

Policy, Priorities and Budgeting Committee
Comité des politiques, des priorités et des budgets

Agenda 18
Ordre du jour 18

Wednesday, November 10, 1999 - 1:00 p.m.
Le mercredi 10 novembre 1999 - 13 h

Victoria Hall, First Level
Bytown Pavilion, City Hall

Salle Victoria, niveau 1
Pavillon Bytown, hôtel de ville

**Confirmation of Minutes
Ratification des procès-verbaux**

Minutes 17 (October 28, 1999)

Procès-verbal 17 (Le 28 octobre 1999)

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Ref.: ACS1999-CO-CMG-0021 | 1

City Wide |
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| 2. | Resource Requirements for Tax Administration
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Members' Reports - Enquiries
Rapports des membres - demandes de renseignements

Councillor/Conseillère Diane Deans, Chairperson/Présidente

Councillor/Conseiller Jim Bickford, Vice-Chairperson/Vice-président

Councillor/Conseillère Inez Berg

Councillor/Conseiller Richard Cannings

Councillor/Conseiller Ron Kolbus

Councillor/Conseiller Brian Mackey

SEF



October 25, 1999

ACS1999-CO-CMG-0021
(File: CAA5100/0200)

Office of the Chief Administrative Officer

Ward/Quartier
City Wide

- Policy, Priorities and Budgeting Committee / Comité des politiques, des priorités et des budgets
- City Council / Conseil municipal

Information

1. Quarterly Accountability Report - Third Quarter 1999

Rapport de responsabilité trimestriel - Troisième trimestre 1999

Information

Attached is the quarterly accountability for the third quarter of 1999.

November 1, 1999 (2:42p)

John Burke

Chief Administrative Officer

DS:ds

Contact: John Burke - 244-5402

List of Supporting Documentation

Document 1 Quarterly Accountability Report - Third Quarter 1999

Part II - Supporting Documentation

Document 1

Office of the Chief Administrative Officer

No.	Item	Quarter		Year to Date (YTD)		YTD (%) Variance
		Previous Year	Current Year	Previous Year	Current Year	
HUMAN RIGHTS/EMPLOYMENT EQUITY						
1	Human Rights/Employment Equity Complaints accepted	23	24	109	62	-43%
2	Human Rights/Employment Equity Complaints under review	33	10	68	19	-72%
3	Human Rights/Employment Equity Complaints resolved (file closed)	37	16	41	44	7%
BUSINESS / RESIDENTIAL EXPANSION / RELOCATION ASSISTANCE						
4	# New Cases / # Active Cases	14/7	7/7	n/a	21/7	n/a
COMMUNITY DEVELOPMENT ASSISTANCE*						
5	# New Project Initiatives / Total Active Initiatives	2/6	0/6	n/a	0/6	n/a
Note* Community Development Project Initiatives include: Rooming House Response Teams and Landlord Association, Alliance to End Homelessness, Boarding Home Programme, Purchase of Service Agreements with Housing Advocacy Groups such as Housing Help, Action Logement, Federation of Ottawa Carleton Tenants' Association, BIA initiatives, Neighbourhood Profiles.						
Employee Terminations (Corporate-Wide) (list of all terminations of past quarter under a delegation of authority in accordance with Section 6.2 of the Human Resources Corporate Policy titled "Termination Payment")						
No.	Dollar Value	Description and Explanation				
6	\$0	None				

Departmental Organizational Changes (Corporate-Wide) (list of all changes in the past quarter under a delegation of authority in accordance with Section 5.1.1 of the Human Resources Corporate Policy titled "Organizational change")	
No.	Description and Explanation
7	ACS1999-CS-CHR-0011 - Corporate Services, HR - HRMIS team ACS1999-CM-LSB-0007 - Community Services, Leisure - delete create position

Explanation of all Items where YTD Variance is Greater than 5%	
No.	Explanation
1 & 2	Categories 1 and 2 reflect high YTD variance because of the influx of inquiries resulting from staff redundancies and bumping subsequent to the 1998 corporate reorganization.

Department of Urban Planning and Public Works

No.	Item	Quarter		Year to Date (YTD)		YTD (%) Variance
		Previous Year	Current Year	Previous Year	Current Year	
DEVELOPMENT APPLICATIONS						
1	Building Permit Applications	597	701	1677	1977	18%
2	Building Permit Revenues	\$1,064,823	\$862,673	\$2,414,258	\$2,796,443	16%
3	Building Permit Construction Value (Million \$)	106.1	92.6	252.2	236.7	-6%
4	Site Plan Applications	44	53	171	145	-14%
5	Zoning Applications	4	5	23	24	4%
6	Cash In Lieu of Parking Applications	2	2	6	13	0%
PROCESSING OF BUILDING PERMITS APPLICATIONS ***						
7	Part 3 Applications* (initial review completed < 6 weeks)	3/5 = 60%	8/9 = 88%	26/46 = 57%	16/23 = 69%	13%
8	Part 9 Applications ** (initial review completed < 4 weeks)	5/8 = 63%	3/12 = 25%	45/109 = 41%	18/66 = 27%	-14%
9	Fast Track Part 3 Applications * (initial review < 3 weeks)	5/27 = 19%	11/28 = 39%	52/124 = 43%	67/122 = 55%	13%
10	Fast Track Part 9** (initial review < 2 weeks)	13/55 = 24%	56/71 = 79%	59/193 = 31%	147/218 = 67%	36%
Note: * Part 3 are large building (e.g., highrise office, apartments, shopping centres, restaurants, (i.e.) U.S. Embassy). ** Part 9 are smaller buildings such as a single home, a small office building, or small retail that are < 600 m ² and < 3 storeys in building height *** This represents a first review <u>only</u> and does not include additional reviews concerning revised plans and/or issues requiring resolution as a result of the first review.						
In addition, in the 3rd Quarter of 1999, 14 Same Day (55 to date) and 160 Express (401 to date) permits were processed.						
PROCESSING OF SITE PLAN APPLICATIONS						
11	Approval by PEDC (70-110 days)	0/1=0%	1/2=50%	2/7=29%	3/8=38%	9%
12	Approval by Director (50-90 days)	15/29=52%	11/26=42%	35/72=49%	24/59=41%	-8%
13	Approval by Assigned Staff (14-42 days)	17/23=74%	11/21=52%	42/70=60%	40/66=61%	1%
ZONING APPLICATIONS: TURNAROUND TIME FOR APPROVAL						
14	Approval by Council (100-135 days)	1/2=50%	3/6=50%	6/13=46%	8/20=40%	-6%
ENGINEERING						
15	Number and Value (\$) of Patio Encroachment Permits Issued	\$4,414	\$7,863	\$205,255	\$261,469	22%
16	Road Cut Permits Issued	1,093	976	2,359	2246	-5%
OPERATIONS						
17	Lineal Metres of Roadway Swept	10,963,100	11,549,610	19,818,700	19,134,910	-4%
18	Lineal Metres of Sewers Cleaned	282,943	230,751	375,269	352,847	-6%
19	Number of Roadside Litter Baskets Serviced	39,009	38,265	93,158	93,018	0%
20	Cubic Metres of Snow Removed	0	0	872,010	1,160,652	33%

No.	Item	Quarter		Year to Date (YTD)		YTD (%) Variance
		Previous Year	Current Year	Previous Year	Current Year	
21	Number of Trees Trimmed	14,366	2,732	17,592	6,650	-62%
No.	Item	Quarter		Year to Date (YTD)		YTD (%) Variance
		Previous Year	Current Year	Previous Year	Current Year	
ASSET MANAGEMENT						
22	Size of Fleet of Equipment and Vehicles (leased/owned)	1,600	1,649	1,600	1,649	3%
23	Number of square feet of facilities maintained	1,729,479	2,933,608	1,729,479	2,933,608	70%
24	Inventory of Street Lights / Change in Inventory	23,781	24,047	23,781	24,047	1%
LICENSING						
25	Lottery Licenses Issued	419	325	1489	985	-34%
ENVIRONMENT						
26	Number of internal and external environmental studies conducted	14	n/a	16	n/a	n/a
27	Number of development applications reviewed	26	n/a	141	n/a	n/a
28	Number of MEERs reviewed / conducted	4	n/a	15	n/a	n/a
29	Number of calls to the Ottawa Green Information Line (OGIL)	150	26	450	125	-72%

Explanation of all Items where YTD Variance is Greater than 5%	
No.	Explanation
1,2,3&4	The variance for indicators 1, 2, 3 and 4 is a reflection of external market conditions.
7 to 10	The processing time of building permit applications may vary due to factors such as the extent of code advisory service during the review period, the increase in building permit applications, the re-design of delivery of structural plan examination reviews, the extent and scope of work within the specific development projects, and external market conditions.
11, 12, 14	The processing time for indicators 11, 12, and 14 may vary due to factors such as the complexity of issues related to the application and the implication of public participation.
15	Increased number of patio encroachments in 1999. In addition, modified streetscaping in By Ward Market area, paid for by adjacent tenants, allowed for larger patios and resulted in increased patio revenues to the City.
18	The number of metres of sewers cleaned depends on a number of factors including the size and condition of the pipes, the amount of debris encountered, overall weather conditions, variations in work schedule (primarily contracted work).
20	The number of cubic metres of snow removed depends on the type and extent of snowfall, the frequency of storms, and to a lesser degree the extent of sunlight and warmer temperatures which can result in melting or sublimation of snow. The increase in the number of cubic metres of snow removed during the period January 1 to March 31st, 1999 as opposed to the same period in 1998 is due to the heavier snow accumulations experienced in 1999. The snow accumulation in 1999 was 205.4cm. as compared to 131.0cm. for the same period in 1998.
21	The number of trees trimmed depends on the size and condition of the trees, the extent of trimming required, variations in scheduling of the work and overall weather conditions. The 1999 June figures are substantially lower than those in 1998 due to the ice storm in January, 1998.

Explanation of all Items where YTD Variance is Greater than 5%	
No.	Explanation
23	The variance in the number of sq. ft. of facilities maintained is due to the change in the criteria that defines the facilities to be included in the inventory.
25	The variance in lottery license issuance is due to external market conditions.
26, 27, 28	Due to the departure of staff who compiled the figures, statistics could not be compiled for the third quarter report but will be provided for the fourth quarter report.
29	The variance in the number of calls to the Ottawa Green Information Line is due to the fact that last years number is derived from estimates.

Department of Community Services

No.	Item	Quarter		Year to Date (YTD)		
		Previous Year	Current Year	Previous Year	Current Year	
RECREATION GENERAL						
1	# of Participant Subsidies	422	566	1,283	1,502	17%
2	\$ Value of Participant Subsidies	15,254	19,373	47,195	50,120	6%
3	# of Self Help Grants	6	9	10	17	+70%
4	Sports Fields (hours booked vs. hours available) P (Prime Time) NP (Non Prime Time)	88.5%(P) 43.7%(NP)	85.0%(P) 45.0%(NP)	88.3%(P) 46.2%(NP)	85.0%(P) 45.0%(NP)	-3% -1.2%
5	Arenas (hours booked vs. hours available) P (Prime Time) NP (Non Prime Time)	81.6% (P) 66.7%(NP)	88.2%(P) 66.5%(NP)	85.2% (P) 60.3%(NP)	88.2(P)% 72.2(NP)%	3% 12%
CULTURE						
6	\$ Value of Cultural Grants Approved versus \$ Value of Requests	\$38,700 \$68,700	\$17,500 \$37,548	\$38,700 \$68,700	\$1,046,700 \$1,814,422	n/a n/a
FIRE						
7	# of fire calls	462	501	1,568	1,558	0%
8	# of medical calls	2,882	2,931	8,400	8,899	6%
9	# of false alarms	1,336	1,462	3,856	3,750	-3%
CAPITAL PROJECTS						
10	Percentage of Capital Projects completed on budget and on time	100	100	100	100	n/a
LANSDOWNE PARK (Arena Masking System)						
11	Attendance	7,000	5,500	18,300	12,208	-33%
12	# of Events	3	2	6	5	-17%

Explanation of all Items where YTD Variance is Greater than 5%	
No.	Explanation
3	Reflects increase in program budget from \$50,000 to \$100,000.
5	Non Prime (NP) time is prior to 4 p.m. The increase in hours booked vs. Hours available is partially attributable to the closing of two low-demand arenas two days a week during NP time and partially due to the increasingly successful marketing and booking of arenas on the Internet which accommodates attractive after-hour and last-minute bookings.
6	The increase in requests and grant dollars disbursed as part of Cultural Assistance Program in 1999 came as a result of the transfer of 5 cultural purchase of services to the Cultural Assistance Program. 1999 numbers reflect both the Capital Cultural Assistance Program and the Cultural Assistance Program (in 1998 Capital Cultural Assistance Program was transferred from capital to operating budget). 1999 CCAP figures broken down into 2 nd and 3 rd quarter because of two application deadlines.
8	We can find no specific reason for the increase except perhaps for the general trend of an increase in medical calls over the past years.
11 & 12	One extra event in 3 rd quarter of 1999.

Department of Corporate Services

No.	Item	Quarter		Year to Date (YTD)		YTD Variance
		Previous Year	Current Year	Previous Year	Current Year	
PROPERTIES						
1	Number of marketable properties in City Surplus Inventory	28	26	28	26*	n/a
2	Number of unmarketable surplus properties that can only be sold to abutting owners	32	32	32	32*	n/a
3	Number of Finalized (closed) sales	1	2	3	9	n/a
4	Value of Properties Sold	\$5,000	\$141,000	\$343,040	\$1,457,848	n/a
5	Number of Tax Sale Properties Vested	4	0	7	2	n/a
6	Number of Tax Sale Properties Sold	1	1	3	3	n/a
7	Value of Tax Sale Properties Sold	\$12,000	\$92,337	\$164,111	\$122,337	n/a
8	Number of Lane Closures sold	8	3	15	3	n/a
9	Value of Lane Closures sold	0	\$9,124	\$26,157	\$9,124	n/a
10	Number of Acquisitions	1**	0	1**	0	n/a
11	Cost of Acquisitions	0	0	0	0**	n/a
* Pending agreements on 11 properties						
** Land Exchange with the National Capital Commission						
LEGAL SERVICES (CLAIMS/LAWSUITS RECEIVED)						
12	Vehicle Damage Claims	3	9	135	144	7%
13	Vehicle Damage Lawsuits	0	0	0	1	∞%
14	Sewer Back-ups Claims	33	2	77	30	-61%
15	Sewer Back-ups Lawsuits	2	0	5	2	-60%
16	Property Damage Claims	3	9	55	80	46%
17	Property Damage Lawsuits	2	3	3	9	200%
18	Personal Property Claims	3	4	5	7	40%
19	Personal Property Lawsuits	0	0	3	3	0%
20	Slips and Falls - Sidewalk Claims	1	0	14	21	50%
21	Slips and Falls - Sidewalk Lawsuits	2	1	8	6	-25%
22	Personal Injury Claims	5	3	17	4	-76%
23	Personal Injury Lawsuits	2	3	2	3	50%
CORPORATE HUMAN RESOURCES						
24	Full-Time Equivalents (FTEs) {Corporate-Wide}*	n/a	n/a	n/a	n/a	n/a
* FTEs are reported once at year's end.						

Explanation of all Items where YTD Variance is Greater than 5%	
No.	Explanation
12 to 23	For those items with a YTD variance greater than 5%, the percentage values are not reflective of significant variance as the actual changes in numbers of claims and lawsuits received are small.

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November 3, 1999

ACS1999-FN-COM-0009
(File: ACS1300)

Department of Finance

Ward/Quartier
City Wide

- Policy, Priorities and Budgeting Committee / Comité des politiques, des priorités et des budgets
 - City Council / Conseil municipal
- Action/Exécution

2. Resource Requirements for Tax Administration

Besoins en ressources pour l'administration des taxes

Recommendations

1. That Municipal Tax Equity Consultants Inc. (MTE) be retained under contract to provide tax administration services associated with the implementation of the 10-5-5 tax protection program, at an upside limit of \$50,000 to be funded from the 1999 General Contingency Reserve.
2. That the City Treasurer be given the authority to enter into a further contract with R.J.J.B. & Associates for the provision of assessment review services covering the period to December 31, 2000.

November 3, 1999 (9:36a)

Mona Monkman
City Treasurer

November 4, 1999 (9:26a)

Approved by
John S. Burke
Chief Administrative Officer

MM:tsc

Contact: Mona Monkman - 244-5300 ext. 3889

Financial Comment

Approval of Recommendation 1 will require a transfer of \$50,000 from the General Contingency Reserve to fund the tax capping program. Any unspent funds will be set aside at year-end 1999 in the year-end Reserve for Committed Expenditures, toward the funding of the year 2000 portion of this contract. The General Contingency Reserve has a balance of \$57,000, prior to the requested funding for the tax capping program.

Approval of Recommendation 2 will require the continuation of the existing budget provision for assessment review services which was included in the 1999 budget. The 1999 budget provision of \$50,000 for assessment review services covered the period from February to December 1999. This funding would form part of the recommended year 2000 budget in order to extend the contract into the year 2000, at a total annual estimated cost of \$63,000.



November 3, 1999 (9:02a)

Mona Monkman
City Treasurer

MM:tsc

Executive Report

Reasons Behind Recommendations

Recommendation 1

In October 1998, the Province approved the 10-5-5 tax protection program, commonly referred to as the Bill 79 Tax Capping Program.

This provincial legislation significantly changes the way in which taxes for commercial, industrial and multi-residential properties were to be calculated for the years 1998, 1999 and 2000. The legislation provided that tax increases would be limited by comparing them to taxes paid in 1997.

This new system requires municipalities to change the way in which all tax adjustments are calculated and implemented. The most significant of the new municipal requirements is the need to continuously review the 1997 tax situation, commonly referred to as the Frozen Assessment Listing (FAL). When municipal treasurers adjust taxes because of changes in taxation situations, such as an assessment reduction, there is a requirement to recalculate tax caps. This new municipal tax administration function requires a different set of processes. The processes are time consuming, and if not implemented properly, can lead to significant municipal financial exposure.

Staff have reviewed our ability to deliver these necessary services within existing resources. We have determined that the additional resource requirements and complexity associated with these new functions can best be served by contracting with an external party to deliver the services.

Staff are recommending that the firm "Municipal Tax Equity Consultants Inc." (MTE) be retained by the City to provide these services. MTE is a firm with expertise in tax administration. The firm is providing similar Bill 79 related services to other Ontario municipalities and has been providing assessment review services to various municipalities for

several years. To our knowledge, there are no other firms presently engaged in the provision of these “tax capping” services to the extent required by the City. MTE officials are members with City staff on the Province’s Expert Tax Panel.

Document 1 contains a draft proposal for services to be rendered by MTE to the City. The document explains in some detail the new municipal administrative duties associated with Bill 79. Document 2 provides some background information on MTE and its association with AMO/LAS.

The Province has announced its intention to review the use of frozen assessment listings and tax capping mechanisms prior to the next Provincial reassessment in the year 2001. Consequently, at this time, it is our recommendation that services required to implement Bill 79 tax capping processes be provided by contract, rather than through a permanent increase in the staff complement in the tax office.

It is difficult to estimate the total cost of the service requirement. The cost will depend on the volume of adjustments to be processed. A budget provision of \$50,000 is recommended.

Staff are recommending that this budget adjustment be approved now, in advance of the year 2000 budget process. There is a great degree of urgency in the work requirement in order to clear up the existing backlog of tax adjustments which have been on hold pending the final 1998 and 1999 capped tax billings. These have now been completed. We have received several requests from taxpayers who would like us to settle their tax adjustments as soon as possible.

Recommendation 2

During 1999, \$50,000 from the provision for tax remissions budget was set aside to fund a new pro-active assessment review function. The firm of R.J.J.B. & Associates was retained to provide these services on a contract basis. The contract covered the period to December 31, 1999. The staff report to Council on this matter dated February 3, 1999 had provided information on the need for such services.

Staff are now recommending that the service provision be extended into the year 2000.

The services provided by the firm include the following:

- Review of current tax class designations on the larger commercial and industrial properties.
- Advise the Regional Assessment Office of any errors and/or omissions on the Assessment roll and follow up to ensure the Assessment Role is corrected by update for the current and following year, and if necessary, file an appeal with the Assessment Review Board.

- Ensure that completed building permits are assessed in a timely manner.
- Liaise and follow up with the Regional Assessment Office that apportionment requests and Section 442 and 443 applications are completed promptly.
- Make alterations to the 1997 frozen assessment roll as necessary to reflect changes in use and/or physical character of property.
- Attend Assessment Review Board hearings representing the municipality as an interested party to the proceedings.
- Perform assessment quality control checks.
- Make field property inspections.

The principal behind R.J.J.B. & Associates is a former employee of the Provincial Assessment Office, and has expertise in the assessment function, and more particularly, in this Region.

With a potential municipal amalgamation, staff are recommending that these services be retained on contract rather than establishing permanent staff positions to provide assessment review services.

During 1999, the program has been successful. Some of the accomplishments of the contract are listed below:

- Review of tax class designations on the 1999 assessments increased the tax base by \$520,000 for 1999.
- Review of 300 tenant billing leases will facilitate the billing and collection of \$2 million in unsecured taxes.

Disposition

Finance Department to take necessary action.

List of Supporting Documentation

- Document 1 Draft proposal for services to be rendered by MTE to the City.
 Document 2 Background Information about Municipal Tax Equity Consultants Inc.

Part II - Supporting Documentation

City of Ottawa

10-5-5 IMPLEMENTATION WORKPLAN

To compliment the effort that has been put forth to date by the City using the On-line Property Tax Analysis (OPTA) system, MTE will provide the following assistance with respect to implementation of the 10-5-5 tax protection program.

- (1) Performing updates to the frozen assessment listing (FAL) for property in the multi-residential, commercial and industrial classes when "manual" adjustments are necessary,
- (2) Re-calculating the amount of any eligible tax adjustment for property subject to 10-5-5 related tax protection when a manual update to the FAL has occurred; and
- (3) Assisting City staff on an "as needed" basis with the interpretation and implementation of relevant assessment and tax reform legislation and regulations.

TASK OUTLINE

(1) Manual Adjustment Process – 1998 and 1999

To satisfy their obligations in respect of 10-5-5 tax adjustment calculations, the City has employed the frozen assessment listing (FAL) in the OPTA system.

To ensure that accurate "reform related tax impacts" can be isolated for the purpose of 10-5-5 any physical change, or change in use for a property that is subject to the 10-5-5 tax protection test must be reflected on the frozen listing. To do this a municipality must process all legal assessment changes including:

1. Decisions of both the ARB and OMB
2. Section 442 applications
3. Supplementary assessments
4. Omitted assessments
5. Year-end valuation changes
6. Year-end vacancy adjustments
7. Notice of Modification Forms

Depending on the "point-in-time" determined by the Region of Ottawa-Carleton as the relevant date for both 1998 and/or 1999 capping calculations, the FAL employed may not be completely up-to-date, and all of this documentation may

not have been processed. Any property, whose taxes should have been adjusted to reflect the impact of one of these types of documents, is subject to a "manual" adjustment in respect of its 10-5-5 related tax obligation if the change was not already made on the FAL. Moreover, once any cut-off date is established, additional documentation will continue to be received that will oblige the municipality to process further property-specific FAL and 10-5-5 related tax adjustments.

Because of the sheer volume and complexity of the calculations that are required to determine accurate adjustment amounts, the assistance of MTE should be enlisted by the City of Ottawa to deal with these areas of responsibility:

- (1) Processing outstanding FAL changes that will necessitate a manual revision to a property's 10-5-5 related tax adjustment; and
- (2) the calculation of property-specific tax adjustments for the purpose of re-billing as additional relevant documentation is received in the future.

To isolate properties falling into this category, the City should create a composite list of all change documentation received since the 1st of January, 1998. If any the aforementioned documents are not processed in OPTA/already on the FAL as of the effective date of capping calculations, properties affected by an "outstanding" FAL change will have be treated as a "manual adjustment". These are properties that may have their 1998 and/or 1999 10-5-5 tax adjustment altered to reflect any document that triggers a change in either their 1997, 1998 or 1999 level taxes.

MTE personnel will determine the appropriate revision to the FAL and provide an updated 10-5-5 related tax adjustment amount for each property affected by a change in FAL information. This support will assist the City with accurate billing adjustments.

The City will be responsible to provide MTE with:

- (1) copies of its 1998 and 1999 FAL's,
- (2) a list of properties that are to be affected by a manual adjustment;
- (3) a hard copy of the document triggering the change to the FAL; and
- (4) 10-5-5 calculation parameters applicable to the relevant tax cycle, including: municipal levy factors and claw-back percentages for each of the multi-residential, commercial and industrial classes.

MTE will also perform a series of data integrity checks upon receipt of the City's 1999 Frozen Assessment Listing (FAL). The results will be used to identify any

additional property specific corrections and/or manual adjustments that may be necessary because of coding inaccuracies that existed at the time that the capping calculations were initially performed by OPTA.

The calculation of all revised 10-5-5 tax adjustment totals by MTE will be given priority after 1999 final tax bills are issued.

(2) Implementation for 2000

The City may wish to consider out-sourcing the entire frozen assessment listing maintenance and 10-5-5 calculation function to MTE for taxation in the year 2000 to reduce the need for manual "one-off style" adjustments in future. This option should be re-visited at a future date.

FEES FOR SERVICE

Fees for services rendered are billed, based on the time and resources required, at the following hourly rates. The resources necessary to complete the project is directly related to the number and type of outstanding changes that must be made to the FAL.

Senior Consultant -	\$125
Assessment Advisors -	\$ 75
Research Assistants -	\$ 50
Support Staff -	\$ 35

Fees for disbursements, i.e. mileage, travel expenses, etc., plus Goods and Services Tax, may also apply.

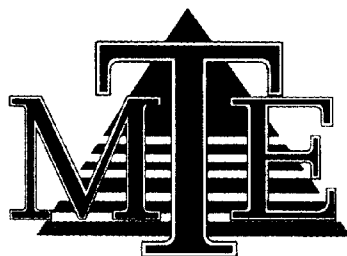
TIMING

Completion of the aforementioned services will be done according to a critical path that is mutually agreed to by MTE and the Municipality.

Respectfully Submitted,

Carla Y. Nell

BACKGROUND INFORMATION About



MUNICIPAL TAX EQUITY
CONSULTANTS INC.



&



" Partners for Progress "

Municipal Tax Equity Consultants Inc.
15391 STEELES AVE.
FISHBURN BUSINESS CENTRE
HALTON HILLS, ONTARIO
L0P 1E0

TEL: 905-878-7978
FAX: 905-878-9092
EMAIL: ADMINISTRATION@MTE.ON.CA
WWW.MTE.ON.CA

ABOUT MUNICIPAL TAX EQUITY CONSULTANTS INC.

Established in 1990, **Municipal Tax Equity Consultants Inc. (MTE)** is a private consulting firm that provides assessment review expertise and support services *exclusively to municipalities and school boards* to facilitate the preservation and enhancement of the municipal tax base.

Acknowledging that insufficient resources make it difficult for local levels of government to respond to these assessment challenges, MTE has developed a dossier of services to satisfy the assessment review service needs of our public sector clients. By outsourcing this type of function, municipal governments can have available to them a cost efficient means to procure the resources and expertise necessary to effectively manage their assessment base.

MTE's involvement in assessment and taxation matters on behalf of the public sector over the last several years has led to the development of a diversified portfolio of assessment and taxation services. However, to be precise, MTE encourages the implementation of a comprehensive *assessment base management* approach to facilitate the following:

encourage the more efficient use of the assessment base to ensure that local government have access to all tax revenue to which they are legitimately entitled,

promote greater fairness and equity in the property tax system for all ratepayers, and,

provide local decision makers with the assessment information necessary to make informed assessment and taxation policy decisions.



WHY DID LAS SELECT MTE?

Local Authority Services Ltd. (LAS) is an organization that was designed and developed by the Association of Municipalities of Ontario (AMO) in May of 1992 after much research and obtaining the comments from several municipal focus groups in Ontario. Corporately and legally, LAS is a wholly-owned subsidiary company of AMO with AMO being its sole shareholder. It is incorporated under the laws of Ontario to conduct business in this province.

LAS is mandated to work with municipalities, their agencies, boards and commissions as well as other organizations of Ontario's broader public sector to **assist them in reducing the cost of their expenditures** and to **increase their levels of revenues** through the principles of economies-of-scale and co-operative procurement efforts.

In early 1997 it had been Local Authority Services (LAS's) intention to provide a service whereby local governments could implement and maintain an assessment base management system to ensure that a municipality annually received its fair share of property tax revenue without the need to increase tax rates. In reviewing the level of professional expertise available in the area of assessment base analysis and management LAS found the services of MTE to be unparalleled.

The Province's introduction of the new Ontario Fair Assessment System made it very clear, however, that all municipalities would require help in this area but in a more immediate way. Again, LAS determined that MTE was best suited to deliver critical assistance since their work in the area of assessment base management was a natural extension of the expertise municipalities would require under the new OFAS.

In addition, here are some of the other key reasons as to why LAS decided to work jointly with MTE:

MTE works exclusively with municipalities, school boards and public sector organizations

MTE accepts no contracts for work from private sector firms or individual property owners. As a result the work they undertake in the public sector provides them with no conflict of interest and is unbiased.

MTE offers a wide scope of services.

Outside of assisting municipalities work through the newly updated assessment and tax system, MTE also provides a series of additional review services that have helped their municipal and school board clients to keep their assessment systems current. As a result, MTE clients have annually been able to obtain additional tax revenues or protect tax revenues without the need to increase municipal tax rates.





November 3, 1999

ACS1999-FN-FLS-0010
(File: FTA1300/0500)

Department of Finance

Ward/Quartier
City Wide

- Policy, Priorities and Budgeting Committee / Comité des politiques, des priorités et des budgets
- City Council / Conseil municipal

Action/Exécution

3. Write-off of Realty Taxes - 160 George Street **Élimination des taxes foncières - 160, rue George**

Recommendation

That the realty taxes in excess of the net proceeds reverting to the City upon sale of 160 George Street, be struck from the roll.

November 3, 1999 (11:02a)

Mona Monkman
City Treasurer

November 3, 1999 (11:17a)

Approved by
John S. Burke
Chief Administrative Officer

KH:tsc

Contact: Ken Hughes - 244-5300 ext. 1-3485

Financial Comment

Subject to City Council approval of this recommendation, the cost of the City's share of the principal and interest tax write off will be provided in the allowance for doubtful tax accounts.

November 3, 1999 (11:05a)

Mona Monkman
City Treasurer

KH:tsc

Executive Report

Reasons Behind Recommendation

160 George Street
Place St. George
Carleton Condominium Corporation No. 375

There are a number of units in this condominium which were owned by Perez Bramalea Limited and a wholly owned subsidiary. Perez Bramalea is now bankrupt. There are two roll numbers which comprise:

- 37 commercial units which represents most of the second floor;
- 40 parking spots;
- and two storage units.

There are significant unpaid taxes on this property dating back to 1994. As of October 15, 1999 the tax arrears are:

Roll number 020.601.10617.0000	\$ 216,467.93
Roll number 020.601.10618.0000	<u>148,186.18</u>
Total	<u>\$ 364,654.11</u>

A Tax Arrears Certificate was issued on November 26, 1998. The property could be sold under the Municipal Tax Sales Act for non-payment of taxes after November 26, 1999. In the meantime, the condominium corporation for the building has found a party who is interested in the property. The net proceeds which would be available to the City after the disbursements of the sale is \$222,500.

The Property Services Branch of the Department of Corporate Services arranged to have an appraisal done of the property. The appraiser determined that the fair market value of the property was in the range of \$256,000 - \$322,000. However, given the high carrying costs of the subject property, specifically the condominium fees, coupled with the fact that the commercial suite has a history of poor performance and has proven to be difficult to market, Property Services felt that the square footage value should be adjusted down slightly but within the range of comparable sales quoted in the appraisal report. Thus the adjusted market value range should be more appropriately in the area of \$221,000 to \$287,000.

“It is the opinion of the City Treasurer pursuant to Section 441 of the Municipal Act that the realty taxes in excess of the amount recoverable by the City on the sale of the property, as outlined above, are uncollectible.

It is therefore recommended that the City write off the remaining realty taxes in excess of the proceeds to be distributed to the City upon the sale of the property located at 160 George Street relating to the current proposed offer to purchase.”

Consultation

The Department of Corporate Services, Property Branch was consulted on this submission.

Disposition

The City Treasurer and the City Solicitor to prepare and have executed the required documentation to implement the recommendation.