

## REPORT

### ADMINISTRATIVE SERVICES COMMITTEE

MEETING DATE: DECEMBER 5, 2016

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**FROM:** Finance Department

**DATE:** October 27, 2016

**SUBJECT:** 2017 Interim Tax Levy By-law - By-law 2016-084

**LOCATION:**

**WARD:** Town wide

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### RECOMMENDATION:

That By-law 2016-084, a by-law to provide for an interim tax levy in 2017, be approved.

### KEY FACTS:

The following are key points for consideration with respect to this report:

- Each year the Town requires revenue to meet financial expenditures prior to approving the annual budget.
- To ensure sufficient revenue is generated to meet these obligations, the Town is authorized to levy interim taxes pursuant to Section 317 (1) of the *Municipal Act, 2001*

### BACKGROUND:

Setting final tax rates for 2017 cannot be completed until the Town and the Region of Halton approve budgets for 2017 and the Province of Ontario issues a regulation for 2017 education tax rates. Historically, budgets are not determined until the first quarter of the year and only after this occurs is staff able to calculate final tax rates for Council's approval.

Prior to levying final tax bills based on approved budgets, the Town requires revenue to operate and provide services. Additionally, the Town is legislated to provide operating funds to the Region and School Boards in February each year. Therefore, to generate revenue and meet the aforementioned financial obligations, it

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is necessary to levy an interim tax on all ratable property in Oakville. The authority to levy an interim tax resides in Section 317 of the *Municipal Act*.

2017 is the first year of the 4 year phase-in program implementing 2016 assessment values. At writing this report, those values (used to calculate notional tax rates that produce a tax levy amount of approximately one-half of approved 2015 budgets) have not yet been provided to the Town by the Municipal Property Assessment Corporation (MPAC). Once received, notional rates will be calculated and applied to the 2017 interim levy using the calculation as described above. However, delaying this report and the interim levying by-law to a committee meeting in January 2017 would not allow staff sufficient time to prepare interim bills with a due date prior to the dates the Town is obliged to make initial 2017 payments to the Region and School Boards.

#### **CONSIDERATIONS:**

**(A) PUBLIC**

Approving an interim tax levy ensures the Town's financial obligations are satisfied and services to the public are provided.

**(B) FINANCIAL**

The interim tax levy is integral to the Town's ability to finance operations

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

n/a

**(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS**

This report addresses the corporate strategic goal to:

- be accountable in everything we do
- be fiscally sustainable

**(E) COMMUNITY SUSTAINABILITY**

Ensuring adequate revenue is available to provide services are inherent to the Town's obligation to Oakville residents.

#### **APPENDICES:**

Appendix A - By-law 2016-084

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