



Property Tax & Other Financial Relief

Special Council
April 1, 2020



Items

- March 25th Motions
- Since March 25th
- Update on Tax payment methods
- Motions being proposed
- Cash Flow Outlook & contingency measures
- Water/Wastewater Rate Increase Deferral
- Storm-water Rate Increase Deferral

March 25th Council Motions

- That the 2020 interim tax levy instalment date of May 1st be deferred to June 1, 2020;
- That the charging of Penalties and Interest for late payment of taxes, continue to be waived through to May 31, 2020;
- That the 2020 interim tax levy instalments for the months of May and June for properties enrolled in the City's pre-authorized payment plan, be maintained and that staff provide flexibility to defer payments upon request by the property owner;
- That billing and collection for Waster/Wastewater accounts continue, but that overdue accounts not be transferred to the Property Tax account, for the period to May 31, 2020; and
- That staff continue to work to extend the deferral period for taxes and fees, in full consultation with the Region of York and the Government of Ontario, and report back at Special Council Meeting April 1, 2020

Ministry of Finance - March 25th

Property Tax Initiatives:

- School Board property tax payments (by municipalities) deferred 90 days for each of June 30th instalment and September 30th instalment. Each of these instalments about \$34.9 million
- Postponing the 2021 Property Tax Reassessment

Region of York - Council post April 1st

Staff have requested the following:

- Defer the property tax instalment dates (April 30th &/or June 30th) or waiving of late payment penalties/interest by 30 or 60 days. Each instalment about \$55 million
- Defer the Water/Wastewater wholesale rate increase to 2021 (previously approved 9% combined rate increase effective April 1st)

Other Municipalities

Markham (March 27th)

- Eliminated late payment charges for unpaid property taxes from April 1 to December 31, 2020
- Encourage residents who can afford to pay their taxes to continue to do so
- Eliminated the Storm-water Charge for 2020 to both residential and non-residential
- Defer 2020 Water/Wastewater rate increase, subject to approval by the Region

Vaughan (March 30)

- Two month deferral of charging Storm-water rate (from May to July)
- Waiving the 2020 Water/Wastewater rate increase
- Previously they adopted P&I waived until June 1st (no change)

Tax Collection methods

- **Pre-authorized payments monthly (14%)**
- **Pre-authorized payments instalments (7%)**
- **Online payments (61%)**
- **Mortgage Company (9%)**
- **ARH incl. post-dated cheques (9%)**
- Staff will continue to be flexible as residents call in, to meet direction of the motions

Motions being proposed

1. That the waiving of Penalties and Interest charges for late payment of taxes be extended to January 1, 2021 to assist residents/businesses dealing with financial hardship related to the COVID-19 virus, and **that residents/businesses who can afford to pay their taxes be strongly encouraged to do so at respective due dates;**
2. That the approved Water/Wastewater retail rate increase of 7.5% for 2020 be deferred, subject to the Region deferring their wholesale rate increase;
3. That the waiving of Water/Wastewater late payment charges for overdue accounts, be extended to January 1, 2021;
- 4) That the approved Storm-water fee rate increase of 7.5% for 2020 be deferred to 2021; and
- 5) That the City's Returned Cheque Fee of \$45 be waived for the balance of 2020

Cash Flow Outlook

- 75% of Regular Tax Payments
- Business as usual, WWW revenue flow, no Recreation & related revenue, and 30% of other revenues
- School Board Payment deferral (June 30 & Sept 30), and Region no relief & 30 day deferral of June 30th

Amount (\$ millions)	No relief from Region		30 Day Defer. of June Payment	
	to June 30/20	to Dec 31/20	to June 30/20	to Dec 31/20
Beginning Balance	116.0	116.0	116.0	116.0
Plus: Tax PAP	31.4	88.3	31.4	88.3
Plus: 75% Tax Install.	59.3	262.7	59.3	262.7
Plus: Other Revenue & Maturities	32.6	131.4	32.6	131.4
Less: Payment to SCB	(34.9)	(106.3)	(34.9)	(106.3)
Less: Payment to Region	(110.8)	(227.2)	(55.4)	(227.2)
Less: All Other Expenses	(70.6)	(233.5)	(70.6)	(233.5)
Bank Balance	23.0	31.4	78.4	31.4

Cash Flow Outlook

- 50% of Regular Tax Payments
- Business as usual, WWW revenue flow, no Recreation & related revenue, and 30% of other revenues
- School Board Payment deferral (June 30 & Sept 30), and Region no relief & 30 day deferral of June 30th

Amount (\$ millions)	No relief from Region		30 Day Defer. of June Payment	
	to June 30/20	to Dec 31/20	to June 30/20	to Dec 31/20
Beginning Balance	116.0	116.0	116.0	116.0
Plus: Tax PAP	31.4	88.3	31.4	88.3
Plus: 50% Tax Install.	39.5	262.7	39.5	262.7
Plus: Other Revenue & Maturities	32.6	131.4	32.6	131.4
Less: Payment to SCB	(34.9)	(106.3)	(34.9)	(106.3)
Less: Payment to Region	(110.8)	(227.2)	(55.4)	(227.2)
Less: All Other Expenses	(70.6)	(233.5)	(70.6)	(233.5)
Bank Balance	3.2	31.4	58.6	31.4

Cash-flow contingency measures

- Currently hold a investment portfolio of \$440 million (primarily bonds), would divest for cash-flow needs
- Temporarily borrow from Reserves (total \$360 million)
- Short-term credit financing (1.73% rate)

Defer Water/Wastewater Rate Increase

- Council approved 7.5% retail rate increase (effective April 1st) based on 9% rate increase by Region
- Total Budget of \$90 million (73% Region's charges)
- if City defers rate increase to 2021, equates to \$4.7 million less revenue
- if Region matches, net impact only \$488,000

Defer Storm-water Rate Increase to 2021

- 2020 approved SWM budget of \$4.4 million reflecting a 7.5% increase to rates
 - Operations \$2.9 million, RF contribution \$1.5 million (capital)
- Water Quality RF balance (\$6.4 million)
- Rates: Residential \$73.95 (2019) and \$79.50 (2020)
Non-res \$214.83 (2019) and \$230.95 (2020)
- Impact of deferring the rate increase is \$365,000

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Our ability to help those who need support relies heavily on those who can continue to pay their taxes. Continuing to do so and even paying them off early if feasible.