

Area Rating: Special Services

Open Houses: March 5 & March 6, 2014
David Baxter, Director of Finance



Overview

- ▶ Background

- ▶ Potential Special Services
 - Considerations for Common or Special Service
 - Definable Benefitting Area
 - Municipal Property Tax Impact

- ▶ Financial Impact Summary

- ▶ Next Steps



History

- ▶ May 2012, the tax allocation was to be reviewed
- ▶ A Working Group was established and held 22 meetings
- ▶ Open House in October 2013
- ▶ A Focus Group was established and held 5 meetings
- ▶ Stage 1 Community Consultation began which included a survey
- ▶ We are now beginning Stage 2 of the Community Consultation process



- ▶ For clarification, any change to the tax allocation model:
 - Has no impact on the actual levy total, only how the levy is apportioned to properties for taxation purposes.
 - Does not generate additional taxes for the Municipality as a whole, it is revenue neutral.
 - Only the Municipal portion of the property tax bill would change.
 - The County and Education rates are the same for both wards and would not change.



▶ Fair and Equitable Key Components:

- MPAC Current Value Assessment (CVA) is based on comparable property values
- Tax Ratios distribute burden by property type – County sets:

Farmland (0.25)	Commercial (1.52)
Residential (1)	Industrial (2.63)
- Weighted Assessment (CVA multiplied by tax ratio) are used to allocate costs
- Special Services – costs allocated to areas receiving benefit using weighted assessment.
- Common Services – costs allocated to whole community using weighted assessment.



Resolution

- ▶ On February 25, 2014 Council passed Resolution No. 17/2014 which indicates that Parks, Recreation and Culture facilities and programming, Sidewalks, Streetlights, Christmas Tree and Yard Waste Pickup, Bulky Waste Pickup, Transit, Police Service, Police Service Board and Community Policing Services, Library, Parking and Harbour Dredging be identified as potential Special Services for discussion purposes during the Municipal Taxation Review (Area Rating) Community Consultation Stage 2 – Review of Options/Themes.



Police Services

- ▶ Different service providers with separate business plans and budgets.
- ▶ Port Hope Police Service in Urban.
- ▶ Ontario Provincial Police in Rural.



Police Services

- ▶ The legal contract of each service provider aligns with the Ward geopolitical boundaries and thus is appropriate to establish the definable benefitting area on a Ward basis
- ▶ Tax Impact per \$100,000 weighted assessment:

Common	Special Service	
	Ward 1	Ward 2
\$252.49	\$292.00	\$146.58



Police Services Board

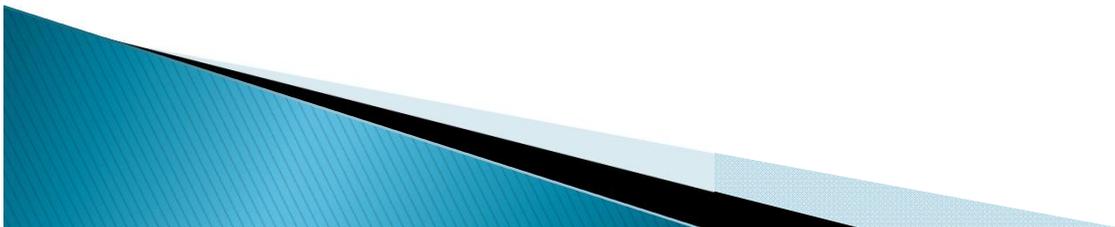
- ▶ There is a difference between the responsibilities the board has in relation to each service provider. For the Port Hope Police Service as a locally managed service, the Board has a greater role and responsibility that is established in legislation than it does for the Ontario Provincial Police Service.
- ▶ It can be justified that there is an increased operating cost attributed to those increased responsibilities and therefore could be considered a special service.



Police Services Board

- ▶ It has been recommended that the costs of the Board be allocated based on the relative cost of each service. This is not a substantive amount.
- ▶ Tax impact per \$100,000 weighted assessment:

Common	Special Service	
	Ward 1	Ward 2
\$3.77	\$4.36	\$2.19



Community Policing

- ▶ Community Policing is volunteer based and currently assists Police with community events such as the Santa Claus Parade and Fall Fair.
- ▶ There is no net levy impact.



Transit

- ▶ The rates are the same for all and all can use the service. Contracted to only operate in the urban area and provide coverage to the majority of the urban area.
- ▶ If the cost is not shared by all then some difference in access to use or rate could be reflected.



Transit

- ▶ Comparator Municipalities have established transit as a special service and given the current service is contracted to operate only in the urban area there is justification for establishing this as the definable benefitting area.
- ▶ Tax impact per \$100,000 weighted assessment:

Common	Special Service	
	Ward 1	Ward 2
\$21.43	\$29.42	\$0.00



Bulky Waste Pickup

- ▶ This service is provided in the urban area for residents to schedule in advance a pickup of a maximum 200kg of acceptable material and take it to a waste management location.
- ▶ Requires the use of the property owner's waste voucher as well as pay a \$50 user fee.
- ▶ This service does not generate any net expense that is material and therefore does not pass the significance test criteria for special service.



Christmas Tree & Yard Waste

- ▶ Comments ranged from:
 - Desire for more frequent pickups to no pickup at all.
 - In terms of Christmas trees, some had artificial trees and others no holiday tree at all.
 - There was some suggestion that a tag like system, similar to garbage bag tags run by Northumberland County could be used.
- ▶ Use is not a deciding factor in the determination of a special service.



Christmas Tree & Yard Waste

- ▶ Given that the current operation of this service is only available in Ward 1, on this basis it can be justified that the service is not undertaken generally throughout the Municipality and the geopolitical Ward 1 could be the definable benefitting area.
- ▶ Tax impact per \$100,000 weighted assessment:

Common	Special Service	
	Ward 1	Ward 2
\$1.38	\$1.90	\$0.00



Parking

- ▶ Police respond to calls regarding parking in both urban and rural areas under the Highway Traffic Act. As this is not a high priority for Police Services and the urban area has determined it appropriate to establish a parking function, under the administration of the Planning and Development Department
- ▶ Since the contractual boundary is the geopolitical Ward 1, it can be argued that a special service exists



Parking

- ▶ Based on the 2013 Budget including \$90,000 net revenue the tax impact per \$100,000 weighted assessment:

Common	Special Service	
	Ward 1	Ward 2
(\$4.84)	(\$6.65)	\$0.00

Note: Net revenue



Parking

- ▶ Parking is now setup such that the net revenue is transferred to reserves:
 - Parking reserve to be utilized to implement the Council-approved Municipal Parking Study and fund future equipment and parking lot needs
 - Accessibility reserve towards improving the accessibility of the whole of the Municipality
 - HBIA beautification reserve.
- ▶ This service currently has no net levy impact.



Port Hope Public Library

- ▶ Comments in support of the common approach noted that both branches as well as the virtual library are available to all.
- ▶ The reasons provided in favor of special service included:
 - Differences in operating hours of the branch.
 - Respondents who did not use the service and did not want to pay for the service.
 - The suggestion that each area should pay based on the allocation of Library memberships for each area.



Port Hope Public Library

- ▶ The primary factor would be proximity, therefore:
 - Southern half of the Municipality would pay for branch specific costs at the Mary J. Benson Branch
 - Northern half of the Municipality would pay for branch specific costs at Garden Hill branch
 - General costs such as administration and virtual library being shared by both.
- ▶ For discussion purposes the definable benefitting area established as properties on South (MJB Branch) and North (GH Branch) side of 5th Line.



Port Hope Public Library

- ▶ Tax impact per \$100,000 weighted assessment:

Common	Special Service	
	South	North
\$ 37.22	\$ 38.29	\$ 30.41

- ▶ Note: Estimate 50% of Ward 2 weighted assessment designated to the North and 50% designated to the South.



Parks, Recreation & Culture: Facilities & Programs

- ▶ The primary reasons provided for being a special service were the rural area does not use the facilities and programs are located in the urban area.
- ▶ If the types of services being offered were truly focused on the needs of the urban area, being different than the needs of the rural area as has been argued, then it would be reasonable to expect that as commented in the survey rural residents would not use the services located in the urban area, but actual use does not seem to support this point.



Parks, Recreation & Culture: Facilities & Programs

- ▶ If the type of service offered does not justify a special service, then the location of the services is the remaining justification.
 - In many Municipalities, it is not uncommon to travel 15–20 minutes to get to the desired recreational destination.
- ▶ Since the Special Service would be based on proximity, Council needs to establish a definable benefitting area (eg. Radius, North and South, Wards, etc).
- ▶ Tax impact per \$100,000 weighted assessment:

Common	Special Service	
	Ward 1	Ward 2
\$50.09	\$68.77	\$0.00

Parks, Recreation & Culture: Marina

- ▶ Consistent with facilities and programs, location of the service is the remaining justification, this becomes a matter of proximity.
- ▶ Since the Special Service would be based on proximity, Council needs to establish a definable benefitting area (eg. Radius, North and South, Wards, etc).
- ▶ Tax impact per \$100,000 weighted assessment:

Common	Special Service	
	Ward 1	Ward 2
\$3.92	\$5.38	\$0.00

Parks, Recreation & Culture: Harbour Dredging

- ▶ The cost of dredging the harbour has historically and will continue to be paid out of reserves pertaining to the harbour which were funded by harbour related sources as well as through harbour related revenue.
- ▶ Currently, there is no direct property tax impact related to the harbour dredging.



Works & Engineering: Sidewalks

- ▶ It can be justified that sidewalks are not generally undertaken throughout the Municipality as they are not present in the rural area and not all urban residents have sidewalks in close proximity to their property.
- ▶ Sidewalk costs are a minor component of Municipal property taxes
- ▶ Tax impact per \$100,000 weighted assessment:

Common	Special Service	
	Ward 1	Ward 2
\$2.76	\$3.79	\$0.00

Works & Engineering: Streetlights

- ▶ Streetlights are present more generally throughout the urban area while primarily located at intersections and other high risk areas in the rural area.
- ▶ Could be allocated based on actual cost given:
 - Different hydro providers in each Ward
 - Recent retrofit results in 5 year repayment arrangement
- ▶ Tax Impact per \$100,000 weighted assessment:

Common	Special Service	
	Ward 1	Ward 2
\$10.60	\$13.92	\$1.68



Financial Impact

Options for Potential Special Services

Area Rating Summary

Paid Per \$100,000 Weighted Assessment (WA)

		Paid Per \$100,000 Weighted Assessment (WA)		
		All Common	If Special Service	
Services	Dept		W1*	W2*
Police Service (PHPS/OPP)	PS	252.49	292.00	146.58
Police Service Board	PS	3.77	4.36	2.19
Community Policing	PS		-	-
Parking	P&D	(4.84)	(6.65)	-
Library*		37.22	38.29	30.41
Facilities and Programs	PRC	50.09	68.77	-
Marina	PRC	3.92	5.38	-
Harbour Dredging	PRC			
Transit	WE	21.43	29.42	-
Sidewalks	WE	2.76	3.79	-
Streetlights	WE	10.60	13.92	1.68
Christmas Tree and Yard Waste Pickup	WE	1.38	1.90	-
Bulk Waste	WE	-	-	-

*Definable Benefitting Area by Library for each Branch is MJB: W1 + 50% W2, GH: 50% W2 (Estimated)

For context when considering Impact of Potential Special Services:

2013 Actual By Ward



Municipal
County
Education

Paid per
\$100,000
Weighted
Assessment

2013 If Common*



**Before adjustment of special services*

Next Steps

- ▶ Please pick up a comment sheet at the Open House or on the website (www.porthope.ca)
- ▶ All comments received prior to March 21, 2014 will be included in a report to the Committee of the Whole on April 1, 2014.
- ▶ Submit Comments by March 21, 2014 via:
 - Email to finance@porthope.ca or fax to 905-885-1807, or
 - Submit directly at:
 - Open House Events
 - Town Hall (56 Queen Street)
 - Canton Municipal Office (5325 County Road 10)
 - Garden Hill Library (3609 Ganaraska Road), or
 - Mail to Town Hall (56 Queen Street, Port Hope, ON, L1A 3Z9)

