THE REGIONAL MUNICIPALITY OF YORK

REPORT NO. 3
OF THE REGIONAL
FINANCE AND ADMINISTRATION COMMITTEE
MEETING HELD ON MARCH 7, 2002

For Consideration by
The Council of The Regional Municipality of York
on March 28, 2002

Chair:	Mayor T. Jones
Members:	Mayor M. Black Mayor W. Emmerson Mayor T. Taylor
Staff Present:	H. Brown, P. Carlyle, S. Cartwright, J. Davidson, E. Hankins, J. Simmons, B. Tuckey, T. Webster, A. Wells

The Finance and Administration Committee began its meeting at 9:05 a.m. on March 7, 2002.

1
2002 AND LONG RANGE TAX POLICY DECISIONS

The Finance and Administration Committee recommends:

1. **The receipt of a communication, March 6, 2002 and a deputation from Susan Frame, Executive Director, Centered on Children Child Care Centre, regarding the treatment of "similar to registered charities" tax exemption policy referenced in Recommendation 5 of the following report,**

2. **The adoption of the recommendations contained in the following report, February 27, 2002, from the Commissioner of Finance:**

1. RECOMMENDATIONS

It is recommended that:

1. Property tax ratios for the 2002 taxation year be set as follows:

Property class	Tax Ratios
Multi -Residential	1.300
New Multi- Residential	1.000
Commercial	1.100
Industrial	1.300
Pipelines	0.919

2. The tax discounts on Phase I Farmland Awaiting Development properties remain at 75%;

3. The tax discounts on Excess and Vacant Land for commercial and industrial properties remain at 30% and 35% respectively

4. Optional Classes not be adopted and Graduated Tax Bands not be established;

5. Royal Canadian Legions and Veterans Associations identified in Table 7 of this report be considered as organizations "similar" to registered charities and be eligible to receive a rebate of 100% of total property taxes payable for 2002 and subsequent years, conditional upon not also being exempt from the municipal share of property taxes under Section 207(62) of *The Municipal Act*;

6. The following tax rates be approved for the 2002 taxation year based on the 2001 Returned Assessment Roll:

Property class	Tax Rates
Residential/Farm	.557186%
Multi-Residential	.724341%
New Multi-Residential	.557186%
Commercial	.612904%
Industrial	.724341%
Pipelines	.512053%
Farmlands	.139296%
Managed Farms	.139296%

7. The Regional Solicitor be authorized to prepare the necessary by-laws to give effect to the above noted recommendations.

2. PURPOSE

The purpose of this report is to provide information from the staff consultation with the Tax Policy Business Working Group, and to follow up on guidance from the January 31, 2002 Council Workshop with recommendations for property tax policy decisions for the 2002 taxation year and future years.

3. BACKGROUND

In 1998, the Province introduced current value assessment (CVA) for property taxation. A set of fiscal policy tools was made available to municipalities to aid them in the development of municipal specific property tax policies.

Regional Council has annually considered the use of individual tools.

For long range purposes Council has utilized the tax ratio tool in support of its affordable housing strategy. In 2001, Regional Council reduced tax ratios for multi-residential properties from 2.0875 to 1.65 and adopted a plan to phase-in tax ratio reductions for existing multi-residential properties to 1.30 in 2002 and 1.00 in 2003. In addition, Regional Council also adopted a New Multi- Residential class with a tax ratio of 1.00 for newly constructed multi-residential properties. As a result of Council's decisions, multi-residential property owners have seen their average tax rates for municipal services decline approximately 41% between 2000 and 2002 with a further decline anticipated in 2003.

In October 2001, Council directed staff to conduct a comprehensive review of all available fiscal tools with a view towards developing a longer term strategy based on existing legislation.

The recommendations contained in this report are a consensus of the Committee of Region and Area Treasurers and reflect the guidance received at the Council Workshop held on January 31, 2002.

3.1 Consultation Process

In the fall of 2000, a Tax Policy Business Working Group was established for York Region to provide input on long term tax policy development. The Group is made up of members of Business Improvement Associations, Chambers of Commerce, Boards of Trade, and many of the Region’s largest employers. A small group of business representatives met on January 17, 2002 to provide input to staff on the use of the tools prior to the Council Workshop.

Comments from the Business Working Group include the following:

- Education taxes on business properties are too high;
- Parity of tax rates should be achieved for commercial and industrial property owners in the short term;
- In the longer term, municipal tax rates for business property owners and residential property owners should be equalized;

- The use of optional classes and graduated tax bands is discriminatory;
- Funding special treatment for new optional classes should not be done at the expense of business property owners;
- Funding special treatment for organizations "similar" to charities should not be done at the expense of business property owners;
- Assessment appeal processes are cumbersome and lengthy; and
- Alternate methods of funding the cap should be investigated.

3.2 Fiscal Policy Tools

Generally speaking the fiscal policy tools available to Council can be divided into three categories:

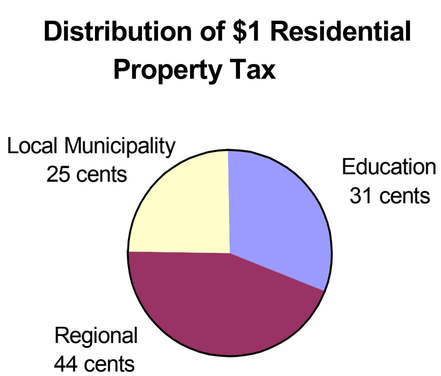
1) Tools that can be used to determine broad taxation levels among property classes, such as:
- the ability to move tax ratios;
- tax discounts for excess and vacant land; and
- tax discounts for farmland awaiting development.

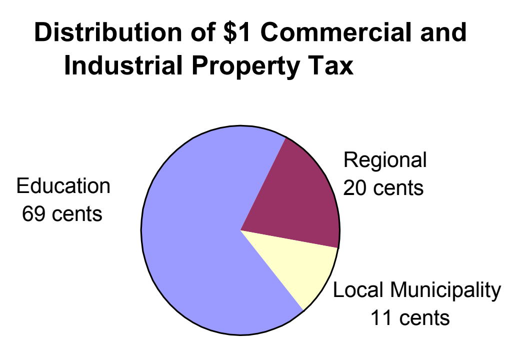
2) Tools that relate to the treatment of properties within classes, such as:
- the adoption of prescribed optional classes;
- requesting new optional classes; and
- creating graduated taxation bands in the commercial and industrial classes.

3) Rebates for registered charities and "similar" organizations.

Regional Council's ability to determine tax policy through the use of the available fiscal policy tools is for the most part limited to the municipal portion of the tax bill which is approximately 69% for residential properties, and 31% for commercial and industrial properties, as shown in Table 1.

Table 1
Distribution of Property Taxes - 2001
York Region





Source: York Region Finance Department

3.3 Tax Ratios

Adjusting property class tax ratios is the broadest tool available to Regional Council to shift taxation burden among property classes. Property tax ratios determine how all other property classes municipal tax rates compare with the residential rate. For the taxation year 2001, Council set the tax ratios for the commercial and industrial classes at 1.10 and 1.30 respectively. Council also lowered the tax ratio for multi-residential properties to 1.65 in 2001, and adopted a plan to reduce the ratio to 1.30 in 2002 and 1.00 in 2003 as part of its initiative to promote affordable housing.

As shown in Table 2, tax ratios in York Region are among the lowest in the Greater Toronto Area. (GTA)

Table 2
Tax Ratios – 2001
Greater Toronto Area

Property Class	York	Toronto	Durham	Halton	Peel
Commercial	1.1000	3.7976	1.4819	1.4565	1.2971
Industrial	1.3000	5.3009	2.2598	2.3599	1.5986
Multi- Residential	1.6500	4.1743	2.4900	2.2619	1.7336

Source: Regional and Single-Tier Municipal Finance Departments

These low tax ratios have resulted in low tax rates for business properties. As shown in Table 3 the municipal property tax rates on commercial and industrial property in York Region are also amongst the lowest in the GTA.

Table 3
Municipal Property Tax Rates for Commercial and Industrial Properties - 2001
Selected GTA Municipalities

Municipalities	Commercial Municipal Property Tax Rate %	Industrial Municipal Property Tax Rate %
Aurora	0.981014	1.159380
East Gwillimbury	1.027247	1.214019
Georgina	1.194494	1.411569
King	0.981815	1.200939
Markham	0.930689	1.099905
Newmarket	0.995798	1.176852
Richmond Hill	0.922852	1.090643
Vaughan	0.887297	1.048625
Whitchurch- Stouffville	0.923376	1.091263
Mississauga	1.105974	1.363048
Oshawa	1.984039	2.798556
Oakville	1.252250	2.028963
Toronto	2.660400	3.713508

Source: Municipal Tax Rate By-laws for 2001

During the consultation process, it was suggested by business representatives that it would be more equitable if both commercial and industrial properties were taxed the same and/or were taxed at the residential rate. However, lowering tax ratios for either the commercial or industrial classes would result in a shift of tax burden, primarily to the residential class. For example, equalizing the tax ratios for the commercial and industrial classes at 1.10 would increase the municipal taxes on an average residential home by about $17.00 a year. Reducing the ratio for both classes to 1.00, to equal the residential rate, would increase municipal taxes by about $69.00 on the same property.

As tax ratios and tax rates in York Region are already among the most competitive in the GTA, no further reductions are recommended at this time.

3.4 Tax Discounts for Excess and Vacant Land for Businesses

Provincial legislation requires municipalities to provide tax discounts of between 30% and 35% for excess and vacant commercial and industrial land. Currently, in York Region the discount rate is 30% for commercial properties, and 35% for industrial properties. The same rates are used for rebates for vacant business units.

Changing the discount rates would have little impact for individual business owners. For every $1,000 of value of commercial excess or vacant land, an increase from a 30% discount to a 35% discount would reduce total property taxes by $1.47 a year. For every $1,000 of value of industrial excess or vacant land, a decrease from a 35% discount to a 30% discount would increase total property taxes by $1.80 a year.

Increasing the commercial discount rate for excess or vacant land to 35% would also increase the corresponding rebate rate for vacant commercial units. The Region and local municipalities would incur costs of about $205,000 in this case. If the industrial discount rate were lowered to 30%, the Region and local municipalities would save about $62,000 on the resulting lower rebate rate for vacant industrial units.

Current discount policy in York Region is consistent with other jurisdictions in the GTA, except for the Region of Peel which has lowered its industrial discount rate to 30%.

At this time it is recommended that Regional Council leave the discount rates for excess and vacant land at the current rates of 30% for commercial properties and 35% for industrial properties.

3.5 Tax Discounts for Farmland Awaiting Development

As a matter of public policy, farmland in Ontario has traditionally received preferential property tax treatment while it is a working farm. By providing tax discounts for farmland awaiting development, municipalities are providing incentives to keep this land under cultivation during the development period. As shown in Table 4, there are two Phases of Farmland Awaiting Development that receive different tax treatment.

Table 4
Farmland Awaiting Development
York Region

Characteristics	Phase I	Phase II
Actively farmed	Yes	No
Registered plan of subdivision	Yes	N/A
Building permit issued	N/A	Yes
Tax rate	Residential	Zoned Use
Discount permitted	25%-75%	0%-100%
Current discount	75%	0%

Source: Provincial Legislation and York Region Approved Tax Policies

The current discount rates for Phase I farmland result in the same tax rate paid by working farms and encourage continued cultivation. Providing no discount on Phase II properties recognizes these properties are no longer farmed, and that within a relatively short period of time will be developed to intended use.

At this time it is recommended that Council retain the 75% discount rate for Phase I land and the 0% discount for Phase II land.

3.6 Prescribed Optional Classes and Graduated Bands of Taxation

Regional Council has the ability to segment properties within the broad industrial and commercial classes. Council may adopt prescribed optional property classes for shopping centres, office buildings, large industrial or parking lots. Council also has the option of establishing up to three graduated tax bands within the broad commercial and industrial property classes. However, the tools cannot be used in combination.

As a result of Bill 79 and Bill 140, the intended effects of using either tool would largely be mitigated by the 5% capping and clawback requirements. Furthermore, different assessment mixes of properties in each local municipality would result in inter-municipal tax shifts. Finally, feedback received from the Tax Policy Business Working Group indicated they would not support the use of either of these tools because they discriminate against some property owners.

At this time it is recommended that Council not adopt any of the prescribed optional classes or graduated tax bands.

3.7 New Optional Property Classes

Regional Council has the ability to request the Minister of Finance to create new property classes in addition to those which are prescribed. As part of this process, Council would need to clearly define what category of properties would be in a new class. Categories of property can only be defined by factors such as assessed value, or type of business, but not by geographic location.

3.7.1 Golf Course Class

In the spring of 2001, the Chairman of the National Golf Course Owners Association addressed Council in support of the establishment of a new optional property class for golf courses.

As shown in Table 5, golf courses in York Region, on average, experienced an increase in assessed property values for the 2001 taxation year of over 80% due to a change in assessment methodology and reassessment to 1999 market values.

Table 5
Percentage Increase in Golf Course Assessments from 1996 to 1999 Re-valuations

Local Municipality	1996 CVA $(000's)	1999 CVA $(000's)	% Increase	No. of Properties
Aurora	10,787	18,893	75.1	4
East Gwillimbury	5,186	17,323	234.0	4
Georgina	7,613	13,705	80.0	10
King	24,592	34,883	41.9	5
Markham	41,957	81,156	93.4	20
Newmarket	9,670	13,222	36.7	3
Richmond Hill	13,603	26,094	91.8	8
Vaughan	49,640	82,989	67.2	15
Whitchurch-Stouffville	29,716	61,082	105.6	8
Total	192,764	349,347	81.2	77

Source: 2000 Returned Roll for 2001 taxation, MPAC

The National Golf Course Owners Association asked that Regional Council request the Province to establish a new golf course class that would reduce the tax burden on golf courses to previous levels. The total tax impact on golf courses as a result of the 2001 reassessment was approximately $1.4 million. The cost of implementing a new class to offset this change would result in an increase in taxes of approximately $3.56 for municipal services on an average residential home. It is estimated the tax ratio for a new golf course class would need to be about 0.50 or one half of the residential rate.

Marcel Beaubien, M.P.P., who is reviewing provincial tax policies, has recommended in a draft report that the Province should make changes to the assessment methodology used for golf courses. He has also recommended that the assessment for these properties should revert to the previous methodology until such time as the review is completed. Staff understand Mr. Beaubien's final report is now with the Minister for consideration.

At this time, it is recommended that Regional Council await a final decision from the Province prior to considering a request for a new class for golf courses as any decision made now could be superseded.

Alternately, local municipalities have the ability under Section 23 of *The Assessment Act* to enter into agreements with golf course owners to defer property taxes. The deferral is repayable with interest at the time of sale of the golf course. However, this could necessitate significant borrowing on the part of municipalities to fund the deferment.

3.8 Charities and Organizations "Similar to Charities"

Current legislation requires Council to rebate a minimum of 40% of total property taxes payable by a charity and permits rebates between 0% and 100% to organizations deemed to be "similar" to a charity.

The original intent of providing rebates was to give relief to charitable organizations that had been tenants in commercial and industrial properties prior to 1998 and paid property taxes at the residential rate. These organizations were now subject to a much higher commercial and industrial tax rate due to the integration of the Business Occupancy Tax. However, as shown in Table 6, the implementation of the mandatory 5% capping mechanism has resulted in many charities and 'similars' paying less tax than in 1997.

Bill 140 removed the restriction that rebates could only be given to tenants, and further, permitted rebates to organizations outside the commercial and industrial classes.

Table 6
Example of Maximum Property Taxes Paid by a Charity or "Similar" to Charity in 2001
Assuming $1000 Paid in 1997

Description	Taxes Paid $
Taxes paid in 1997	1,000
Taxes paid in 2001 **(1)**	1,260
40% Rebate	(504)
Total taxes paid in 2001	756

(1) Assumes a charity who is a tenant in a commercial or industrial properties capped at 5% per year
Source: York Region Finance Department

Currently, Council's policy is to provide a rebate to registered charities equal to the minimum 40% discount required by legislation. Until the 2001 taxation year, Council exercised its option to provide the same level of rebate to "similar" to charity organizations. However, because of the protection afforded "similar" to charitable organizations by capping legislation and the relatively low tax rates paid by commercial and industrial tenants, Council directed that commencing with the 2001 taxation year, tax rebates be limited to those organizations receiving the rebates in 2000, and only in the amount they received in 2000. These rebates are to end in 2003.

Extending rebates given to "similar " organizations would recognize the not-for-profit nature of these organizations, and the fact that they often provide valuable services to the residents of York Region. The overall dollar impact of increasing the rebate percentage or extending rebates to 'similars' could be significant, as there are numerous non-profit community groups that could apply.

Few organizations have applied in the past, because, until 2001, the rebate applied only to tax increases arising from assessment increases. These were minimal in amount given capping requirements. The rebate is now based on total taxes payable, and it could reasonably be expected that many more groups would apply.

In 2001, there were four 'similar' to charitable organizations in York Region that applied and were eligible to receive the rebate:

- Secondary Teachers Association
- Newpark Children's Centre
- Centred on Child Care
- Kinderschool Adlerian Nursery School

3.8.1 Royal Canadian Legions and Veterans Associations

Bill 140 permitted Council to consider rebates to organizations "similar" to charities that owned their own properties, and were outside the commercial and industrial property classes. In July 2001, the Town of East Gwillimbury adopted a resolution whereby the Region of York was asked to use the rebate to "similar" tool to provide Royal Canadian Legions with a 100% property tax rebate. The request was made to the Town by the local Legion Branch in order to relieve the Branch from paying education property taxes.

There are presently nine Royal Canadian Legions and two Veterans Associations who own property in York Region as listed in Table 7.

Table 7

List of Royal Canadian Legions and Veterans Associations - December 2001
York Region

Name of Legion/Association	Municipality
Legions	
Legion Branch 385	Aurora
Mount Albert and District Branch	East Gwillimbury
Legion Branch 386	Georgina
Legion Branch 556	Georgina
Legion Branch 426	Newmarket
Legion Branch 375	Richmond Hill
Legion Branch 414	Vaughan
Legion Branch 459	Whitchurch-Stouffville
Provincial Command	Aurora
Veterans Associations	
Markham Veterans Association	Markham
Newmarket Veterans Association	Newmarket

The property taxes payable by the Legions' and Veterans Associations in York Region is shown in Table 8. Legions and Veteran's Associations are presently paying the residential property tax rate which is the lowest.

Table 8
Property Taxes Payable by Legions and Veterans Associations - 2001
York Region

Organization	Regional Taxes $	Local Taxes $	Education Taxes $	Total Taxes $
Royal Canadian Legions	30,496	20,666	20,925	72,087
Veterans Association	3,930	2,421	2,697	9,048
Total	34,426	23,087	23,622	81,135

Source: Municipal Property Assessment Corporation and York Region Finance Department

3.8.1.1 Current Situation

Section 207(62) of *The Municipal Act* allows local municipal Councils' to pass by-laws exempting any premises used and occupied as a memorial home, clubhouse or athletic grounds by persons who served in the Armed forces of Her Majesty's allies in any war, to be exempt from taxation, except for local improvements and school purposes, for a period not exceeding ten years.

As shown in Table 9, many municipalities in Ontario, including all municipalities in York Region which have Royal Canadian Legion properties, have provided exemptions on the municipal portion of their property taxes as allowed under Section 207(62). The education portion of the taxes remains payable under this section.

With respect to Veterans Associations, the Newmarket Veterans Association is currently exempt under Section 207(62). An exemption for the Markham Veterans Association expired in 1993. The cost of providing an exemption is normally borne by the local municipality, but could be shared by the Region. Legions and Veterans Associations would still be responsible for paying the educational portion of their taxes.

Table 9
Property Tax Treatment of Royal Canadian Legions – 2001
Selected Municipalities in Ontario

Municipality	Exemption of Municipal Taxes: Section 207 (62)	100% Similar to Charity Rebate of Municipal and Education Taxes	No Exemption or Rebate given
York*	✓		
Toronto		✓	
Durham	✓		
Halton			✓
Peel**	✓		
Hamilton		✓	
London	✓		
Niagara***	✓		
Sudbury	✓		
Waterloo	✓		

* 7/9 area municipalities have a by-law, 2/9 area municipalities do not have Legions
** 2/3 municipalities, Caledon is considering
*** 11/12 area municipalities have a by-law for this exemption

Source: Regional Municipal Finance Departments

3.8.1.2 Proposed Use of 'Similar" to Charity Tool

Section 442.1 of *The Municipal Act* gives all municipalities the authority to extend rebates to include organizations "similar" to registered charities, and can increase the amount of the rebate up to 100 percent of total property taxes payable. Defining an organization as being "similar" to charity is at the discretion of Regional Council. The rebate is cost-shared among the Region, the local municipality, and the school boards based on their share of revenue. Therefore the cost to the Region of providing a 100% rebate to Legions and Veterans Associations would be more than the $34,426 cost of sharing a Section 207(62) exemption with the local municipalities.

The distinction in the use of the Section 442.1 tool enables the rebate on the education portion of the tax bill.

Therefore, it is recommended Council define Royal Canadian Legions and Veteran's Associations as being organizations "similar" to charities, and that they be eligible for tax rebates equal to 100% of their property taxes for 2002 and subsequent years. However, to ensure that there will not be benefits received from both exemptions and rebates, current exemptions under Section 207(62) must be rescinded prior to the Regional by-law taking effect in those local municipalities.

3.9 Alternate Funding of Mandatory 5% Cap

Bill 140, *The Continued Protection of Property Taxpayers Act* requires municipalities to establish a permanent program to limit any annual tax increase resulting from reassessment of more than 5% per year for business and multi-residential property owners starting in 2001. This was in essence a continuation of the provisions of Bill 79*, The Fairness for Property Taxpayers Act* which was commonly referred to as the "10-5-5 Capping" legislation. In past years Regional Council approved the funding of the cap by clawing back a portion of assessment related decreases from properties in each of the protected classes.

Legislation permits Council to recover the cost of the cap through any combination of:

- clawbacks of tax decreases
- municipal non-tax revenues such as reserves
- a general tax increase across all property taxes

Table 10 shows the total dollar amount of the capping requirement in York Region between 1998 and 2000.

Table 10
5% Capping Funding Requirements and Clawback Rates
York Region

Year	Funding Requirement $	Commercial Clawback %	Industrial Clawback %	Multi-Res Clawback %
1998	43,648,141	88.8783	88.8783	7.5560
1999	38,133,888	68.8912	68.8912	3.9364
2000	29,420,747	52.3601	52.3601	2.9481
2001	32,874,404	81.1552	51.1552	87.7705

Source: York Region Finance Department

The futuredollar amount of clawback cannot be predicted on a straight-line basis. In years of reassessment, such as 2001, when there are reassessment increases in the Region above provincial averages, there will be corresponding increases in capping funding requirements. The Province will reassess properties in 2003, and then move to annual reassessments. It can be reasonably expected that the annual funding requirement in York Region may decline at a slower rate than in past years, and may even rise for a period of time.

A general tax increase across all classes in 2001 to fund the $32.9 million capping requirement would have cost the average residential taxpayer in York Region approximately $122 per year.

At this time it is recommended there be no change to the policy of funding the cap through clawbacks of tax decreases within the commercial, industrial and multi-residential classes.

4. FINANCIAL IMPLICATIONS

The cost of providing a 100% tax rebate to Royal Canadian Legions and Veterans Associations will be shared in the same proportion among the Region, the Local Municipalities and School Boards as they would receive the taxation revenue. The Region's share of this cost would be approximately $34,000.

5. LOCAL MUNICIPAL IMPACT

There will be minimal financial impact to the local municipalities arising from proposals in this paper as they are already exempting Royal Canadian Legions and one of the two Veterans Associations from their portion of municipal property taxes. Providing a 100% rebate to the Markham Veterans Association will cost the Town of Markham under $1000 each year. If Regional Council passes a by-law allowing 100% rebates under Section 442(1) of *The Municipal Act* to Legions and Veterans Associations, then local municipalities will need to rescind exemptions presently granted under Section 207(62).

Local municipalities will collect property taxes to fund the 2002 Regional tax levy requirement based on the rates contained in this report. The local municipalities will also set property tax rates to fund their local services and raise education taxes based on rates proscribed by the Province.

The share of Regional tax revenue to be raised in each local municipality in 2002 as compared to 2001 is shown in Table 11.

Table 11
Regional Levy by Local Municipality

Local Municipality	2001 Actual Share Based on Tax Rates %	2002 EstimatedShare Based on Tax Rates %	2002 Estimated Tax Collected* $
Aurora	5.45%	4.99%	21,146,904
East Gwillimbury	2.24%	2.14%	9,049,165
Georgina	3.55%	3.34%	14,118,273
King	2.99%	2.90%	12,309,710
Markham	27.88%	28.51%	121,054,850
Newmarket	6.81%	6.93%	29,572,903
Richmond Hill	17.97%	17.78%	75,465,598
Vaughan	29.95%	30.35%	128,859,218
Whitchurch-Stouffville	3.16%	3.06%	12,995,705
Total	100.00%	100.00%	424,572,326

* The 2002 Tax Burden excludes payments – in – lieu of $2.1 million. The total tax burden including payments –in-lieu is $426,672,326

6. CONCLUSION

This report contains recommendations on long term tax policy. It specifically recommends that Regional Council should extend the definition of “similar” to charity only to include Royal Canadian Legions and Veterans Associations and provide 100% property tax rebates to Royal Canadian Legions and Veterans Associations in York Region.

This report also sets out Regional property tax rates for 2002.

This report has been reviewed by the Senior Management Group.

(Regional Council at its meeting on March 28, 2002, amended the foregoing Clause to add a further Recommendation 8 as follows:

(a) that the request made by Centred on Children Child Care Centre be referred to staff for a report in May 2002 on how many child care centres in York Region are similarly affected; what the impact would be of giving them a 100% property tax rebate; and the amount of subsidies given to parents of children in child care centres through the tax base; and
(b) that the Region request MPAC to review the treatment of child care centres that are in schools, churches or other exempt properties as opposed to those that are in taxable properties.)

2
NON-PROFIT CORPORATIONS AFFORDABLE HOUSING REGIONAL DEVELOPMENT CHARGES

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, undated, from the Commissioner of Community Services and Housing and the Commissioner of Finance subject to amending Recommendation 3 by adding after "Area municipalities" the words "and School Boards":

1. RECOMMENDATIONS

It is recommended that:

1) Council authorize a conditional grant equivalent to the development charges otherwise payable specifically for the development of affordable housing units by non-profit corporations subject to the following:

   a) Each application for a conditional grant be brought forward to Council for approval;

   b) Each non-profit housing development meet the specific criteria as outlined in this report;

   c) The conditional grant equivalent to the regional development charge applicable to the non-profit affordable housing proposal be funded from the Regional Social Housing Reserve Fund;

d) Annually staff report to Council on the prior year's affordable program housing- including a summary of units developed, and financial implications;

2) Staff be directed to report further regarding implementation of the Housing Supply Strategy with regard to development of affordable housing by private sector proponents, including enactment of municipal capital facilities by-law and long term financial analysis.

3) Area municipalities in York Region be requested to adopt similar policies to encourage the development of affordable housing.

2. PURPOSE

This report seeks Council approval for the provision of conditional grants equivalent to the development charges otherwise payable specifically for the development of affordable housing units developed by non-profit corporations. The conditional grants are to be funded from the Regional Social Housing Reserve Fund. Each grant would be subject to separate consideration by Council, and the program will be reviewed annually.

3. BACKGROUND

The Region is facing the demand for new low-income housing supply at a time when traditional funders of social housing have ceased to provide support. Since 1995 neither the federal nor provincial government has supported any new non-profit or co-op housing development, other than very limited projects for people with special needs.

On June 25, 1998 Regional Council passed a development charges by-law (By-law No. DC-3-98-77) under the Development Charges Act allowing the Region of York to impose development charges against new developments (residential and non-residential lands). Development charges are the primary funding source for financing Regional growth-related capital expenditures such as transportation, water sewer and general services. The Region is currently undertaking a comprehensive review of the by-law to incorporate several key regional initiatives.

3.1 Housing Supply Strategy

At the May 3, 2001 meeting of Community Services and Housing Committee, Regional staff was directed to develop a Housing Supply Strategy to increase the supply of affordable housing across York Region, and in particular, to increase rental housing opportunities in the private market.

At this meeting, Committee directed staff to focus on innovative approaches to increasing affordable housing supply and to develop a significant role for public/private sector partnerships to address both the need for increased rental stock and the need to provide support to those low income households seeking subsidized housing..

This work has been completed and is currently being circulated to stakeholders for their comments. The methodology for calculation and application of development charges could influence the future supply of affordable housing stock. The entire Housing Supply Strategy will be brought before Council in June for review and discussion. The new Development Charge By-law will be brought forward to Council in the Fall of 2002.

3.2 Municipal Capital Facilities By-law

In May 2001, the Ontario Government passed regulation 189-01 amending the Municipal Act to allow certain municipalities, such as the Region of York, to include "housing projects" as "Municipal Capital Facilities".

By entering into agreements with private entities, such as corporations, the Region could provide assistance in the form of grants, loans, property and services of Regional employees, at less than fair market value, or at no cost, in exchange for the creation of affordable housing. This type of assistance is currently exempt as the Municipal Act prohibits bonuses to commercial enterprises.

In order to do so, the Region is required to enact a "Municipal Capital Facilities By-law" in accordance with legislation. The by-law must at a minimum:
- define "affordable housing"
- contain policies respecting public eligibility for the housing units to be provided as part of the housing facility project; and
- provide a summary of the provisions that agreements respecting housing project facilities must contain.

Council must satisfy itself that all of the housing units to be provided as part of the housing project facility are "affordable housing" units, as defined in that municipality's housing by-law. Work is currently underway to create the policies and by-law required to support Council's Housing Supply initiatives.

This report addresses the matter of offsetting development charges related to non-profit affordable rental housing projects only. Staff will report back to Council at a later date with recommendations on the application of a similar policy for private affordable rental housing developments in conjunction with the enactment of the Municipal Capital Facilities By-law, an approved Housing Supply Strategy and the comprehensive development charge by-law review.

4. ANALYSIS AND OPTIONS

4.1 Impact of Development Charges on the Cost of Housing

The 1996 census data show that 6,545 York Region tenant households paid more than 50% of their total income for rent.

The Region of York Development Charges for two bedroom apartments and townhouses are currently \$6,479 and \$8,833 per unit respectively. Total development charges for a 2-bedroom apartment or townhouse (including local municipal DC's and education levies) within York Region currently range from approximately \$11,000 to \$18,000.

Based on current mortgage rates, the Region of York development charge of \$6,479 adds approximately \$30 to \$40 to the monthly operating cost of a 2-bedroom unit, in order to pay for the amortization of this amount. Waiving the cost of the Regional development charges of a new rental unit reduces the overall carrying cost of that unit and the non-profit housing sponsor would be able to rent that unit at a reduced rental rate.

Although it is unlikely that the non-profit affordable rental housing units created under this initiative will be converted to a for-profit use in the short term, staff is reviewing the possible mechanisms for recovering the conditional grant in the event any of these units are converted. The recommended mechanism will be incorporated into the Housing Supply Strategy and development charge by-law review processes. Any grant equivalent to Regional Municipality of York development charges to help generate the development of non-profit housing would be funded by the Social Housing Reserve fund.

4.2 Project Eligibility Criteria

The following are suggested as eligibility criteria for the provision of conditional grants under the proposed program:

- Non-profit affordable rental housing developments where the housing is owned and operated by a chartered non-profit corporation, no part of the income of which is payable to, or otherwise available for, the personal benefit of a member or shareholder thereof; or a *non-profit housing co-operative* having the same meaning as in the Co-operative Corporations Act, R.S.O. 1990, c. C.35, as may be amended from time to time.

- Construction of new non-profit affordable rental housing, the conversion of existing buildings (residential or non-residential) to not for profit rental housing and additions and alterations of existing non-profit housing that increase the number of non-profit housing units.

- Affordable Rental Housing means that the average rental cost of a type of unit in a non-profit rental housing project does not exceed the Canada Mortgage and Housing Corporation ("CMHC") average rent for that type of unit in the area municipality in which the housing project is situated as stated in its published Rental Market Report at such time. It is important to note that the definition of other forms of affordable rental housing (i.e. private sector) is being reviewed in conjunction with the establishment of a Municipal Capital Facilities By-law. The definition outlined above may require amendment to be consistent with the proposed Municipal Capital Facilities By-law.

- Developments composed of 100% non-profit housing would be eligible for a conditional grant equal to 100% of the Regional development charge.

- Uses affiliated with the non-profit housing such as meeting rooms, and space for educational and counselling services would also be eligible for the grant funding.

- For mixed use developments that have for-profit components such as for-profit housing and/or commercial space, the DC fees charged would be based on the gross floor area of the for-profit uses. For example, if 60% of a development proposal were for profit and 40% non-profit housing, then 60% of the DC fees would have to be paid.

5. FINANCIAL IMPLICATIONS

The Region of York will attempt to achieve 50 to 100 units of new non-profit affordable rental housing over a two to three year period. The regional development charge revenue generated from these units would range from $325,000 to $883,000. It is proposed that a conditional grant equivalent to the regional development charges otherwise applicable be given to non-profit affordable housing units meeting the criteria outlined above. This grant would be funded from the Social Housing Reserve fund.

The conditional grant for non-profit affordable housing is the first phase in implementing a strategy to increase the supply of affordable housing in York Region. The next step will incorporate the participation of the private sector in the provision of housing supply. There will be a need to undertake a comprehensive financial analysis of this strategy to ensure long term adequacy of Regional funding sources, in particular, the Social Housing Reserve fund and development charges.

6. LOCAL MUNICIPAL IMPACT

New housing supply will provide a benefit to municipalities in providing adequate and affordable housing for its residents. Municipalities will also benefit from the multiplier effect that rental housing construction has on a local economy, while both the Region and area municipalities will benefit from the related increase in property tax revenues.

It is recommended that area municipalities be requested to adopt similar policies regarding the reduction or offsetting of development charges. Municipal councils should also be encouraged to consider reducing or waiving other associated municipal fees and charges for non-profit housing developments.

7. CONCLUSION

With the decline in funding from senior levels of government, service managers such as the Region of York will need to seek creative tools and solutions for the provision of affordable housing. One of the tools identified is to eliminate development charges for affordable housing developments where the owners/sponsors of the developments are non-profit corporations. It is recommended that funds be used from the Social Housing Reserve Fund to offset any loss in development charge revenue from eligible non-profit housing projects.

Adopting this policy demonstrates that the Region is prepared to take a leadership role in ensuring a long-term supply of affordable housing for its residents.

This report has been reviewed by the Senior Management Group.

3
2002 DEVELOPMENT CHARGE BY-LAW REVIEW PROPOSED TIMETABLE

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, February 26, 2002, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. Council receive this report for information purposes; and,

2. Staff be directed to proceed with the comprehensive review of the Development Charge ("DC") By-law, based on the schedule outlined in this report; and,

3. Staff be authorized to retain the firms of C. N. Watson and Associates as DC technical advisors, McCarthy Tetrault as legal advisors, and Hemson Consulting for detailed analysis regarding the Transportation Master Plan, at a total cost not to exceed $75,000, to be funded from the DC reserve for growth-related studies.

2. PURPOSE

The purpose of this report is to update Council on the proposed 2002 comprehensive Development Charge ("DC") By-law review process and timetable. The report also seeks authorization to retain consulting and legal firms to provide specific input and advice to the DC By-law review process.

3. BACKGROUND

On March 1, 1998, the Province enacted the Development Charges Act, 1997 ("DC Act"), which revised the existing development charge legislation. The DC Act gave municipalities until September 1, 1999 to enact new DC By-laws in accordance with the revised legislation. On June 25, 1998, Regional Council enacted DC By-law No. DC-3-98-77, with a five year term (to June 2003). The DC By-law was amended effective January 10, 2000 to incorporate into the DC By-law the assumption of Emergency Medical Services from the Province, the assumption of various capital infrastructure from the area municipalities, and several additional non-residential DC policies. As well, in November 2001 Council enacted a separate DC By-law to recover the Region's share of growth-related capital costs associated with GO Transit services.

Since the enactment of the amendment in January 2000, several key initiatives have been commenced that impact the DC By-law. These include the following:

- The Regional Official Plan population forecast has been extended to the year 2026
- The implementation of Regional Transit
- The undertaking of the Transportation Master Plan study
- The updates of the York Durham Sewage System ("YDSS") Master Plan and long term water infrastructure plan
- Review of centres and corridors intensification in York Region
- Review of affordable housing initiatives in York Region

With these initiatives being undertaken, and the expiration of the current DC By-law in June 2003, it is timely to commence a comprehensive review of the DC By-law.

4. ANALYSIS AND OPTIONS

4.1 Regional Transit

On January 1, 2001, the Region assumed responsibility of municipal transit from the area municipalities. As part of this transfer, the area municipalities agreed to transfer any development charges balances to the Region. The area municipalities that previously provided transit services have agreed to continue to collect development charges until the Region is able to include Regional Transit in its DC By-law. The Region must enact an amendment to the DC By-law in order to incorporate the capital costs associated with Regional Transit and begin collecting DCs for transit services. Once the amendment is enacted, the area municipalities can remove transit services from their respective DC by-laws.

4.2 Transportation Master Plan Study

A Transportation Master Plan ("TMP") study is currently being undertaken by the Region to identify long term transportation needs. The study will outline the transportation infrastructure required to accommodate growth and transportation demands to the year 2031. The results of this study will be used as input to the DC By-law review process. It is anticipated that the TMP will be brought forward to Council for approval in April/May 2002.

The firm of Hemson Consulting has been retained to provide financial analyses for the TMP study. This involves a financial review of road and transit infrastructure requirements, and the impact on the Region's financial position, including development charge impacts. To incorporate this review into the DC By-law review, further detail and refinement of the TMP financial review will be required. It is proposed that Hemson Consulting be retained to expand its financial review of the TMP for inclusion in the DC By-law review.

4.3 Long Term Water Supply Update

In December 1996, Regional Council approved the Long Term Water Supply strategy, outlining water servicing requirements to the year 2031. Council subsequently approved in principle the implementation of the preferred water supply alternative, being the Durham West/Expanded Metro Toronto supply solution. In August 1997, an Environmental Assessment was commenced for the construction of the Durham West water supply project. The DC Background Study and By-law have been prepared based on this alternative.

During the Durham West Environmental Assessment, the Region of Peel completed a water master plan, and concluded that an interregional water supply solution between Peel and York could benefit both Regions. A review of both the Durham West and Peel water supply alternatives, it was concluded that an interregional water supply solution with the Region of Peel would be the preferred alternative. On June 28, 2001, Regional Council approved the principles of an interregional water supply agreement with the Region of Peel, and authorized staff not to pursue the Durham West alternative. In addition, staff was authorized to retain a consultant to complete optimization work to identify required internal water infrastructure works.

The DC By-law must be revised to incorporate the new water supply alternative and the updated internal infrastructure requirements. It is anticipated that the optimization work will be completed by June 2002.

4.4 YDSS Master Plan Update

In June 1997, Council approved the YDSS Master Plan, which outlined infrastructure necessary to meet sewage servicing requirements to the year 2031. The DC Background Study and By-law have been prepared based on the YDSS Master Plan findings. An update to the YDSS Master Plan is currently being undertaken to reflect a 2036 planning horizon, and to review infrastructure requirements. This will result in adjustments being required to the DC By-law

4.5 Review of Centres and Corridors

Regional Council has authorized staff to proceed with a review of growth in centres and along corridors and intensification opportunities within the Region of York as outlined in the Regional Official Plan. The review will examine urban form along centres and corridors and impacts on housing mix. The review will also focus on incentives to promote development of centres and corridors in York Region, including development charges. The findings of this review, anticipated to be completed in June 2002, could result in the recommendation of a differentiated development charge as an incentive to development. As these findings will be considered in the DC By-law review, it is proposed that C. N. Watson and Associates be retained to help ensure the policies adopted comply with the requirements of the DC Act.

4.6 Housing Supply Strategy

In May 2001, Council directed staff to develop a Housing Supply Strategy in order to increase subsidized and rental housing supply for low and moderate income households within York Region. The strategy, anticipated to be completed in June 2002, will examine methods and incentives that will facilitate the creation of affordable housing units. This includes the use of development charges as a financial incentive to promote the development of affordable housing. Initiatives identified through the development of the Housing Supply Strategy will impact development charge policies and rates, and should be incorporated into the DC By-law review.

4.7 Timetable

Based on discussions with Regional staff regarding the completion of various key initiatives, Attachment 1 outlines the proposed DC By-law review timetable, with a targeted date of November 2002 to enact a revised DC By-law.

In the past, the Region has retained the firm of C. N. Watson and Associates to provide technical and process assistance during the DC By-law review process. As well, the legal firm of McCarthy Tetrault has been retained to provide legal assistance and draft the DC By-law. It is proposed that the Region retain these two firms to perform a similar role in the current DC By-law review process.

5. FINANCIAL IMPLICATIONS

Through the 1998 DC By-law review process, over $3 billion of growth-related capital infrastructure was identified as being required by the year 2021. Development charges are responsible for funding approximately 70% of these expenditures. Through the completion of various infrastructure master plans and other regional initiatives, new infrastructure requirements will be identified. As development charges are a key source of funding growth-related capital expenditures, the completion of the DC By-law review will ensure that the capital costs associated with growth occurring within the Region will be borne by development creating the need for these works.

The costs associated with the retention of consultants as outlined in this report, is estimated at $75,000. Funds from the DC reserve for growth-related studies have been included in the 2002 Business Plan and Budget for this purpose.

6. LOCAL MUNICIPAL IMPACT

The DC By-law revision will help ensure capital infrastructure is provided in a timely and financially responsible manner, which will facilitate the co-ordinated buildout of proposed developments within the area municipalities.

The inclusion of Regional Transit in the Region's DC By-law will allow the area municipalities that have continued to collect for municipal transit services to remove this charge from their respective DC by-laws.

7. CONCLUSION

It is proposed that staff be authorized to proceed with a DC By-law review, as outlined in this report, to incorporate key initiatives being undertaken prior to the expiration of the current DC By-law.

This report has been reviewed by the Senior Management Group.

(A copy of the attachment referred to in the foregoing has been forwarded to each Member of Council with the March 7, 2002 Finance and Administration Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)

4

IMPLEMENTATION AND TESTING OF THE DISASTER RECOVERY PLAN FOR INFORMATION TECHNOLOGY SERVICES

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, February 27, 2002, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. The proposal submitted by CNC Global for the implementation and testing of the disaster recovery plan for the critical information technology services delivered from the York Region Administrative Centre be accepted in the amount of $215,110 (net of GST).

2. The Commissioner of Finance be authorized to sign the appropriate agreement with CNC Global.

2. PURPOSE

The purpose of the Information Technology Services Disaster Recovery Plan (ITS DRP) is to restore the critical services of the Region that are technology based within 24 hours of the decision to invoke the ITS DRP. This report describes the Request For Proposal (RFP) process used to select the supplier of the professional services required to implement and test the ITS DRP and recommends entering into agreement with the successful proponent.

3. BACKGROUND

In October 2000, Regional Council awarded a RFP to SunGard Planning Solutions to prepare an ITS DRP. The preparation of an ITS DRP was a subject in the management letter from the Region's external auditors resulting from the 1998 financial audit. The plan was developed over a three-month period. Internal Audit performed a high level review of the draft plan and attended the first walkthrough of the plan held on October 24, 2000. In its report to the Audit Committee dated June 14, 2001 and approved by Council at its June 28, 2001 meeting Internal Audit recommended:

> "A full-scale DRP test including the contact chain, team activities and response times from vendors should be tested when the implementation project has been completed. The DRP should be tested fully, on an annual basis, to ensure that all components are working as anticipated. … While the plan is in draft, we strongly recommend that efforts be made to implement the equipment and process required to ensure that this is a working plan. "

In June 2001, Regional Council approved a strategy for implementing and testing the ITS DRP that included contracting for professional services. The Region issued a RFP for those services in the fall of 2001. The respondents to that RFP either did not meet the requirements of the RFP, or, exceeded the budget amount available for completion of the project. In November 2001, Regional Council instructed staff to clarify the terms of reference and issue a second RFP. This report presents the results of that second RFP.

4. ANALYSIS AND OPTIONS

4.1 The RFP requested three individuals as follows:

<u>Project Co-ordinator/Senior DRP Analyst</u>

The Project Co-ordinator is expected to be the technical team leader. The Project Co-ordinator should have training and experience in most of the following areas:

- Managing similar projects
- Disaster recovery
- Windows NT and 2000 Server operating systems
- Exchange 2000 e-mail server
- Meridian PBX
- AVT Voice Mail server
- Compaq hardware
- Internet Protocol networks including routers, firewalls, switches and hubs

<u>Senior Network Analyst</u>

The Senior Network Analyst should have training and experience in most of the following areas:

- Windows NT and 2000 Server operating systems
- Exchange 2000 e-mail server
- Compaq server and storage hardware

- Internet Protocol networks including routers, firewalls, switches and hubs
- CA Unicentre TNG and Veritas Netbackup software
- Oracle 8 and SQL Server 7
- Meridian PBX, AVT Voice Mail server and Symposium call centre software
- Disaster recovery preferred

Network Analyst (with technical writing experience)
The Network Analyst must have training and experience in the following area:

- Windows NT and 2000 Server operating systems
- Exchange 2000 e-mail server
- Internet Protocol networks including routers, firewalls, switches and hubs
- Development and documentation of technical procedures
- Disaster recovery preferred

4.2 These individuals would provide the following:

- Implementation of all of the components required for the ITS DRP including hardware, software, voice and data network, service contracts, quick ship contracts, application and data recovery scripts, documented procedures and training for ITS staff.
- Completion of a full test of the ITS DRP and correction of problems revealed by the test.
- Development and documentation of the procedures required to keep the ITS DRP current.

By the end of the project these individuals, working with ITS staff, must complete the following:

- Establish a "warm site" at York Region's South Services Centre (YRSSC)
- Document all required recovery procedures
- Document procedures for maintaining the ITS DRP
- Train ITS staff in the above procedures
- Assist ITS staff with testing the ITS DRP
- Provide a detailed accounting of the cost of implementing and testing the ITS DRP
- Provide an updated ITS DRP

This project involves a team of regional staff and consultant staff.

4.3 The RFP for the implementation and testing of the ITS DRP closed January 22, 2002. The following Twenty-one (21) vendors submitted proposals in response to the RFP:

Ajilon Canada & CAMATOS Solutions Inc.,
Aurora Network Technologies
CNC Global Ltd.
Compac Canada Corporation

Mission Systems Development
Nexinovations Inc.
Phoenix Logistics Inc.
Pink Elephant Inc.

Deloitte & Touche LLP
DMR Consulting Inc.
GE Capital Information Technology Solutions Inc
GSI International Consulting Group
IBM Canada Ltd.
Infostream Technologies
IT/Net Consultants Inc.
Planet4it Solutions
Promethean Systems Consultants Inc.
SunGard Planning Solutions
Tenet Computer Group Inc.
T.L.W. Enterprise Inc.
Xwave Solutions Inc.

Representatives from the following branches of the Finance Department evaluated the proposals:

- Information Technology Services
- Supplies and Services

There were four Vendors that did not bid on all three positions requested in the RFP. The lower priced partial submissions were evaluated and it was determined that they did not meet the requirements.

The remaining proposals are listed in order of total cost including net GST.

Vendor	Total Cost (based on 135 days)
CNC	215,110
TLW	223,870
ITNet	236,524
Tenet	280,324
Mission	296,871
Promethean	331,717
Planet4it	335,805
IBM	361,530
Xwave	444,496
DMR	445,849
InfoStream	451,912
SunGard	478,654
GE	535,342
NexInnovations	620,997
Compaq	634,068
Ajilon	649,641
D&T	747,350

CNC Global Ltd. (the lowest price submission meeting the Region's requirements) demonstrated their ability to provide the Region with an efficient and effective implementation and testing of the Information Technology Services Disaster Recovery Plan.

The following table summarizes the evaluation results.

Vendor(s)	Technical Score Out of 80	Financial Score Out of 20	Total Score	Upset Fee Incl. Net GST
CNC Global Ltd.	46.0	20.0	66.0	$215,110
ITNet Consultants Inc.	33.5	18.2	51.7	$236,524
TLW Enterprise Inc.	25.0	19.2	44.2	$223,870

5. FINANCIAL IMPLICATIONS

The proposal from CNC Global is within the budget allocated for this contract.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal impacts.

7. CONCLUSION

This report recommends that the contract for the implementation and testing of the ITS DRP be awarded to CNC Global.

This report has been reviewed by the Senior Management Group.

5
EDUCATION TAX RATES FOR COMMERCIAL AND INDUSTRIAL PROPERTIES

The Finance and Administration Committee recommends:

1. **The adoption of the recommendations contained in the following report, undated, from the Commissioner of Finance,**
2. **This report and the report regarding '2002 and Long Range Tax Policy Decisions' tax policies be sent to the Chambers of Commerce and Boards of Trade in York Region:**

1. RECOMMENDATIONS

It is recommended that this report be received for information.

2. PURPOSE

During the consultation process with the Long Term Tax Policy members of the Tax Policy Business Working Group for York Region raised as a concern the level of education taxes for businesses. At its Workshop held on January 31, 2002, Council requested that staff prepare a report on this matter.

3. BACKGROUND

Prior to 1998, school boards determined their own property tax requirements and requisitioned that amount from individual area municipalities. The area municipalities calculated an appropriate rate of property taxation in order to raise the required funds. The education tax rate for residential property was set by Provincial legislation to be 0.85 of the commercial education tax rate.

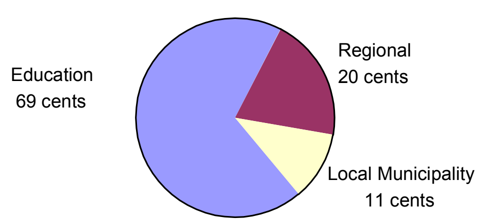
In 1997, *The Education Act* was amended and the power to determine property tax requirements was transferred from the school boards to the Province.

In 1998, the Province introduced a uniform province wide education tax rate for the residential, multi-residential and pipeline property classes. Separate education tax rates were set for each upper tier municipality for the commercial and industrial classes. These separate rates were determined on the basis of revenue neutrality for payments received from the two classes in 1997.

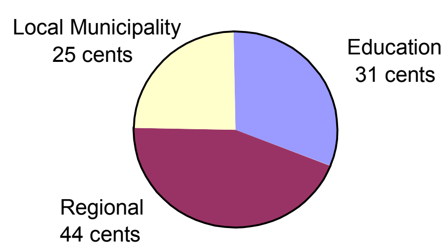
The Province also announced in 1998 that it was transferring responsibility for services such as social housing, transit capital expenditures and EMS to municipalities. As part of the Local Services Re-alignment, the Province reduced the residential education tax rate by 50%, in order to create taxation capacity to pay for the transferred services. The current distribution of property taxes for commercial and property owners in York Region compared to residential property owners is shown in Table 1.

Table 1
Distribution of Property Taxes – 2001
York Region

Distribution of $1 Commercial and Industrial Property Tax - 2001



Distribution of $1 Residential Property Tax - 2001



Actual education tax rates for the past four years in York Region are shown in Table 2. Between 1998 and 2000 the Province reduced the residential education tax rate by 10%, however commercial and industrial rates were held constant. Changes in the tax rate in 2001 only reflected increases to the assessment base and are revenue neutral.

Table 2
Education Property Tax Rates – 1998-2001
York Region

Year	Residential/ Multi-Residential Rate - %	Commercial Rate %	Industrial Rate %
1998	0.4600	2.3361	2.8640
1999	0.4140	2.3361	2.8640
2000	0.4140	2.3361	2.8640
2001	0.3730	2.0020	2.5031

Table 3 shows the levels of property taxes payable on properties valued at $250,000 in York Region for 2001. Business property owners are paying a disproportionately large share of education costs when compared to other taxpayers. The education rates for commercial and industrial properties were 5.38 and 6.71 times higher respectively, than for residential properties in 2001.

Table 3
Education Property Taxes Payable on Properties Valued at $250,000 – 2001
York Region

Property Type	Education Taxes Payable $
Residential	932
Commercial	5,005
Industrial	6,258

Notwithstanding the discrepancy between the rates for residents and businesses, the Region's commercial and industrial education tax rates are actually relatively low when compared to other municipalities. Of seventeen municipalities surveyed in Ontario, including all GTA municipalities, Ottawa, London, and Hamilton, York Region had the third lowest commercial education rate, and the lowest industrial education rate. Table 4 shows the education tax rates for commercial and industrial properties in other GTA municipalities.

Table 4
Education Property Taxes Rates – 2001
Greater Toronto Area

Municipality	Commercial	Industrial
York Region	2.0020	2.5031
Halton Region	1.8321	2.8791
Durham Region	2.0040	2.6113
Peel Region	2.0754	2.6784
Toronto	2.6541	3.8170

4. ANALYSIS AND OPTIONS

Setting property tax rates for education is the exclusive domain of the Province. Two options for the Province lowering education property taxes for businesses in York Region were considered:

1. Accelerate the Province's current phase-in of education business property taxes to the provincial average; or
2. Using the same tax ratios that councils' use to set the municipal portion of the property tax bill to set the education portion of business property taxes. If this option were adopted, the Province would likely use a "non-discounted" residential rate.

4.1 Acceleration of Current Education Business Property Tax Phase -In

As part of the 1998 provincial budget, it was announced that the education portion of property taxes would be reduced over an eight-year period in those municipalities whose commercial and industrial rates exceeded the provincial average of 3.3%. In 2001, two years of reduction took place in one year, and the total phase-in period was reduced to seven years. In essence by 2005 the Province is moving toward a more uniform education property tax for commercial and industrial properties. Bill 140 removed the reference to the ceiling rate as a defined percentage. Although the province has continued to use the same 3.3 % ceiling rate it is expected the ceiling will be recalculated based on the 2001 reassessment and will move down starting in 2002.

While businesses in high tax jurisdictions such as the City of Toronto or Hamilton would benefit from an accelerated phase-in program, businesses in York Region would not since our education rates for commercial and industrial properties of 2.0020 and 2.5031 respectively are already significantly below the target of the provincial average.

4.2 Setting Business Education Rates Using the Same Ratio as Municipal Portion of the Tax Bill

The Province already requires that municipalities set tax rates for local services using tax ratios. It has also determined that a "range of fairness" for businesses should exist between 0.6 and 1.1 times the tax rate charged to the residential class. Therefore, if the Province adopted this methodology for setting education tax rates, it would be achieving the same fairness it currently imposes on municipalities.

The current residential education rate in the Province is .37300%. In 1998, as part of the Local Services Re-alignment the residential tax rate was reduced by 50%. As such, the "non-discounted" rate would be twice the current rate or .74600%.

Setting business education tax rates using municipal tax ratios would lower education taxes for businesses in York Region dramatically

The education property taxes on a commercial property valued at $250,000 would decrease from $5,005 to $2,052. On a similarly valued industrial property, the property tax payment would decrease from $6,258 to $2,425. The cost to the Province of implementing this option would be about $150 million for businesses in York Region.

5. FINANCIAL IMPLICATIONS

The Province has emphasised since 1998, that property tax changes must either be revenue neutral within the property taxation system itself, or be made in combination with a future Local Services Realignment (LSR). The Province could determine that it should shift property the tax burden to the residential class to recover its costs. Alternately, the Province could re-examine the LSR levels and shift further services to municipalities.

6. LOCAL MUNICIPAL IMPACT

Benefits to business property owners arising from lower education property taxes would complement local municipality strategies to attract and retain businesses. However, should the province re-visit the LSR, additional costs could be downloaded to municipalities to offset the education costs assumed by the province.

7. CONCLUSION

The authority for setting education tax rates rests with the Minister of Finance. Business property owners in York Region and Ontario generally are paying a disproportionate amount of education costs when compared to residential property owners.

This report outlines the impact of lowering education property tax rates for businesses in York Region. Reducing education property taxes will not provide increased taxation room for municipalities. As well, the Province could re-examine municipal service delivery as originally determined by the LSR.

This report has been reviewed by the Senior Management Group.

6
TENDER AWARDS

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, February 26, 2002, from the Chief Administrative Officer:

1. RECOMMENDATIONS

It is recommended that this report be received for information.

2. PURPOSE

The purpose of this report is to advise Regional Council of all tenders awarded by the Chief Administrative Officer from October 1, 2001 to December 31, 2001 under Purchasing By-law #A-0276-2000-041

3. BACKGROUND

On May 25, 2000 Regional Council amended the purchasing by-law to further delegate authority of Regional Staff to award contracts the purpose of ensuring that the capital construction program is carried out in an efficient and timely manner.

Section 5.4 of purchasing by-law requires that for purchases of goods and services exceeding $100,000, a request for tender shall be issued. The awards set out in this report meet by-law specifications indicated below:

- The Director of Supplies and Services, in consultation with the respective department head, prepares the specifications for tender and advertises in one or more local publications or in the Daily Commercial News.
- The Regional Clerk receives all bids until the deadline specified in the advertisement.
- Bids are to be opened in public and a written record of all bids received is made.
- The Director of Supplies and Services and the departmental representatives evaluate all bids received and submit a report summarizing all bids to the Chief Administrative Officer.

The Chief Administrative Officer then has the authority to award capital works projects provided that:

- The award was made to the lowest bidder.
- Total cost did not exceed the amount in the annual budget
- No challenges to the tender processes were made.
- There was no irregularity or informality that was not resolved by the Bid Review Committee.

4. ANALYSIS AND OPTIONS

The procedures in the purchasing by-law required that a request for tender be issued for all projects identified in this report.

A total of five (5) Road Construction contracts with a total value of $1,216,599.76; five (5) Water and Wastewater contracts in the total amount of $7,696,860.94; four (4) Transit contracts in the amount of $803,501.12; one (1) Health Services - Dental contract in the amount of $111,368.30; and three (3) Health Services - EMS contracts in the amount of $547,533.33 were awarded under this authority.

Tables 1 to 5 provide a list of projects that were awarded by the Chief Administrative Officer between October 1, 2001 to December 31, 2001.

Table 1
Transportation Services
Tenders Greater than $100,000
October 1, 2001 to December 31, 2001

Contract	Description	Contractor	Amount $
T-01-52	Treatment Chemicals – Sodium Silicate "N"	National Silicates Limited	268,117.66
T-01-53	Treatment Chemicals – Liquid Chlorine Gas	Cleartech Industries Inc.	322,391.00
T-01-54	Treatment Chemicals – Liquid Aluminium Sulphate (Alum)	General Chemical Performance Products Ltd.	403,561.20
01-115	Intersection Improvements, Langstaff Road at Weston Road, City of Vaughan	Joe Lombardi Limited	113,515.27
01-306	Supply & Installation of Traffic Control Signals, Illumination & Pavement Markings, Township of King	Guild Electric Limited	109,014.63
	Total		**1,216,599.76**

Table 2
Water and Wastewater
Tenders Greater than $100,000
October 1, 2001 to December 31, 2001

Project #	Description	Contractor	Amount $
T-01-61	Sludge Haulage Service	Lotto Sanitation Inc.	412,485.00
T-01-42	Metro Road Watermain, Town of Georgina	North Rock Group Ltd.	2,071,693.83
P-01-61	High Street Wet Well and Construction Management of Sutton WPCP	R.V. Anderson Associates	529,138.00
T-01-05	TD7 Trunk Watermain, Major Mackenzie Dr. & McNaughton Rd.	Clearway Construction Inc.	2,064,544.11

T-01-43	Georgina Water Supply Project	Bermingham Construction Limited	2,619,000.00
	Total		**7,696,860.94**

Table 3
Transportation & Works Transit
Tenders Greater than $100,000
October 1, 2001 to December 31, 2001

Project #	Description	Contractor	Amount $
T-01-50	Bus Refurbishing	Eastway Inc.	423,690.62
	GFI Electronic Fareboxes	Garival Inc.	*142,417.00
Q-RT/WBM	Bus Stop Winter Maintenance	Lowrie's Property Services	101,489.50
T-01-60	Transit Fare Pick-up and Processing	Ontario Coin Services Inc.	135,904.00
	Total		**803,501.12**

*Sole source - standardized fare boxes for the three southern municipalities.

Table 4
Health Services, Dental
Tenders Greater than $100,000
October 1, 2001 – December 31, 2001

Project #	Description	Contractor	Amount $
Q-01-46	Dental Equipment for Newmarket Clinic	Patterson Dental Canada Inc.	111,368.30
	Total		**111,368.30**

Table 5
Health Services, EMS
Tenders Greater than $100,000
October 1, 2001 – December 31, 2001

Project #	Description	Contractor	Amount $
T-322-2001	Co-op Tender for EMS Medical Supplies	Dixie EMS Canada Inc.	227,402.15
		Allied Medical	247,472.40
		Ferno Canada	72,658.78
	Total		**547,533.33**

5. FINANCIAL IMPLICATIONS

All of the above contracts were awarded to the lowest bidder and the total cost of each project did not exceed the amount approved by Regional Council in the annual budget.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal implications associated with this report.

7. CONCLUSION

The Chief Administrative Officer has authority to award tender contracts in excess of $100,000 under purchasing by-law no. A-0276-2000-041 provided that specific conditions are met. A report is submitted quarterly to advise Council of the contract awards under this authority.

Under the Purchasing By-law provision, the Chief Administrative Officer awarded five (5) Road Construction contracts with a total value of $1,216,599.76; five (5) Water and Wastewater contracts in the total amount of $7,696,860.94; four (4) Transit contracts in the amount of $803,501.12; one (1) Health Services - Dental contract in the amount of $111,368.30; and three (3) Health Services - EMS contracts in the amount of $547,533.33.

This report has been reviewed by the Senior Management Group.

7
DEVELOPMENT CHARGE CREDIT REQUEST
RUTHERFORD SHOPPING CENTRE INC.
ISLINGTON AVENUE & RUTHERFORD ROAD
CITY OF VAUGHAN

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, February 27, 2002, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize a development charge ("DC") credit in the amount of $121,176 (77%) for the growth-related component (development charges) and a recovery of $35,620 (23%) for the non-growth component (tax levy) of proposed road works to be undertaken by Rutherford Shopping Centre Inc. in the City of Vaughan, subject to completion of the works to the satisfaction of the Commissioner of Transportation and Works; and ,

2. The Regional Solicitor be authorized to include the development charge credit provisions in the subdivision agreement regarding the Barker subdivision with credits to

be funded from future Regional roads DC credits otherwise payable at the time of subdivision registration.

2. PURPOSE

The purpose of this report is to authorize a development charge credit for road works to be performed by Rutherford Shopping Centre Inc. on Rutherford Road and Islington Avenue in the City of Vaughan in advance of the construction timing projected in the Regional Roads Capital Program.

3. BACKGROUND

3.1 DC Credit Policy

At its May 9th and May 23, 1996 meetings, Regional Council approved a detailed development charge credit policy for capital works undertaken by the developer in advance of the planned reconstruction program (subsequently amended June 25, 1998 as part of the passing of Regional Development Charge By-law No. DC-3-98-77).

The developer, Rutherford Shopping Centre Inc. has forwarded a request for the consideration of DC credits for road intersection improvements on Rutherford Road and Islington Avenue in the City of Vaughan(Attachment 1).

4. ANALYSIS AND OPTIONS

4.1 Development Charge Credit Request

Rutherford Shopping Centre Inc. is currently developing a mixed use development in the City of Vaughan. In order to proceed with the development of the lands, the developer is required to undertake road improvements at the intersection of Rutherford Road and Islington Avenue in advance of the planned reconstruction program at an estimated cost of $281,577.

5. FINANCIAL IMPLICATIONS

The subject subdivision (19T-97032) is comprised of approximately 222 residential units and 50,226 square feet of non-residential gross floor area. Buildout of the subdivision would result in regional development charges payable of approximately $1,388,603, of which $714,867 pertains to the roads component of the charge.

The Regional Transportation and Works Department has reviewed the request submitted by Rutherford Shopping Centre Inc. in accordance with the approved DC credit policy, and has determined that $158,399 of the total value of the road works is eligible for DC credit (Attachment 2).

In accordance with the DC credit policy, in order to advance the road works one year from its planned construction timing in the Region's 10 year capital program, the developer will be responsible for a share of the non-growth component of the works. It is proposed that a development charge credit of $156,796 be permitted. This provides for a discounting of the non-growth component of the works due to the construction of the works in advance of the timing proposed in the Region's 10 year capital program. Attachment 3 outlines the non-growth discounting methodology associated with this request.

It is proposed that a DC credit for the growth-related component of the works in the amount of $121,176(77%) and a recovery of $35,620(23%) for the non-growth component be permitted. The growth-related component (development charges) of the DC credit is to be funded from future Regional roads DC credits otherwise payable at the time of building permit issuance. The non-growth component (tax levy) of the works is provided for in the 2002 Roads Capital Budget. The developer has been contacted and is in agreement with the credit amount.

It is proposed that the Regional Solicitor be authorized to include the DC credit in the subdivision agreement regarding the Barker subdivision. The DC credit will be subject to completion of the works to the satisfaction of the Commissioner of Transportation and Works, and will be funded from future Regional roads DC credits otherwise payable at the time of subdivision registration.

6. LOCAL MUNICIPAL IMPACT

The proposed road improvements will benefit the City of Vaughan in terms of improving traffic flow along Rutherford Road. These improvements also facilitate the buildout of the commercial block in the City of Vaughan.

7. CONCLUSION

The DC credit request submitted by Rutherford Shopping Centre Inc. has been reviewed in accordance with the approved DC credit policy. It is proposed that, subject to satisfactory completion of the works, the developer be eligible for a roads DC credit of $121,176 (77%) and a non-growth cost recovery of $35,620 (23%) from tax levy.

This report has been reviewed by the Senior Management Group.

(A copy of the attachments referred to in the foregoing is included with this report and is also on file in the Office of the Regional Clerk.)

8
DEVELOPMENT CHARGE CREDIT REQUEST
SIERRA HOMES (RICHMOND HILL) INC.
19TH AVENUE, TOWN OF RICHMOND HILL

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, February 27, 2002, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize a development charge ("DC") credit in the amount of $46,161 (79%) for the growth-related component (development charges) and a recovery of $12,427 (21%) for the non-growth component (tax levy) of proposed road works to be undertaken by Sierra Homes (Richmond Hill) Inc. in the Town of Richmond Hill, subject to completion of the works to the satisfaction of the Commissioner of Transportation and Works; and,

2. The Regional Solicitor be authorized to include the development charge credit provisions in the subdivision agreement regarding the Sierra Homes subdivision with credits to be funded from future Regional roads DC credits otherwise payable at the time of subdivision registration.

2. PURPOSE

The purpose of this report is to authorize a development charge credit for road works to be performed by Sierra Homes (Richmond Hill) Inc. along 19th Avenue east of Yonge Street in the Town of Richmond Hill in advance of the construction timing projected in the Regional Roads Capital Program.

3. BACKGROUND

3.1 DC Credit Policy

At its May 9th and May 23, 1996 meetings, Regional Council approved a detailed development charge credit policy for capital works undertaken by the developer in advance of the planned reconstruction program (subsequently amended June 25, 1998 as part of the passing of Regional Development Charge By-law No. DC-3-98-77).

The developer, Sierra Homes (Richmond Hill) Inc., has forwarded a request for the consideration of DC credits for road improvements along 19th Avenue east of Yonge Street in the Town of Richmond Hill(Attachment 1).

4. ANALYSIS AND OPTIONS

4.1 Development Charge Credit Request

Sierra Homes (Richmond Hill) Inc. is currently developing a residential subdivision in the Town of Richmond Hill. In order to proceed with the development of the lands, the developer is required to undertake road improvements along 19th Avenue east of Yonge Street in the Town of Richmond Hill in advance of the planned reconstruction program at an estimated cost of $103,433.

5. FINANCIAL IMPLICATIONS

The subject subdivision (19T-98012) is comprised of approximately 101 residential units. Buildout of this phase of the subdivision would result in regional development charges payable of approximately $851,855, of which $320,630 pertains to the roads component of the charge.

The Regional Transportation and Works Department has reviewed the request submitted by Sierra Homes (Richmond Hill) Inc. in accordance with the approved DC credit policy, and has determined that $60,342 of the total value of the road works is eligible for DC credit (Attachment 2).

In accordance with the DC credit policy, in order to advance the road works from its planned construction timing in year 2004 of the Region's 10 year capital program, the developer will be responsible for a share of the non-growth component of the works.
It is proposed that a development charge credit of $58,588 be permitted. This provides for a discounting of the non-growth component of the works due to the construction of the works in advance of the timing proposed in the Region's 10 year capital program. Attachment 3 outlines the non-growth discounting methodology associated with this request.

It is proposed that a DC credit be permitted for the growth-related component of the works in the amount of $46,161 (79%), and $12,427 (21%) for the non-growth component. The growth-related component (development charges) of the DC credit is to be funded from future Regional roads DC credits otherwise payable at the time of subdivision registration, subject to completion of the works to the satisfaction of the Commissioner of Transportation and Works. The non-growth component (tax levy) of the works is provided for in the 2002 Roads Capital Budget. The developer has been contacted and is in agreement with the credit amount.

It is proposed that the Regional Solicitor be authorized to include the DC credit in the subdivision agreement regarding the Sierra Homes subdivision. The DC credit will be subject to completion of the works to the satisfaction of the Commissioner of Transportation and Works, and will be funded from future Regional roads DC credits otherwise payable at the time of subdivision registration.

6. LOCAL MUNICIPAL IMPACT

The proposed road improvements will benefit the Town of Richmond Hill in terms of improving traffic flow along 19th Avenue. These improvements also facilitate the buildout of the subdivision in the Town of Richmond Hill.

7. CONCLUSION

The DC credit request submitted by Sierra Homes (Richmond Hill) Inc. has been reviewed in accordance with the approved DC credit policy. It is proposed that, subject to satisfactory completion of the works, the developer be eligible for a roads DC credit of $46,161 (79%) and a non-growth cost recovery of $12,427 (21%) from tax levy.

This report has been reviewed by the Senior Management Group.

(A copy of the attachment referred to in the foregoing is included with this report and is also on file in the Office of the Regional Clerk.)

9
TRI-SERVICE EMERGENCY COMMUNICATORS OF YORK REGION WEEK

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, March 7, 2002, from the Chief Administrative Officer:

1. RECOMMENDATIONS

It is recommended that:

1. The Regional Council recognize the week of April 15, 2002 to April 20, 2002 as "Tri-Service Emergency Communicators of York Region Week".

2. That Regional staff be authorized to contact the local municipalities and ask that they proclaim the week of April 15-20, 2002 as "Tri-Service Emergency Communicators of York Region Week".

3. That Regional staff be authorized to organize events during the week of April 15-20, 2002 to recognize the valuable contribution made by Emergency Communicators and promote public 911 awareness.

2. PURPOSE

The purpose of this report is to obtain approval from Regional Council to recognize the week of April 15-20, 2002 as "Tri-Service Emergency Communicators of York Region Week"

3. BACKGROUND

Effective April 2, 2002, the York Regional Police assumed responsibility for the 9-1-1 service. York Region, along with the 9-1-1 Operating Committee, have been sponsors of the York Region Tri-Services Emergency Communicators' Appreciation Week since 1997. The Region has a public education program to emphasize the proper use of the 9-1-1 Emergency Service. This Appreciation Week is an ideal opportunity to combine public education with recognition of the important role played by Emergency Communicators in York Region. Both the public awareness and recognition initiatives are vital components to the successful operation of the 9-1-1 service.

3.1 9-1-1 Public Awareness Campaign

York Region has taken a proactive approach in educating the public on the proper use of the 9-1-1 emergency service. The formation of the 9-1-1 Operating Committee of Regional Council, the hiring of a Community Education Co-ordinator, the registration of a 9-1-1 logo and the continued participation at Safety Communication Conferences emphasize the Region's commitment to this Emergency Service.

3.2 Tri-Service Emergency Communicators of York Region Week

The Tri-Services Emergency Communicators appreciation week has been in place since 1996. This week is used to both educate the public on the proper use of the 9-1-1 Emergency Service and recognize outstanding performance in the fields of Police, Fire and Emergency Medical Services communications. The week features a seminar, public displays, an awards ceremony and a reception.

The award process begins with nominees being identified by colleagues throughout the year. The nominations are then reviewed by a panel of independent emergency service personnel including senior staff members to determine the award recipients.

4. ANALYSIS AND OPTIONS

The proper use of the 9-1-1 Emergency Service is critical to ensure the most effective response from public safety emergency providers by saving precious time in emergency situations. The education of all persons in the proper use of this service is one means to ensure that public safety emergency services are best able to respond effectively in a timely fashion.

Key to the continuing success of the 9-1-1 Emergency Service is the assistance of the nine local municipalities. For this reason, endorsement and promotion of this initiative by local municipal councils is important. A copy of a proclamation (*Attachment 1*) is appended to this report for use by the nine local municipalities.

On April 16, 2002, a full day of activities is planned at the Regional Administration Centre. The activities will include a conference, speeches, displays, the introduction of the Region's new 9-1-1 mascot, Red E. Fox and the 9-1-1 for Kids™ education program, which will be implemented in elementary schools throughout the region in September 2002. An awards ceremony will be followed by a reception. Activities will be jointly planned by the Appreciation Week Committee and Regional staff.

The use of a recognition week is an effective means to increase public awareness of this important public service

5. FINANCIAL IMPLICATIONS

The cost associated with this event is approximately $5,000.00. This cost will cover items such as awards, promotional items, invitations, and refreshments at the reception. These funds have been included in the 2002 Budget for the 9-1-1 Operating Committee.

6. LOCAL MUNICIPAL IMPACT

The nine local municipalities will benefit from the initiative through increased public education and awareness of the proper use of the 9-1-1 Emergency Service.

7. CONCLUSION

Public education plays a vital role in the proper use of the 9-1-1 Emergency Service. The combination of the 9-1-1 public education with the Tri-Service Emergency Communicators of York Region Week provides an excellent opportunity to highlight the importance of this initiative.

10
COURT SCHEDULING AND THE "FIRST ATTENDANCE" SYSTEM

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, February 14, 2002, from the Commissioner Corporate and Legal Services:

1. RECOMMENDATIONS

It is recommended that this report be received for information purposes.

2. PURPOSE

This report analyzes the new “First Attendance” system of court scheduling, which was implemented in York Region on February 1, 2002.

3. BACKGROUND

In an effort to reduce a backlog of trial requests and better serve the public, on March 5, 2001, the Regional Chair requested that the Attorney General consider designating York Region as a First Attendance site for the purposes of hearings under the *Provincial Offences Act*. This designation was granted on May 3, 2001, by virtue of Regulation 140/01.

4. ANALYSIS AND OPTIONS

4.1 The Impact of First Attendance on Requests for Trial

In municipalities that have not been designated for First Attendance, a defendant can schedule a trial by simply ticking a box on the back of the ticket and mailing it to the court office. Once a trial request is received, the court office will schedule court time and notify any witnesses and interpreters who may be required.

Experience shows that many defendants simply tick the box requesting a trial because they are uncertain about how they should proceed and have limited understanding of the complex court process. This often results in valuable trial time being assigned to matters where the facts are not in dispute. In many cases, the defendant decides not to attend on the day, causing a significant waste of the Region's resources.

In a municipality designated for "First Attendance", the defendant or designated agent who desires a trial is required to physically attend at a court office for a First Attendance appointment where the need for a trial will be further explored.

4.2 The First Attendance Appointment

The defendant or designated agent meets with the Region's prosecutor to discuss the charge in an informal environment. During this discussion, the court process is clarified and the options outlined. The discussion may result in the defendant deciding that there is no merit in taking the matter forward to trial. Alternatively, depending on the gravity of the offence and the particular facts of the case, the prosecutor may exercise discretion and accept a guilty plea to a lesser charge. In either of these circumstances, the defendant will immediately be directed to a Justice of the Peace to plead guilty and have the matter concluded on the same day.

If, after a full discussion, either the prosecutor or the defendant wish to proceed to trial, a court date will be scheduled. Even if a matter is not resolved at the First Attendance meeting, the discussions that have taken place will give the defendant a clear understanding of the process, which will expedite the matter.

5. FINANCIAL IMPLICATIONS

Drawing on experience in other areas, as much as 80% of overall caseload may be dealt with by First Attendance in the future. By allowing for speedy resolution of minor offences, the

First Attendance process ensures that valuable court time is made available for more serious cases. The general reduction in scheduling delays should also reduce the possibility of cases being dismissed for not proceeding in a timely manner. The trial time freed up by the First Attendance process will ensure that court resources can be more effectively employed and delays to trial reduced.

6. LOCAL MUNICIPAL IMPACT

Police and other law enforcement officers will spend less time appearing for trials and will presumably have more time to carry out their public duties.

7. CONCLUSION

The First Attendance system will improve the efficiency of court scheduling and provide better service to all court users (defendants, injured parties, lawyers, agents, police, enforcement agencies, etc).

This report has been reviewed by the Senior Management Group.

11
UPDATE - COMMITTEE PROCEEDINGS

The Finance and Administration Committee advises Council of the following matters having been considered by the Finance and Administration Committee with the corresponding action as noted:

COMMUNICATION

1. Carolyn Downs, Manager Council Support/City Clerk, City of Kingston, February 13, 2002, forwarding a resolution adopted by the City of Kingston at its meeting on February 12, 2002, regarding the Lennox Generating Station. **Received.**

2 The Committee considered and referred back to staff for revisions a report of the Chief Administrative Officer, February 25, 2002 regarding 2002 Christmas Closure.

The Finance and Administration Committee meeting adjourned at 9:55 a.m.

Respectfully submitted,

March 7, 2002 **T. Jones**
Newmarket, Ontario **Chair**

(Report No. 3 of the Finance and Administration Committee was adopted, as amended, by Regional Council at its meeting on March 28, 2002.)