



SCENARIO 2: PFC 2019-0148 Administration Recommendation

Summary - Typical Residential property tax increase \$65 in 2020, 2021 and 2022 after \$20 million efficiency per year and shift of Non-Res to Res

	Residential			Non-residential			Ratio	Shift to Res from NR	Efficiency or Reductions	Cost to fund PTP at 10%
	Rate	Tax bill (\$)	Tax impact (\$)	Rate	Tax bill (\$)	Tax impact (\$)				
Approved (2018 Dec. 17) 2019 – Residential increases \$65 per year	3.45%	\$1,940	\$65	1.01%	\$87,587	\$10,970	4.47 : 1	\$8 million		\$44 million *
2020-2022 Projected										
2020 – Residential increases \$109 per year Contribute from Efficiency Res. Increases \$65 per year	5.62%	\$2,049	\$109	0.31%	\$87,861	\$274	4.25 : 1	\$22 million		
			(44)						\$20 million	
	3.35%	\$2,005	\$65				4.34 : 1			
2021 – Residential increases \$109 per year Contribute from Efficiency Res. Increases \$65 per year	5.32%	\$2,158	\$109	0.55%	\$88,342	\$481	4.05 : 1	\$21 million		
			(44)						\$20 million	
	3.24%	\$2,070	\$65				4.23 : 1			
2022 – Residential increases \$109 per year Contribute from Efficiency Res. Increases \$65 per year	5.05%	\$2,267	\$109	0.80%	\$89,050	\$708	3.89 : 1	\$20 million		
			(44)						\$20 million	
	3.14%	\$2,135	\$65				4.13 : 1			

- approximate funding required to limit increases in non-residential municipal property taxes to 10% for the qualified properties.
- Assumption is that there is no change to residential and non-residential assessment values – actual results will vary.

C2019-0352
Attachment 6





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Risks	Pros	Cons
Expectation for permanent solution is not met - this scenario continues a temporary solution if PTP implemented	2019 Approved by Council - Maintains the current service levels and capital projects	May be difficult to understand
Non-residential to residential tax ratio is close to legislated maximum – increasing the risk that relative assessment shifts next year may push it over	Balanced approach between shifting some to residential and City continuing to find efficiencies and reductions	Efficiencies and reductions are not guaranteed, therefore potential for higher residential property tax increases
Some non-residential taxpayers may see increases that challenge their profitability	Liquidity is preserved for major unfunded projects	PTP only for 2019
	Tax ratio is reduced well below legislated level	
	Meets the equity/fairness principle	