement of rolls for large residential developments that are subsequently fully offset by supplementary / omitted tax revenues and the atypical increase in municipal property taxes for several appeals processed in 2023.

As can be seen from Table 2, the actual loss in municipal property tax dollars can vary widely from year to year and by property class. As such, it is difficult to predict annual losses, as the loss would depend on when the appeal / request for reconsideration is ultimately resolved. As appeals often carry over and apply to tax years which follow the year which the appeal was filed, an increase in the municipal property tax revenue loss is typically experienced in the year in which significant multi-year appeals are settled.

Typically, the commercial and industrial property classes experience the greatest amount of municipal property tax losses, as they have high assessed values, are subject to higher property tax rates and more commonly file appeals. As such, these are the properties staff are focussing on when determining which appeals to actively participate in. As shown in Table 2, the municipal property tax loss experienced in the Commercial property class in 2023 was the lowest over the last five years, while the Industrial property class actually saw a tax increase in 2023.

The most significant municipal property tax losses processed in 2023 include:

- 130-150 King Street East (for taxation years 2017-2023) – City actively participated in the appeal which was ultimately settled for a total municipal property tax decrease of \$706,160, mitigating over 60% of the original reduction being sought by the appellant.
- 130 Mud Street East (for taxation years 2017-2022) – City actively participated in the appeal which was settled in 2022 and reported on last year's staff report (mitigated almost 64% of the original reduction being sought by the appellant). The appeal was not processed until early 2023 for a total municipal property tax loss of \$411,930.
- 0 Industrial Drive (for taxation years 2021-2023) – City actively participated in the 2021 and 2022 appeals which was settled in 2022 and reported on last year's staff report (mitigated 30% of the original reduction being sought by the appellant). The 2021-2022 appeal and subsequent request for reconsideration for 2023 was not processed until 2023, with a total municipal property tax loss of \$393,940.
- 319 Sherman Avenue North (for taxation years 2021-2022) – combination of ARB appeal, request for reconsideration and *Municipal Act* application for a total municipal property tax loss of \$146,220 (or 41%).
- 1471 Upper James Street (for taxation years 2018-2023) – ARB appeal settlement resulting in a total municipal property tax loss of \$120,470 (or 16%).
- 751-777 Upper James Street (for taxation years 2017-2023) – ARB appeal settlement resulting in a total municipal property tax loss of \$112,560 (or 3%).

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- 640 Mohawk Road (for taxation years 2017-2023) – City actively participated in the appeal which was ultimately settled for a total municipal property tax decrease of \$94,280, mitigating 87% of the original reduction being sought by the appellant.
- 71-91 Wentworth Street South (for taxation years 2019-2023) – ARB appeal settlement resulting in a total municipal property tax loss of \$88,530 (or 14%).
- 225 Pritchard Road (for taxation years 2020-2023) – ARB minutes of settlement resulting in a total municipal property tax loss of \$88,510 (or 13%).

Offsetting the municipal property tax losses were several, uncommon increases in municipal property taxes that were processed in 2023, which include:

- Multiple Rolls (for taxation years 2022-2023) – MPAC issued Post Roll Amended Notices (PRAN) for properties that ceased to be farmed, causing a change to the property classification from farm to industrial vacant land based on the zoning, which resulted in a total net municipal property tax increase of \$1.5 M.
- 14 Martindale Crescent (for taxation years 2017-2023) – City actively participated in the appeal which was ultimately settled for a total municipal property tax increase of \$398,800 (or 9%).
- 610 South Service Road (for taxation years 2013-2023) – ARB decision resulted in a total net municipal property tax increase of \$358,900 (or 15%).
- 205 Coreslab (for taxation years 2022-2023) – City actively participated in the appeal which was ultimately settled for a total municipal property tax increase of \$67,130 (or 5%).
- 0 Concession 4 West (for taxation year 2023) – City initiated this appeal (as part of the broader appeal on gravel pits) which was ultimately settled for a total municipal property tax increase of \$67,120 (or 783%).

*Municipal Act Appeals (Sections 357 and 358)*

In 2023, staff held five virtual meetings, resulting in the processing of 195 tax applications under Sections 357/358 of the *Municipal Act*. These applications resulted in a total loss of \$676,800, of which \$529,400 was the municipal portion. This \$529,400 reduction in municipal taxes is included in the 2023 appeal loss of \$4.1 M in Table 2 of Report FCS24021. It is important to note that some of the assessment reductions under Sections 357/358 of the *Municipal Act* may, in turn, lead to assessment growth. Where a property's assessment is reduced due to a fire or demolition, assessment subsequently may increase due to a renovation or new development ultimately leading to an increase in property taxes. Some of these losses also pertain to City acquired properties changing from taxable to exempt.

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Apportionments (Section 356)

Properties subject to a land severance may require the apportionment of land taxes levied for a particular year(s) from the larger parcel to the newly created parcels of land. Section 356 of the *Municipal Act, (2001)* permits such an apportionment. When original blocks of land are severed into newly created lots, there is no overall financial impact or property tax loss to the City, as taxes owing against the original parcel of land are transferred to the new parcels. MPAC produces severance information forms for the assessment originally levied on the original parcels of land and identifies the split of assessment amongst the newly created lots.

In 2023, staff held two virtual meetings for the approval of tax apportionments, resulting in the processing of 13 tax apportionments into 98 newly created rolls (inclusive of the originating roll). Although there is no financial impact to the City following this process, property taxes often increase for the newly created parcels resulting from an increase in the property's assessment due to new construction or development that has occurred. Portions of properties that become public roadways are processed under the apportionment process as Land not Assessed. These have a minimum dollar impact. Apportionments processed as Land not Assessed in 2023 resulted in a minimal \$18,300 municipal property tax loss.

**Current State of Assessment Appeals at the City**

Assessment appeals are not unique to the City of Hamilton. The loss of commercial and industrial assessments due to appeals is province wide. As MPAC is responsible for the property assessment, municipal property tax revenues hinge on how well their assessment holds up when challenged by taxpayers and highly trained assessment consultants. It is a common practice for assessment consultants to automatically file appeals on business properties, regardless of the assessment returned by MPAC. As the assessment of business properties is complex, with multiple variables, assessment consultants simply need to prove the inaccuracy of one of these variables which in most cases, may ultimately warrant some type of reduction in the assessed value.

Table 3 shows the number of properties with outstanding ARB appeals by CVA (Current Value Assessment) Cycle:

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**Table 3  
Outstanding appeals by Assessment Value and Number**

	<b>2023- 2017 Assessment Cycle (2016 CVA)</b>	<b>2016 – 2013 Assessment Cycle (2012 CVA)</b>	<b>2012 – 2009 Assessment Cycle (2008 CVA)</b>	<b>2008 – 2006 Assessment Cycle (2005 CVA)</b>
CVA under Appeal	2,756,098,078	369,000	0	0
# of properties by taxation year <sup>1</sup>	78	1	0	0

<sup>1</sup> a property will be identified multiple times if the appeal extends multiple taxation years

Table 3 highlights the number of current outstanding appeals for properties within the City of Hamilton, a significant reduction from what was reported in prior years. The assessment values in Table 3 are the cumulative property values under appeal. Since the same property can be appealed every year, it also includes the assessed value of the same property for every year an appeal is filed (i.e., four times in the four-year assessment cycle).

Due to the Province postponing the reassessment, current property values are still based on a valuation date of January 1, 2016. This has facilitated settled appeals, where the settled (mainly lower) value is carried forward to future years and, therefore, for the most part, subsequent appeals are not filed. However, due to the growing disparity between the current year and the valuation year, this has led to additional appeals in some cases. Once the next reassessment occurs, it is expected that most large non-residential properties will file an appeal, regardless of the outcome of the appeal on the 2016 value.

### **City's Active Participation in Appeals**

As approved by Council, the City is more actively participating in appeals. The results, to date, have shown that this program has been very successful in mitigating municipal property tax losses. Appendix "A" to Report FCS24021, Annual Assessment Appeals as of December 31, 2023, provides for a detailed listing of the appeals the City participated in during 2023, of which a summary of the 2023 results is provided in Table 4.

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**Table 4  
Results of 2023 Active Participation in Appeals**

	Closed Appeals	Open Appeals
# of appeals	39	26
Estimated Total Potential Municipal Tax Loss	<b>\$13,007,700</b>	<b>\$16,243,000</b>
<b>Actual Total Municipal Tax Loss</b>	<b>\$642,870</b>	<b>TBD</b>
External costs	\$243,630	TBD
\$ Loss Mitigated (net of external costs)	<b>\$12,121,200</b>	TBD
% Loss Mitigated (net of external costs)	<b>93%</b>	TBD

As shown above, in 2023, the City's active participation in assessment appeals resulted in the mitigation of \$12.1 M (or 93%) of the original municipal property tax reduction being sought by appellants.

With respect to the 39 closed appeals, 25 were withdrawn / dismissed resulting in no municipal property tax loss. Of the remaining 14 closed appeals that were settled, 11 were settled at a total municipal property tax loss of \$1,175,920, while three were settled at a municipal property tax gain totalling \$533,050. Settling appeals at a gain is extremely rare. The values ultimately settled on, resulting in either a municipal property tax loss or gain, ensure the property was more accurately and equitably assessed.

With respect to the 26 open appeals, 12 pertain to gravel pits / quarries in which staff is of the opinion that the properties are incorrectly assessed and as such have initiated appeals seeking an increase.

The City incurred \$262,000 on external costs in 2023 to actively participate in appeals. Approximately 87% of these external costs were for consultants / expert witnesses who have the required knowledge and tools to provide an opinion in value. Minimal 2023 external costs were incurred for Outside Legal Counsel, as Legal staffing resources were approved in the 2023 budget. Of the \$262,000 external costs incurred in 2023, approximately \$109,000 was incurred for the appeals that were closed in 2023, while the remaining was incurred for appeals that are still open.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report FCS24021 – 2023 Assessment & Municipal Act Appeals  
Property Listing

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**2023 Assessment & Municipal Act Appeals Property Listing**

**CLOSED APPEALS - 2023**

Property Address	Assessment Act	Property Type	Appeal Status	Taxation Years Under Appeal	Total Estimated Potential Municipal Tax Loss <sup>2</sup>	Actual Total Municipal Tax Loss	External Costs	Total Municipal Tax Loss Mitigated (net of external costs)	
								\$	%
60 Caledon Ave	Assessment Act	Commercial (vacant land)	Withdrawn	2020-2022	withdrawn before SOI	\$0	\$0		
54 Hess St	Assessment Act	Commercial/Residential	Settled	2021-2023	\$11,200	\$1,460	\$0	\$9,740	87.0%
130-150 King St E	Assessment Act	Commercial/Multi-Res	Settled	2017-2023	\$1,863,500	\$706,160	\$14,870	\$1,142,470	61.3%
1 Redfern Ave	Assessment Act	Residential (Condo Dev.)	Withdrawn	2021	withdrawn before SOI	\$0	\$0		
210 Centennial Pky N	Assessment Act	Commercial	Withdrawn	2017-2022	\$586,400	\$0	\$11,620	\$574,780	98.0%
675 Upper James St	Assessment Act	Commercial	Settled	2017-2023	\$512,300	\$58,070	\$16,050	\$438,180	85.5%
100 Concession 5 E	Assessment Act	Commercial	Withdrawn	2022	withdrawn before SOI	\$0	\$0		
65 Mall Rd	Assessment Act	Commercial	Withdrawn	2022	\$59,400	\$0	\$0	\$59,400	100.0%
54 Wilson St W	Assessment Act	Commercial	Withdrawn	2022	\$51,800	\$0	\$0	\$51,800	100.0%
120 Portia Dr	Assessment Act	Commercial	Withdrawn	2022-2023	\$40,200	\$0	\$0	\$40,200	100.0%
131-135 King St E	Assessment Act	Residential (Retirement Home)	Withdrawn	2022-2023	\$119,700	\$0	\$0	\$119,700	100.0%
640 Mohawk Rd W	Assessment Act	Commercial	Settled	2017-2023	\$812,000	\$94,280	\$11,230	\$706,490	87.0%
505 Woodward Ave	Assessment Act	Commercial/Industrial	Settled	2017-2023	\$587,200	\$13,930	\$10,260	\$563,010	95.9%
14 Martindale Cres	Assessment Act	Commercial	Settled	2017-2023	\$147,800	-\$398,800	\$36,160	\$510,440	345.4%
158-166 Upper Mount Albion Rd	Assessment Act	Commercial	Withdrawn	2021-2023	\$553,200	\$0	\$3,240	\$549,960	99.4%
1 King St W	Assessment Act	Commercial	Withdrawn	2021-2023	\$599,700	\$0	\$5,730	\$593,970	99.0%
50 Hatt ST	Assessment Act	Residential (Retirement home)	Withdrawn	2022-2023	withdrawn before SOI	\$0	\$3,810	-\$3,810	
1227-1271 Barton St E	Assessment Act	Commercial	Withdrawn	2021-2023	\$213,500	\$0	\$13,770	\$199,730	93.6%
116 King St W	Assessment Act	Commercial	Withdrawn	2021-2023	\$443,000	\$0	\$11,220	\$431,780	97.5%
40 Bay St S	Assessment Act	Commercial	Withdrawn	2021-2023	\$597,600	\$0	\$5,800	\$591,800	99.0%
50 Aeropark Blvd	Assessment Act	Commercial	Settled	2022-2023	\$234,200	\$8,340	\$2,620	\$223,240	95.3%
28 Wetenhall Crt	Assessment Act	Industrial (vacant land)	Withdrawn	2023	withdrawn before SOI	\$0	\$0		
80-90 Dundas St E	Assessment Act	Commercial	Withdrawn	2020-2023	\$490,800	\$0	\$8,460	\$482,340	98.3%
52-76 Dundas St E	Assessment Act	Commercial	Settled	2020-2023	\$705,300	\$162,860	\$5,400	\$537,040	76.1%
35-73 Wilson St W	Assessment Act	Commercial	Settled	2022-2023	\$28,500	\$5,410	\$0	\$23,090	81.0%
75 Centennial Pky N	Assessment Act	Commercial	Withdrawn	2021-2023	\$2,849,100	\$0	\$6,710	\$2,842,390	99.8%
360 James St N	Assessment Act	Commercial	Withdrawn	2022-2023	\$159,700	\$0	\$4,580	\$155,120	97.1%
1020 Osprey Dr	Assessment Act	Commercial	Withdrawn	2021-2023	\$472,600	\$0	\$28,860	\$443,740	93.9%
1770-1810 Stone Church Rd E	Assessment Act	Commercial	Withdrawn	2023	\$50,900	\$0	\$7,250	\$43,650	85.8%
220 Cranbook	Assessment Act	Residential	Dismissed	2020-2023	\$147,000	\$0	\$0	\$147,000	100.0%
1187 Upper James St	Assessment Act	Commercial	Settled	2021-2023	\$287,200	\$59,050	\$10,140	\$218,010	75.9%
0 Concession W	Assessment Act	Industrial	Settled	2023	\$0	-\$67,120	\$0	\$67,120	
20-50 Dundurn St S	Assessment Act	Commercial	Withdrawn	2023	\$39,900	\$0	\$0	\$39,900	100.0%
205 Coreslab Dr	Assessment Act	Commercial/Industrial	Settled	2022-2023	\$48,900	-\$67,130	\$3,560	\$112,470	230.0%
925 Main St W	Assessment Act	Commercial (vacant land)	Settled	2023	\$96,700	\$44,360	\$22,290	\$30,050	31.1%
192 Hughson St N	Municipal Act	Multi-Residential	Withdrawn	2021	\$30,500	\$0	\$0	\$30,500	100.0%
83-85 Emerald St	Municipal Act	Residential	Withdrawn	2021	\$7,100	\$0	\$0	\$7,100	100.0%
565 Sanatorium Rd	Municipal Act	Commercial	Withdrawn	2019	\$137,400	\$0	\$0	\$137,400	100.0%
0 Dundas St E	Municipal Act	Commercial	Settled	2021	\$23,400	\$22,000	\$0	\$1,400	6.0%
<b>Total - 2023 Closed</b>					<b>\$13,007,700</b>	<b>\$642,870</b>	<b>\$243,630</b>	<b>\$12,121,200</b>	<b>93.2%</b>

**OPEN APPEALS - 2023**

Property Address	Assessment Act	Property Type	Appeal Status	Taxation Years Under Appeal	Total Estimated Potential Municipal Tax Loss <sup>2</sup>	Actual Total Municipal Tax Loss	External Costs	Total Municipal Tax Loss Mitigated (net of external costs)	
								\$	%
999 Upper Wentworth St	Assessment Act	Commercial	Open	2020-2023	\$11,951,100	TBD	TBD	TBD	TBD
2126 Rymal Rd E <sup>1</sup>	Assessment Act	Residential (Retirement home)	Open	2021-2023	\$294,000	TBD	TBD	TBD	TBD
150 Market St <sup>1</sup>	Assessment Act	Multi-Residential	Open	2022-2023	\$43,700	TBD	TBD	TBD	TBD
155 Market St <sup>1</sup>	Assessment Act	Multi-Residential	Open	2022-2023	\$59,900	TBD	TBD	TBD	TBD
160 Market St <sup>1</sup>	Assessment Act	Multi-Residential	Open	2022-2023	\$83,700	TBD	TBD	TBD	TBD
110 Aeropark Blvd	Assessment Act	Commercial	Open	2022-2023	\$2,681,800	TBD	TBD	TBD	TBD
20 George St	Assessment Act	Multi-Residential	Open	2023	\$303,900	TBD	TBD	TBD	TBD
49 Walnut St S	Assessment Act	Multi-Residential	Open	2023	\$89,300	TBD	TBD	TBD	TBD
804 Beach Blvd/500 Eastport Blvd	Assessment Act	Commercial	Open	2020-2023	\$39,400	TBD	TBD	TBD	TBD
1670 Garth St	Assessment Act	Multi-Residential	Open	2022-2023	\$187,000	TBD	TBD	TBD	TBD
2110 - 2140 Rymal Rd E	Assessment Act	Commercial	Open	2023	\$103,800	TBD	TBD	TBD	TBD
380-400 McNeilly Rd	Assessment Act	Commercial/Industrial	Open	2022-2023	\$280,700	TBD	TBD	TBD	TBD
0 Aeropark Blvd	Assessment Act	Industrial (vacant land)	Open	2023	\$24,800	TBD	TBD	TBD	TBD
80 Brockley Dr	Assessment Act	Industrial	Open	2023	\$99,900	TBD	TBD	TBD	TBD
451 Tenth Rd <sup>1</sup>	Assessment Act	Gravel Pit / Quarry	Open	2023	\$0	TBD	TBD	TBD	TBD
600 Highway 5 W <sup>1</sup>	Assessment Act	Gravel Pit / Quarry	Open	2023	\$0	TBD	TBD	TBD	TBD
649 Highway 5 W <sup>1</sup>	Assessment Act	Gravel Pit / Quarry	Open	2023	\$0	TBD	TBD	TBD	TBD
0 Brock Rd <sup>1</sup>	Assessment Act	Gravel Pit / Quarry	Open	2023	\$0	TBD	TBD	TBD	TBD
0 Concession 4 W <sup>1</sup>	Assessment Act	Gravel Pit / Quarry	Open	2023	\$0	TBD	TBD	TBD	TBD
834 Brock Rd <sup>1</sup>	Assessment Act	Gravel Pit / Quarry	Open	2023	\$0	TBD	TBD	TBD	TBD
1051 Green Mountain Rd <sup>1</sup>	Assessment Act	Gravel Pit / Quarry	Open	2023	\$0	TBD	TBD	TBD	TBD
0 Concession 4 W <sup>1</sup>	Assessment Act	Gravel Pit / Quarry	Open	2023	\$0	TBD	TBD	TBD	TBD
701 Concession 4 W <sup>1</sup>	Assessment Act	Gravel Pit / Quarry	Open	2023	\$0	TBD	TBD	TBD	TBD
658 Fiddler's Green Rd <sup>1</sup>	Assessment Act	Gravel Pit / Quarry	Open	2023	\$0	TBD	TBD	TBD	TBD
582 Brock Rd <sup>1</sup>	Assessment Act	Gravel Pit / Quarry	Open	2023	\$0	TBD	TBD	TBD	TBD
565-580 Moxley Rd W <sup>1</sup>	Assessment Act	Gravel Pit / Quarry	Open	2023	\$0	TBD	TBD	TBD	TBD
<b>Total - 2023 Open</b>					<b>\$16,243,000</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>

<sup>1</sup> The City is seeking an increase to the value returned by MPAC

<sup>2</sup> Annual impact calculated based on original Statement of Issues (SOI) received, multiplied by number of years under appeal

# CITY OF HAMILTON MOTION

**Audit, Finance and Administration Committee: September 19, 2024**

**MOVED BY COUNCILLOR C. KROETSCH .....**

**SECONDED BY COUNCILLOR .....**

## **Ward 2 Community Grants - Q3 2024 - 2 (Ward 2)**

WHEREAS, the Ward 2 Community Grants program closed for Q2 on August 9, 2024 with a total of 17 applications;

WHEREAS, City staff in Financial Planning, Administration and Policy and Community Engagement - Grants reviewed the recommendations from the Ward 2 Community Grants program and found that the following were all eligible; and

WHEREAS, the following \$39,670 in 14 individual grants represents the fulfillment of Q3 - 2024 of the Ward 2 Community Grants program.

THEREFORE, BE IT RESOLVED:

- a) That art and sensory protection supplies, refreshments, seating rentals, and security for A Chance to Dance! be funded to Art Gallery of Hamilton from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$2,950;
- b) That costs associated with a movie night in Beasley Park, a BNA sponsored pizza lunch at Dr. Davey School, and a Beasley focused heritage brochure be funded to the Beasley Neighbourhood Association from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$2,060;
- c) That nutritional supplements and incontinence products be funded to Cancer Assistance Program from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$5,000;
- d) That gardening tools for the purpose of maintaining the gardens at Magnolia Hall be funded to the Durand Neighbourhood Association from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$1,165;
- e) That program expenses related to events in Ward 2, including bussing, equipment, snacks, insurance, and coaching costs be funded to Fit Active Beautiful Foundation from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$2,725;

- f) That stage and chair rental costs for the Festival of Racalmutese be funded to Fratellanza Racalmutese Italian Club from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$3,200;
- g) That costs associated with installing a pollinator garden and running an education and plant giveaway event in the North End be funded to Green Venture from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$3,500;
- h) That costs associated with Illumini Choral Intensive, including facility rental and camp accommodations, be funded to Hamilton Children's Choir from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$3,200;
- i) That costs associated with acquiring donor management software and organizing fundraising initiatives be funded to Hamilton Literary Festival Association from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$3,200;
- j) That sound and lighting costs at Eclectic Local and scholarships for low income participants at Musical Futures Summer Camp be funded to Hamilton Music Collective from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$3,200;
- k) That the facilitation of a strategic fundraising plan for Open Homes Hamilton be funded to IAFR Canada from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$1,250;
- l) That costs associated with Take Back the Night 2024, including staffing, truck rental, table rental, and security funded to Sexual Assault Centre (Hamilton and Area) from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$3,200;
- m) That the rehearsal space rental and contracted theatre coaches and specialists be funded to Shakespearience Performing Arts from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$1,820;
- n) That transportation support and program supplies for spectrum programming be funded to YWCA Hamilton from the Ward 2 Capital Discretionary Account #3302309200 at an upset limit, including contingency, not to exceed \$3,200;
- o) That any funds allocated and distributed through the Ward 2 Community Grants Program be exempt on a one-time basis and not be counted toward any formula that restricts regular funding from the City including the City Enrichment Fund or the One-Time Enhancement Grant (e.g. the City's 30% formula); and
- p) That the Mayor and City Clerk be authorized and directed to execute any required agreement(s) and ancillary documents, with such terms and conditions in a form satisfactory to the City Solicitor.