
DATE: February 1, 2012

REPORT TITLE: **2012 FINAL LEVY BY-LAW**

FROM: Norma Trim, Chief Financial Officer and Commissioner of Corporate Services

RECOMMENDATION

That the 2012 Current Budget be adjusted to include the technical adjustment identified in the report of the Chief Financial Officer and Commissioner of Corporate Services, dated February 1, 2012, titled "2012 Final Levy By-law";

And further, that the shortfall of \$909,250 in assessment levy growth included in the 2012 Current Budget be funded from the Working Funds Assessment Reserve (R1213);

And further, that the necessary by-law be presented for enactment which apportions the 2012 Regional net levy requirement of \$854,695,989 to the Cities of Brampton and Mississauga and the Town of Caledon in accordance with the Council approved apportionment formula, as detailed in Appendix I (as attached).

REPORT HIGHLIGHTS

- The 2012 Current Budget to be adjusted to include the technical adjustment identified by the Chief Financial Officer (CFO) - fund \$909,250 from the lower than forecasted assessment growth estimate in the 2012 Budget from the Working Funds Assessment Reserve (R1213).
- The net property tax levy requirements of \$854.7 million for 2012 to be apportioned to the lower-tier municipalities in accordance with the Council approved apportionment formula.
- The Regional property tax levy due dates correspond with the lower-tier municipalities "Tax Bill Installment Due Dates" and for the City of Mississauga reflect the monthly pre-authorized payment plan receipts.
- The Regional and lower-tier municipal finance staff have agreed with the 2012 tax installment plan.
- A by-law is to be enacted as per section 311 of the *Municipal Act, 2001*, S.O. 2001, c. 25.

DISCUSSION

1. Background

At its meeting held on December 15, 2011 Regional Council approved the 2012 Current Budget and authorized the Chief Financial Officer and Commissioner of Corporate Services to present the necessary levy by-law to Regional Council.

1.1 Technical Adjustment to the 2012 Current Budget

The approved 2012 Current Budget included a projected assessment growth of 1.80 per cent. The actual assessment growth based on the 2012 returned assessment roll was 1.69 per cent resulting in a shortfall of \$909,250. It is proposed that this shortfall be funded from the Working Funds Assessment Reserve (R1213) in order to maintain the 1.27 percent budget impact approved by Council as shown in the following table:

	Net Levy (\$000's)
Budget approved Dec. 15, 2011	\$855,605
<u>Technical Adjustments</u>	
Non Program / Internal Support	(909)
Revised 2012 Current Budget	<u>\$854,696</u>

2. Apportionment Plan

The allocation of the 2012 levy has been developed in accordance with the Regional apportionment plan. Waste management costs are apportioned based on the relative lower-tier municipal household counts according to the returned assessment roll data provided by the Municipal Property Assessment Corporation (MPAC). Peel Regional Police costs are apportioned between Mississauga and Brampton based on transition ratio weighted Current Value Assessment (CVA). Caledon fully assumes the costs of the Ontario Provincial Police contract. The remaining Regional services are apportioned among the lower-tier municipalities according to relative shares of transition ratio weighted CVA. The apportionment of all the costs is shown in Appendix I and Appendix II (as attached) shows the weighted CVA used to establish the apportionment shares.

2.1 2012 Regional Tax Levy Apportionment

After deducting the value of funds that have been raised through the interim levy of \$415.0 million, the final tax levy by-law is required to raise the remaining 2012 balance of \$439.7 million as shown in the following table:

Final Levy Payment to the Region of Peel

	<u>2012 Net Levy</u>	<u>Less Interim Levy</u>	<u>Final Levy</u>
Mississauga	\$ 530,971,563	\$ 258,622,704	\$ 272,348,859
Brampton	282,722,139	136,716,859	146,005,280
Caledon	41,002,287	19,629,069	21,373,218
Total	<u>\$ 854,695,989</u>	<u>\$ 414,968,632</u>	<u>\$ 439,727,357</u>

2.2 Property Tax Levy Due Dates

Based on consultations with the lower-tier municipal finance staff, it is proposed that the final levy payment to the Region will be made in accordance with the installment schedules set by the lower-tier municipalities. The City of Mississauga will have a total of nine installments which reflect the final tax bill installment due dates plus the monthly pre-authorized payment plan receipts. The City of Brampton will have a total of four installments, while the Town of Caledon will have a total of two installments. The lower-tier final levy payment dates to the Region are one day after the local installment due dates and are as indicated in the following table.

<u>Due Date to Region</u>	<u>City of Mississauga</u>	<u>City of Brampton</u>	<u>Town of Caledon</u>
July 6, 2012	\$34,315,956	---	\$10,686,609
July 16, 2012	5,991,675	---	---
July 19, 2012	---	\$36,250,643	---
August 3, 2012	131,272,150	---	---
August 15, 2012	13,236,155	---	---
August 23, 2012	---	48,668,427	---
September 7, 2012	34,588,304	---	10,686,609
September 17, 2012	13,236,155	---	---
September 20, 2012	---	48,668,427	---
October 15, 2012	13,236,155	---	---
October 25, 2012	---	12,417,783	---
November 15, 2012	13,236,155	---	---
December 17, 2012	<u>13,236,154</u>	<u>---</u>	<u>---</u>
Total	<u>\$272,348,859</u>	<u>\$146,005,280</u>	<u>\$21,373,218</u>

3. Final Levy By-law

As per section 311 of the *Municipal Act* a by-law needs to be passed to adopt estimates of all sums required during the year 2012 for the purposes of the Regional Corporation and to provide a general levy and special levies to be raised from the lower-tier municipalities.

February 1, 2012
2012 FINAL LEVY BY-LAW

FINANCIAL IMPLICATIONS

The 2012 Current Budget will be adjusted to reflect the technical adjustment identified by the CFO. The assessment growth shortfall of \$909,250 will be funded from the Working Funds Assessment Reserve (R1213). This adjustment will not impact property taxpayers.

CONCLUSION

The proposed timing and installment method for the final Regional levy provides for the timely payment of funds to the Region of Peel by the lower-tier municipalities so that it may meet its program funding obligations.



Norma Trim
Chief Financial Officer
and Commissioner of Corporate Services

Approved for Submission:



D. Szwarc, Chief Administrative Officer

For further information regarding this report, please contact Dave Bingham at extension 4292 or via email at binghamd@peelregion.ca

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c. Legislative Services

**REGIONAL MUNICIPALITY OF PEEL
2012 PROPERTY TAX APPORTIONMENT CALCULATIONS**

	City of Mississauga	City of Brampton	Town of Caledon	Region of Peel
Total General Levy Excluding Waste & Police	263,995,598	137,835,730	25,508,757	427,340,085
<i>2012 Share of Gross General Levy Exc. Waste & Police</i>	<i>61.77647%</i>	<i>32.25434%</i>	<i>5.96919%</i>	<i>100.00000%</i>
2012 Peel Region Policing Net Expenditure	213,948,321	111,705,359	-	325,653,680
2012 OPP Policing of Caledon Net Expenditure	-	-	11,000,096	11,000,096
Total Police Levy	213,948,321	111,705,359	11,000,096	336,653,776
<i>2012 Share of Peel Region Police</i>	<i>65.69811%</i>	<i>34.30189%</i>	<i>0.00000%</i>	<i>100.00000%</i>
<i>2012 Share of OPP</i>	<i>0.00000%</i>	<i>0.00000%</i>	<i>100.00000%</i>	<i>100.00000%</i>
Total 2012 Net Waste Management Levy	53,027,644	33,181,050	4,493,434	90,702,128
<i>2012 Share Based on Households</i>	<i>58.46351%</i>	<i>36.58244%</i>	<i>4.95405%</i>	<i>100.00000%</i>
Tax Supported Net Expenditures	530,971,563	282,722,139	41,002,287	854,695,989
<i>2012 Average Share</i>	<i>62.12403%</i>	<i>33.07868%</i>	<i>4.79729%</i>	<i>100.00000%</i>

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APPENDIX II
2012 FINAL LEVY BY-LAW
February 1, 2012

REGIONAL MUNICIPALITY OF PEEL
CURRENT VALUE ASSESSMENT FOR 2012 TAXATION

TAX CLASSES	Class Qualifier	Mississauga	Brampton	Caledon	Peel
Residential					
Fully Taxable	T	75,150,958,677	44,346,579,257	9,080,856,170	128,578,394,104
Awaiting Development I	1	13,161,000	4,963,100	361,000	18,485,100
Multi Residential					
Fully Taxable	4, T	3,459,367,885	1,280,879,090	28,297,770	4,768,544,745
Awaiting Development I	1	27,286,000	-	-	27,286,000
Commercial					
Fully Taxable	4, H, M, T	22,449,728,465	8,282,170,094	1,016,237,282	31,748,135,841
Awaiting Development I	1	64,419,000	-	1,482,000	65,901,000
Vacant/Excess Land	J, U, X, K	488,509,714	353,450,053	44,182,471	886,142,238
Industrial					
Fully Taxable	4, H, I, M, T	4,505,871,785	2,454,094,024	436,333,821	7,396,299,630
Awaiting Development I	1	69,227,000	19,839,000	1,795,000	90,861,000
Vacant/Excess Land	J, U, X, K	505,348,138	222,131,702	102,431,350	829,911,190
Farm Land		7,685,068	144,895,042	544,084,100	696,664,210
Managed Forest		347,700	1,674,817	50,306,460	52,328,977
Pipeline		125,733,000	110,720,000	15,836,000	252,289,000
Total		<u>106,867,643,432</u>	<u>57,221,396,179</u>	<u>11,322,203,424</u>	<u>175,411,243,035</u>

WEIGHTED ASSESSMENT FOR 2012 APPORTIONMENT

TAX CLASSES	Transition		Mississauga	Brampton	Caledon	Peel
	Ratio	Discount				
Residential						
Fully Taxable	1.0000	0%	75,150,958,677	44,346,579,257	9,080,856,170	128,578,394,104
Awaiting Development I	1.0000	70%	3,948,300	1,488,930	108,300	5,545,530
Multi Residential						
Fully Taxable	1.7336	0%	5,997,160,165	2,220,531,990	49,057,014	8,266,749,169
Awaiting Development I	1.0000	70%	8,185,800	-	-	8,185,800
Commercial						
Fully Taxable	1.2971	0%	29,119,542,792	10,742,802,829	1,318,161,378	41,180,506,999
Awaiting Development I	1.0000	70%	19,325,700	-	444,600	19,770,300
Vacant/Excess Land	1.2971	30%	443,552,165	320,922,045	40,116,358	804,590,568
Industrial						
Fully Taxable	1.5986	0%	7,203,086,636	3,923,114,707	697,523,246	11,823,724,589
Awaiting Development I	1.0000	70%	20,768,100	5,951,700	538,500	27,258,300
Vacant/Excess Land	1.5986	30%	565,494,673	248,569,817	114,622,729	928,687,219
Farm Land	0.2500	0%	1,921,267	36,223,761	136,021,025	174,166,053
Managed Forest	0.2500	0%	86,925	418,704	12,576,615	13,082,244
Pipeline	0.9239	0%	116,164,719	102,294,208	14,630,880	233,089,807
Total			<u>118,650,195,919</u>	<u>61,948,897,948</u>	<u>11,464,656,815</u>	<u>192,063,750,682</u>
General levy shares			61.77647%	32.25434%	5.96919%	100.00000%
Peel Regional Police Shares			65.69811%	34.30189%	0.00000%	100.00000%