



	REPORT NO.: 2018-02
MEETING DATE: JANUARY 18, 2018	DATE PREPARED: JANUARY 4, 2018
SUBJECT: YEAR 2018 WEIGHTED ASSESSMENT CALCULATION AND 2018 LEVY APPORTIONMENT	

RECOMMENDATION

THAT with respect to Report No. 2018-02 (Corporate Services Division), we, The District of Thunder Bay Social Services Administration Board, approve the year 2018 weighted assessment calculation and 2018 levy apportionment;

AND THAT we approve the revised Weighted Assessment Calculation Policy (CS-02:81);

AND THAT any necessary By-laws be presented to the Board for consideration.

REPORT SUMMARY

To present The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with the year 2018 weighted assessment calculation and 2018 levy apportionment for the Board's review and approval.

BACKGROUND

In accordance with the *District Social Services Administration Board Act*, the TBDSSAB annual levy is to be apportioned among its 15 Member Municipalities and the Territories Without Municipal Organization (TWOMO). The default apportionment method has been used since the establishment of TBDSSAB. This method requires the calculation of a weighted assessment to establish each municipality's share of the levy for each budget year.

In accordance with the Weighted Assessment Calculation Policy (CS-02:81), the weighted assessment calculation involves multiplying the taxable assessment from the previous year for each prescribed property class, by the tax ratio established by the municipality for the prior year, for each class. The tax ratio used for each property class in the unincorporated territory is the weighted average of those established by incorporated municipalities. The weighted assessment for each property class is then summed to determine a total for each municipality and unincorporated territory. Each municipality's sum is then divided by the aggregate of all Member Municipalities' weighted assessments to determine its share.

At the December 14, 2017, Meeting, the Board approved the Year 2018 TBDSSAB Operating Budget of \$106,666,000, which includes financing levied to Municipalities and TWOMO in the amount of \$22,806,700, a decrease of 3.0%, relative to the 2017 levy of \$23,510,000. In accordance with the approved process, an interim calculation was provided with the 2018 TBDSSAB Budget as an estimate of the levy apportionment for each municipal funding partner.

COMMENTS

In accordance with the Policy and administrative procedures, written confirmation was requested, and received, from each municipal funding partner relative to its Municipal Property Assessment Corporation (MPAC) assessment roll values, and the Year 2017 respective Council-approved tax ratio By-laws.

Despite the overall TBDSSAB levy decrease of 3.0% compared to 2017, as a result of the weighted assessment calculation factors (MPAC assessment and municipal tax ratios), eleven funding partners will experience a decrease in levy apportionment, but five funding partners will experience an increase compared to their 2017 levy. The primary factor in the shift in the 2018 levy apportionment is significant increases in assessment values for certain municipalities, relative to others.

The apportionment is detailed in Attachment 1: Comparison of Total Levy for 2018 Budget with 2017 Budget.

UPDATE ON CHANGES RELATED TO PROVINCIAL LAND TAX ASSESSMENT

Historically, based on information obtained from MPAC, only a portion of the Provincial Land Tax (PLT) assessment was used in the weighted assessment calculation (22.5% from 2009 to 2015). After discussions with MPAC officials, beginning with the 2016 weighted assessment calculation, Administration has used 100% of the PLT assessment. This resulted in a shift in the weighted assessment and levy apportionment from Municipalities to TWOMO, which is billed to the Province. In 2016 and 2017, payment was received, in full, from the three Provincial Ministries (Ministry of Community and Social Services, Ministry of Education, and Ministry of Housing).

The Ministry of Finance has not provided Administration with any further direction on the impact of applying the full PLT assessment to the weighted assessment calculation for the 2009 to 2015 years.

PROPOSED REVISION TO THE WEIGHTED ASSESSMENT CALCULATION POLICY

Historically, each year, Administration has performed the weighted assessment calculation as defined in the Board-approved Weighted Assessment Calculation Policy (CS-02:81), and presented the results, along with the annual levy apportionment, to the Board, for approval.

The Board has approved the method by which the levy is to be apportioned (weighted assessment method), the assessment from MPAC is confirmed, and tax ratios are approved by each of the respective municipal funding partners.

Given that the implementation of the Policy is operational, i.e., completing the approved calculation with the approved input values (assessment, tax ratios, Budget), the Board should not be required to approve the results of this calculation each year.

Administration recommends revising the Weighted Assessment Calculation Policy (CS-02:81) to clarify that the weighted assessment calculation and the annual levy apportionment be presented to the Board “for information only”.

The proposed changes to the Policy are presented in Attachment 3: Draft CS-02:81 Weighted Assessment Calculation Policy.

FINANCIAL IMPLICATIONS

The financial implications for each municipal funding partner and TWOMO are provided in Attachment 1: Comparison of Total Levy for 2018 Budget with 2017 Budget, and Attachment 2: Distribution by Program of 2018 Budget Levy.

There are no financial implications associated with updating the Weighted Assessment Calculation Policy (CS-02:81).



CONCLUSION

It is concluded that the Year 2018 weighted assessment calculation has been completed, and the Year 2018 levy apportionment has been determined, and should be distributed to TBDSSAB’s funding partners.

It is further concluded that the revisions to the existing Weighted Assessment Calculation Policy (CS-02:81) should be adopted by the Board, and that the weighted assessment calculation and levy apportionment in subsequent years, be presented to the Board for information only.

REFERENCE MATERIALS ATTACHED

- Attachment 1: Comparison of Total Levy for 2018 Budget with 2017 Budget
- Attachment 2: Distribution by Program of 2018 Budget Levy
- Attachment 3: Draft CS-02:81 Weighted Assessment Calculation Policy

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SUBMITTED / SIGNATURE:	 William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board

**The District of Thunder Bay Social Services Administration Board
Comparison of Total Levy for 2018 Budget with 2017 Budget**

Municipality	2018 Weighted Assessment (\$)	(%)	Distribution of 2017 Budget Levy (\$)	Distribution of 2018 Budget Levy (\$)	Increase/ (Decrease) (\$)	Increase/ (Decrease) (%)
Conmee	58,355,045	0.3242%	73,422	73,939	517	0.70%
Dorion	41,649,874	0.2314%	51,910	52,775	865	1.67%
Gillies	33,081,586	0.1838%	41,425	41,919	494	1.19%
Greenstone	593,596,280	3.2980%	768,307	752,165	(16,142)	-2.10%
Manitouwadge	49,567,078	0.2754%	66,087	62,810	(3,277)	-4.96%
Marathon	140,440,004	0.7803%	186,952	177,961	(8,991)	-4.81%
Neebing	294,753,889	1.6377%	369,648	373,505	3,857	1.04%
Nipigon	87,881,180	0.4883%	115,011	111,365	(3,646)	-3.17%
O'Connor	61,337,793	0.3408%	75,796	77,725	1,929	2.54%
Oliver Paipoonge	719,327,948	3.9966%	919,312	911,493	(7,819)	-0.85%
Red Rock	40,204,068	0.2234%	54,473	50,950	(3,523)	-6.47%
Schreiber	40,027,045	0.2224%	53,556	50,722	(2,834)	-5.29%
Shuniah	684,247,392	3.8017%	875,136	867,042	(8,094)	-0.92%
Terrace Bay	109,097,526	0.6061%	145,527	138,231	(7,296)	-5.01%
Thunder Bay	13,048,758,154	72.4994%	17,082,645	16,534,721	(547,924)	-3.21%
TWOMO	1,996,140,772	11.0905%	2,630,793	2,529,377	(101,416)	-3.85%
Total	17,998,465,634	100.0000%	23,510,000	22,806,700	(703,300)	-3.0%

The District of Thunder Bay Social Services Administration Board
Distribution by Program of 2018 Budget Levy

Municipality	2018 Weighted Assessment (\$)	(%)	Ontario Works (\$)	CSRP Issuances (\$)	Child Care Programs		Housing Programs (\$)	Interest Revenue (\$)	Total (\$)
					Support (\$)	Admin (\$)			
Conmee	58,355,045	0.3242%	13,683	1,814	4,548	1,094	53,072	(272)	73,939
Dorion	41,649,874	0.2314%	9,766	1,296	3,246	781	37,880	(194)	52,775
Gillies	33,081,586	0.1838%	7,757	1,029	2,579	620	30,088	(154)	41,919
Greenstone	593,596,280	3.2980%	139,189	18,466	46,268	11,131	539,882	(2,771)	752,165
Manitouwadge	49,567,078	0.2754%	11,623	1,542	3,864	929	45,083	(231)	62,810
Marathon	140,440,004	0.7803%	32,932	4,369	10,947	2,634	127,735	(656)	177,961
Neebing	294,753,889	1.6377%	69,117	9,169	22,975	5,527	268,091	(1,374)	373,505
Nipigon	87,881,180	0.4883%	20,608	2,734	6,850	1,648	79,935	(410)	111,365
O'Connor	61,337,793	0.3408%	14,383	1,908	4,781	1,150	55,789	(286)	77,725
Oliver Paipoonge	719,327,948	3.9966%	168,673	22,377	56,068	13,489	654,243	(3,357)	911,493
Red Rock	40,204,068	0.2234%	9,428	1,251	3,134	754	36,571	(188)	50,950
Schreiber	40,027,045	0.2224%	9,386	1,245	3,120	751	36,407	(187)	50,722
Shuniah	684,247,392	3.8017%	160,447	21,286	53,334	12,831	622,338	(3,194)	867,042
Terrace Bay	109,097,526	0.6061%	25,580	3,394	8,503	2,046	99,219	(511)	138,231
Thunder Bay	13,048,758,154	72.4994%	3,059,765	405,924	1,017,094	244,685	11,868,152	(60,899)	16,534,721
TWOMO	1,996,140,772	11.0905%	468,063	62,096	155,589	37,430	1,815,515	(9,316)	2,529,377
Total	17,998,465,634	100.0000%	4,220,400	559,900	1,402,900	337,500	16,370,000	(84,000)	22,806,700

POLICY

CATEGORY/SECTION

CORPORATE SERVICES – FINANCE

SUBJECT

WEIGHTED ASSESSMENT CALCULATION

AUTHORITY

Assessment Act
District Social Services Administration Boards Act
Municipal Act

INTENT OF POLICY

To establish the parameters for the calculation of The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) weighted assessments.

DEFINITIONS

“Weighted Assessment” means the result of multiplying the taxable assessment for each prescribed property class by the tax ratio established by the municipality for each class.

“Tax Ratios” with respect to a property, means the tax ratio established under section 308 of the Municipal Act for the property class it is in.

POLICY

In accordance with applicable legislation, in any given year weighted assessments will be calculated utilizing the property tax assessment rolls for the previous year as established and provided by the assessor, and the approved tax ratios for the previous year provided by the Municipalities.

STANDARDS OF APPLICATION

1. The land tax assessment rolls established by the assessor as at December 31 of any given year will be utilized in the calculation of the weighted assessments for the year immediately following.
2. The land tax assessment rolls as provided by the assessor shall be deemed accurate until such time as the assessor issues an amended land tax assessment roll.

SECTION CORPORATE SERVICES – FINANCE	SUBJECT WEIGHTED ASSESSMENT CALCULATION
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3. Unless mandatory under law or amendments thereto, adjustments to weighted assessments shall not be made to past or current weighted assessments as a result of retroactive amendments to or reassessment of lands within land tax assessment rolls.
4. In the event of such mandatory amendment to a weighted assessment under law, a legally amended land tax assessment roll must be received from the assessor before changes to the weighted assessment can be calculated by Administration.
5. The tax ratios established and approved by each municipality as at December 31 of any given year will be utilized in the calculation of the weighted assessments for the year immediately following.
6. TBDSSAB Administration will request that Municipalities provide their council-approved tax ratios on or before September 30 of each year. Municipalities must provide any tax ratio amendments for each year to TBDSSAB prior to December 31. The provision of such amendments to TBDSSAB Administration shall be the sole responsibility of the Municipalities. TBDSSAB shall not be obligated to re-calculate the weighted assessments based on amended tax ratios received after December 31.
7. The weighted assessment calculation as well as the annual municipal levy apportionment will be presented to the Board, for information only, no later than the February Board Meeting. ~~In the first year of a new Board term the municipal levy apportionment shall be draft since the budget will not be presented for approval until the February Board Meeting.~~

RELATED POLICIES

CS-02:80 Weighted Assessments – Land Tax Assessment Rolls

RELATED PROCEDURES

~~Weighted Assessment Calculation Procedure~~N/A

FORMS

N/A