



**BUDGET COMMITTEE
CITY OF PETERBOROUGH
APRIL 6, 2009**

DRAFT MINUTES, NOT APPROVED

MINUTES OF A MEETING OF BUDGET COMMITTEE HELD ON APRIL 6, 2009, AT 5:00 P.M. IN THE GENERAL COMMITTEE ROOM, CITY HALL

The budget committee meeting was called to order at 5:00 p.m. in the General Committee Room.

Roll Call:

Councillor Clarke, Chairman
Councillor Doris
Councillor Eggleton
Councillor Farquharson
Councillor Hall
Councillor Martin
Councillor Pappas
Councillor Peacock
Councillor Peeters
Councillor Vass
Mayor Ayotte: 5:09 p.m.

Disclosure of Pecuniary Interest

There were no declarations of pecuniary interest.

Minutes

Moved by Councillor Farquharson

That the minutes of the Budget Committee of November 24, 26, 27, 2008, December 10, 2008, January 14, 15, 2009, be approved.

"CARRIED"

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Senior Director of Corporate Services
Report CPFPRS09-005
Tax Policies for 2009 and Subsequent Years

Moved by Councillor Vass

That Council approve the recommendations outlined in report CPFPRS09-005 dated April 6, 2009, of the Senior Director of Corporate Services as follows:

- a) That the following changes be made to Tax Policies effective for the 2009 taxation year:
- i) That the Tax Ratio Reduction Program be accelerated so that over the ten-year period 2009-2018 the tax ratios for the Multi-residential, Commercial and Industrial classes are reduced each year by the amount shown below so that by the year 2018, a 1.50 tax ratio for each of the classes has been achieved.

Class & Subclass	2009- 2018 Annual Tax Ratio Change
Multi-residential	-0.05252
Commercial Occupied	-0.03149
Commercial, New Construction	-0.03149
Commercial Excess Lands & Vacant Units and Vacant Land	-0.02393
Industrial Occupied	-0.10976
Industrial Excess Lands & Vacant Units and Vacant Lands	-0.07134

- ii) That the 2009 tax ratios be established as follows:

Class & Subclass	2009 Ratios
Residential	1.00000
Farm Property	0.25000
Multi-residential	1.97268
New Multi-residential	1.00000
Commercial Occupied	1.80771
Commercial, New Construction	1.80771
Commercial Excess Lands & Vacant Units and Vacant Land	1.26540
Industrial Occupied	2.48784
Industrial New Construction	2.48784
Industrial Excess Lands & Vacant Units and Vacant Lands	1.61710
Pipelines	1.27060

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- iii) That the 2009-2018 Tax Ratio Reduction Program be reviewed each year as part of the annual tax policy approval process.
- iv) That properties that achieved CVA tax in 2008 remain at CVA tax from 2009 forward regardless of how reassessment affects the property.
- b) **That no changes be made to the following existing tax policies:**
 - i) **A system of graduated tax rates within the Commercial and Industrial classes not be implemented for 2009.**
 - ii) **That the capping policy for 2009 for the Multi-residential, Commercial and Industrial classes be as follows:**
 - 1. **Capping be based on a maximum increase threshold at the greater of:**
 - **10% of the previous year's annualized capped taxes and**
 - **5% of the previous year's annualized CVA tax for the eligible property**
 - 2. **No capping credit be applied for properties where the required billing adjustment is within a \$250 credit of the properties' CVA tax; affected properties would be billed at their full CVA tax level.**
 - iii) **The threshold on the tax level for eligible new construction be 100%**
 - iv) **Tax ratio reductions for mandated subclasses of vacant units remain at 30% for the Commercial class and 35% for the Industrial class**
 - v) **The 2009 tax rate for farmland awaiting development subclasses be 25% of the residential rate**
- c) **That a by-law be passed at the April 14, 2009 Council meeting authorizing the 2009 tax policies as set out in report CPFPRS09-005.**

Moved by Councillor Vass

That recommendation a) i) be amended to substitute this section for the Chamber of Commerce version of the tax rates and include the balance of the recommendations.

"LOST"

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Moved by Councillor Martin

That the ten-year tax ratio initiative is adopted and that the industrial class receive an accelerated reduction this year to enable this class to achieve its target in four years not five.

Motion Withdrawn

The Chair extended the budget committee meeting until 6:00 p.m.

Moved by Chair Clarke

That the budget committee meeting continued to completion and that Committee of Whole meet in closed session after the Committee of Whole open session.

“CARRIED”

Moved by Councillor Peeters

That Report CPFPRS09-005 be referred to a special budget committee meeting for further discussion.

Councillor Martin left the meeting at 6:13 p.m. and returned at 6:17 p.m.

Moved by Councillor Farquharson

That the Question be Put

“CARRIED”

Upon the referral motion of Councillor Peeters, this motion lost.

Moved by Councillor Hall

That Report CPFPRS09-005 be referred to the 2010 budget meetings and that the 2009 tax ratios considered at the 2009 budget talks be accepted.

Moved by Councillor Farquharson

That the Question be Put

“CARRIED”

Upon the referral motion of Councillor Hall, this motion lost.

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Moved by Councillor Pappas

That item a) i) be amended to change the dates to 2010-2019 and that a) ii) be included and that the 2010 tax ratios be reviewed each year.

Motion withdrawn

Moved by Councillor Pappas

That item a) be amended as follows:

- a) **That the following changes be made to Tax Policies effective for the 2009 and 2010 taxation years:**
- i) **That the Tax Ratio Reduction Program be accelerated so that over the ten-year period 2010-2019 the tax ratios for the Multi-residential, Commercial and Industrial classes are reduced each year (from the approved 2009 amounts) by the amount shown below so that by the year 2019, a 1.50 tax ratio for each of the classes has been achieved.**

Class & Subclass	2010- 2019 Annual Tax Ratio Change
Multi-residential	-0.05111
Commercial Occupied	-0.03204
Commercial, New Construction	-0.03204
Commercial Excess Lands & Vacant Units and Vacant Land	-0.02243
Industrial Occupied	-0.10976
Industrial Excess Lands & Vacant Units and Vacant Lands	-0.07134

- ii) **That the 2009 tax ratios be established as follows:**

Class & Subclass	2009 Ratios
Residential	1.00000
Farm Property	0.25000
Multi-residential	2.01110
New Multi-residential	1.00000
Commercial Occupied	1.82040
Commercial, New Construction	1.82040
Commercial Excess Lands & Vacant Units and Vacant Land	1.27428
Industrial Occupied	2.59760
Industrial New Construction	2.59760
Industrial Excess Lands & Vacant Units and Vacant Lands	1.68844
Pipelines	1.27060

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- iii) **That the 2010-2019 Tax Ratio Reduction Program be reviewed each year as part of the annual tax policy approval process.**

Moved by Councillor Peacock

That the question be put

"CARRIED"

Moved by Councillor Farquharson

That the Question be Put

"CARRIED"

Upon the amended motion of Councillor Pappas, this motion carried.

Upon the original motion of Councillor Vass, as amended by Councillor Pappas, this motion carried.

Other Business

There was no other business.

Adjournment

Moved by Councillor Farquharson

That this meeting adjourn at 6:56 p.m.

"CARRIED"

John Kennedy
Deputy Clerk

Councillor H. Clarke
Chairman