

EXECUTIVE SUMMARY—CITY OF SUDBURY

This section of the report encompasses economic and demographic characteristics that effect community demands, such as demands for public safety, capital improvements and social services. The following provides some of the key municipal profile statistics. The results have been presented to show a comparison to the overall survey average of 79 Ontario municipalities as well as a comparison to the average within the geographic location.

Population & Growth Profile		Sudbury	Survey Average	North Average
	2001-2006 Population Increase	1.7%	9.0%	0.6%
	2006 Building Permit Activity per Capita	\$ 1,469	\$ 2,183	\$ 1,092
Dwelling & Density Profile		Sudbury	Survey Average	North Average
	% Dwellings Requiring Major Repair	7.8%	6.0%	7.6%
	% Dwellings Constructed Before 1986	80%	65%	83%
	Population Density per sq. km.	49	630	181
Assessment Profile		Sudbury	Survey Average	North Average
	2007 Unweighted Taxable Assessment Per Capita	\$ 51,731	\$ 97,261	\$ 52,686
	% of Residential Assessment	81.2%	85.7%	79.5%
	% of Non-Residential Assessment	18.8%	14.3%	20.5%

Changes in community needs and resources are interrelated in a continuous, cumulative cycle of cause and effect. For example, a decrease in population decreases the demand for housing and causes a corresponding decline in the market value of housing. A gradually increasing population trend is generally considered favorable. Another growth related indicator is the building permit activity. Changes in building activity impact other factors such as the employment base, income, and property values. Information on the condition of dwellings in a municipality provides a general indication of age of the municipality, the infrastructure and the mix of new versus older growth.

Population density indicates the number of residents living in an area (usually measured by square kilometre). Density readings can lend insight into the age of a city, growth patterns, zoning practices, new development opportunities, the level of multi-family unit housing, whether a municipality may be reaching build-out, as well as service and infrastructure needs.

Assessment per capita statistics have been included to provide an indication of the “richness” of assessment base in each municipality. Assessment composition has also been included to provide an understanding of the mix of assessment.

Financial Indicators**Levy Per Capita**

2007 Net Municipal Levy	Sudbury	Survey Average
Net Municipal Levy per Capita	\$ 1,041	\$ 1,121
Net Municipal Levy per \$100,000 CVA	\$ 2,013	\$ 1,270

In order to better understand the relative tax position for a municipality, another measure that has been included in the study is a comparison of net municipal levies on a per capita basis. This measure indicates the total net municipal levy to provide services to the municipality. Net levy per \$100,000 of assessment provides a measure of the burden on properties with the same assessed value. This analysis does not indicate value for money or the effectiveness in meeting community objectives which varies from municipality to municipality.

Expenditures Per Capita

Costs will vary significantly based on a number of factors including but not limited to:

- Size of municipality and mix of urban and rural coverage
- Service levels
- How the service is provided
- Geographical factors
- Accounting and reporting practices

It is important to review trends overtime to determine how costs are growing compared with revenue growth.

Municipal Revenues

Revenues determine a municipality's capacity to provide services. Under ideal conditions revenues would grow at a rate equal to or greater than the combined effects of inflation and expenditures. A municipality's largest source of revenues are from taxation. The following is a comparison of the rates within the survey. It should be noted that a comparison of the tax rate in isolation does not reflect the relative tax burden for various properties within the municipality. Comparisons of relative tax burden, as will be shown later in the report must also consider the assessments within a municipality for comparable properties.

2006 FIRs and MPMPs	Sudbury	Survey Average
Fire per Capita	\$ 112	\$ 111
Police per capita (MPMP)	\$ 235	\$ 220
Roadways Operating Costs per Lane Km (MPMP)	\$ 2,292	\$ 2,065
Winter Control Operating Costs per Lane Km (MPMP)	\$ 3,609	\$ 1,371
Transit per Capita	\$ 57	\$ 52
Storm Sewer per Capita	\$ 12	\$ 13
Waste Collection per Capita	\$ 26	\$ 16
Waste Disposal per Capita	\$ 7	\$ 17
Recycling per Capita	\$ 30	\$ 17
Public Health per Capita	\$ 39	\$ 24
Ambulance Services per Capita	\$ 52	\$ 52
Cemeteries per Capita	\$ 2	\$ 4
General Assistance per capita	\$ 162	\$ 144
Assistance to Aged per Capita	\$ 24	\$ 20
Social Housing per capita	\$ 102	\$ 81
Library per Capita	\$ 43	\$ 36
Cultural Services per Capita	\$ 1	\$ 10
Planning per Capita	\$ 17	\$ 19
Parks, Recreation & Facilities Operating Costs per Capita (MPMP)	\$ 128	\$ 121
Commercial and Industrial	\$ 38	\$ 25

Tax Rates	Sudbury	Survey Average
Residential - Municipal	1.7128%	1.1409%
Multi-Residential - Municipal	3.5269%	2.2821%
Commercial Residual - Municipal	2.9471%	1.9101%
Standard Industrial - Municipal	4.2108%	2.5719%
Large Industrial - Municipal	4.7727%	2.7244%
Residential - Education	0.2640%	0.2640%
Multi-Residential - Education	0.2640%	0.2640%
Commercial Residual - Education	1.9840%	1.7042%
Standard Industrial - Education	2.6132%	2.2574%
Large Industrial - Education	2.9619%	2.3568%
Residential - Total	1.9768%	1.4049%
Multi-Residential - Total	3.7909%	2.5461%
Commercial Residual - Total	4.9311%	3.6143%
Standard Industrial - Total	6.8239%	4.8298%
Large Industrial - Total	7.7346%	5.0816%

The table to the right provides a comparison of some additional revenue sources on a per capita basis as well as a comparison of building permit fees on a residential home.

Select User Fee & Revenue Information	Sudbury	Survey Average
2007 Building Permits Fees on Residential Home 1,800 sq.ft	\$ 1,445	\$ 1,527
Solid Waste	\$ 60	\$ 76
Licenses, Permits, Rents per Capita	\$ 38	\$ 42
Gaming & Casino Revenues per Capita	\$ 14	\$ 29
Business Enterprise Revenues per Capita	\$ 24	\$ 26
OMPF Grants per Capita	\$ 373	\$ 61
Canadian Conditional Grants per Capita	\$ 28	\$ 12
Ontario Conditional Grants per Capita	\$ 880	\$ 185
Investment Income per Capita	\$ 28	\$ 24
Contributions from Reserves and Reserve Funds per Capita	\$ 46	\$ 56
Penalties, Interest & Fine Revenues	\$ 15	\$ 19

Reserves

Reserve Analysis	Sudbury	Survey Average
Reserves as a % Total Expenditures	18.5%	41.9%
Reserves as a % Total Expenditures (Excluding Water/Sewer)	16.0%	43.1%
Reserves as a % Total Taxation (Excluding Water/Sewer)	42.8%	73.1%
Reserves per Capita	\$ 681	\$ 718

Reserves are a critical component of a municipality's long-term financing plan. The purpose for maintaining reserves is to:

- Provide stability of tax rates in the face of variable and uncontrollable factors
- Provide financing for one-time or short term requirements
- Make provisions for replacements/acquisitions of assets/infrastructure
- Provide a source of internal financing
- Ensure adequate cash flows
- Provide flexibility to manage debt levels and protect the municipality's financial position
- Provide for future liabilities incurred in the current year but paid for in the future

Debt

Debt Analysis	Sudbury	Survey Average
Debt Charges as a % of Expenditures	1.3%	4.4%
Debt Charges as a % of Expenditures (Excluding Water/Sewer)	0.9%	3.8%
Debt as a % of Taxation (Excluding Water/Sewer)	2.5%	6.5%
Debt Per Capita	\$ 305	\$ 510
Debt Outstanding / Unweighted Assessment	\$ 589	\$ 721

An examination of a municipality's debt, particularly over time can reveal the municipality's:

- Reliance on debt to finance infrastructure
- Expenditure flexibility (due to fixed costs in the form of debt)
- The amount of additional debt a municipality can absorb

Debt to Reserve Ratio

Municipal credit rating agencies recommend a debt to reserve ratio of 1.0, in other words, for every \$1 in debt there should be \$1 in reserves.

Debt Analysis	Sudbury	Survey Average
Debt to Reserve Ratio	0.4	0.9

Taxes Receivable

Every year, a percentage of property owners is unable to pay property taxes. If this percentage increases over time, it may indicate an overall decline in the municipality's economic health. Additionally, as uncollected property taxes rise, liquidity decreases. If the percentage of uncollected property taxes increases, the municipality should try to identify the causes and devise action strategies

	Sudbury	Survey Average
Taxes Receivable as a % of Tax Levies	4.1%	6.0%

Financial Position

A municipality's financial position is defined as the total fund balances including equity in business government enterprises less the amount to be recovered in future years associated with long term liabilities. A comparison was made of each municipality's overall financial position (assets less liabilities). This is calculated as follows:

- ◆ Accumulated net revenue or deficit of the operating fund—this is the current year's operating surplus or deficit
- ◆ Plus the capital fund position—this is the surplus or deficit in the capital fund
- ◆ Plus the reserves and discretionary reserve funds—this does not include obligatory reserve funds such as DCs and park dedication which must be used for specific purposes
- ◆ Plus equity in business enterprises—this is the municipality's share in hydro operations.
- ◆ Less long term liabilities—this is the debt outstanding
- ◆ Less post employment benefits—this includes accumulated sick leave, vacation pay and WSIB claims

The following table provides a comparison of the financial position per capita against the total survey average. A comparison of the change in financial position over time will assist in understanding the trend within the municipality.

	Sudbury	Survey Average
Financial Position per Capita	\$ 704	\$ 306

Taxes and Comparison of Relative Taxes

The purpose of this section of the report is to undertake "like" property comparisons across each municipality and across various property types. In total, 11 property types were defined based on those property types that were of most interest to the participating municipalities. There are many reasons for differences in relative tax burdens across municipalities and across property classes. These include, but are not limited, to the following:

- The values of like properties varies significantly across municipalities
- The tax burden within a municipality varies based on the tax ratios used. As such, it is possible for a municipality to have a relative low tax burden in a particular class of property and a relatively high tax burden in another class
- The use of optional classes
- Non-uniform education tax rates in the non-residential classes
- Level of service provided and the associated costs
- Extent to which a municipality employs user fees
- Access to other sources of revenues such as dividends from hydro utilities, gaming & casino revenues

	Sudbury	Survey Average	Average Within Population Range	Location Group Average
			100,000 +	North
Detached Bungalow				
Property Taxes	\$ 2,254	\$ 2,750	\$ 3,014	\$ 2,480
Senior Executive				
Property Taxes	\$ 4,982	\$ 5,038	\$ 5,328	\$ 5,052
Walk Up Apartment per unit				
Property Taxes	\$ 1,025	\$ 1,312	\$ 1,499	\$ 1,104
Mid/High Rise per unit				
Property Taxes	\$ 1,246	\$ 1,469	\$ 1,572	\$ 1,362
Office Building /sq. ft.				
Property Taxes	\$ 3.31	\$ 2.94	\$ 3.51	\$ 3.16
Neighbourhood Shopping /sq. ft.				
Property Taxes	\$ 2.83	\$ 3.43	\$ 4.16	\$ 3.45
Hotels /Suite				
Property Taxes	\$ 3,159	\$ 2,029	\$ 2,220	\$ 2,439
Motels /Suite				
Property Taxes	\$ 1,544	\$ 1,347	\$ 1,477	\$ 1,491
Industrial Standard /sq.ft				
Property Taxes	\$ 2.56	\$ 1.91	\$ 2.28	\$ 2.04
Industrial Large sq.ft				
Property Taxes	\$ 2.37	\$ 1.35	\$ 1.44	\$ 1.97
Industrial Vacant Land per acre				
Property Taxes	\$ 1,368	\$ 2,969	\$ 4,397	\$ 1,919

Comparison of Water and Sewer User Costs

A comparison was made of water/sewer costs in each municipality. In order to put into perspective the impact of water/sewer costs on the overall burden to a property owner, typical consumptions were estimated for property types that followed predictable patterns. The following table summarizes the costs in the municipality for water and sewer on typical annual consumption against the overall survey average.

Water/Sewer	Sudbury	Survey Average
Residential - 300 m3	\$ 894	\$ 700
Commercial - 10,000 m3	\$ 20,178	\$ 18,598
Industrial - 30,000 m3	\$ 59,195	\$ 54,745
Industrial - 100,000 m3	\$ 192,499	\$ 176,558
Industrial - 500,000 m3	\$ 1,602,749	\$ 874,665
Industrial - 1,000,000 m3	\$ 1,891,950	\$ 1,724,486

Taxes as a % of Income

This section of the report provides a comparison of the availability of gross household income to fund municipal services on a typical household. This provides a measure of affordability within each community.

	Sudbury	Survey Average	North Average
Property Taxes as a % of Household Income	3.8%	3.2%	N/A
Water/Sewer + Taxes as a % of Household Income	5.3%	4.2%	5.0%

Next Steps—Trend Analysis

For municipalities participating in the study for a number of years, there is the ability to undertake a trend analysis. A trend analysis offers several advantages:

- ◆ It provides information on changes in the municipality in the most recent years, revealing the most current trends and their relative impact on the financial health of the municipality
- ◆ It allows the evaluator to determine how quickly an indicator is changing and in which direction
- ◆ It permits one trend to be evaluated in conjunction with other trends
- ◆ It allows local trends to be compared with Regional/Provincial trends
- ◆ It provides a database that can be used to make long-term projections necessary for effective budgeting, capital programming and master planning efforts and general decision making
- ◆ It builds awareness and the potential need to modify policies
- ◆ It provides useful information to efficiently manage public funds and to provide adequate services
- ◆ It educates citizens about potential areas of need for additional tax revenues and/or changing priorities
- ◆ It provides a good indication of where a municipality is heading

EXECUTIVE SUMMARY

The Executive Summary provides a high level overview of the analysis contained in the comprehensive report with averages calculated for municipalities within geographic locations. The following table provides a summary of the municipalities included in the study within geographic locations.

Eastern	GTA	Niagara/Hamilton	North	Simcoe/Muskoka/Dufferin	Southwest
Belleville	Ajax	Fort Erie	North Bay	Barrie	Amherstburg
Brockville	Aurora	Grimsby	Sault Ste. Marie	Bracebridge	Brantford
Cobourg	Brampton	Hamilton	Sudbury	Bradford West Gwillimbury	Cambridge
Cornwall	Burlington	Lincoln	Thunder Bay	Gravenhurst	Central Elgin
Kawartha Lakes	Caledon	Niagara Falls	Timmins	Huntsville	Chatham-Kent
Kingston	Clarington	Niagara-on-the-Lake		Orangeville	Guelph
Ottawa	East Gwillimbury	Pelham		Parry Sound	Kitchener
Peterborough	Georgina	Port Colborne		Wasaga Beach	Leamington
	Halton Hills	St. Catharines			London
	King	Thorold			Middlesex Centre
	Markham	Wainfleet			Norfolk
	Milton	Welland			North Dumfries
	Mississauga	West Lincoln			Owen Sound
	Newmarket				Sarnia
	Oakville				St. Thomas
	Oshawa				Stratford
	Pickering				Tillsonburg
	Richmond Hill				Waterloo
	Toronto				Wellesley
	Vaughan				Wilmot
	Whitby				Windsor
	Whitchurch-Stouffville				Woodstock
					Woolwich

The study includes a good cross section of Ontario municipalities including:

Number of Municipalities	Populations
23	100,000 or greater
17	between 50,000 - 99,999
19	between 20,000 - 49,999
20	less than 20,000
79	Total

The results for each area municipality have been included in the detailed report, along with comparisons against geographic areas and within population ranges.

Municipal Profile

This section of the report includes information on population changes since 1996 by municipality, density and land area as well as assessment information and building permit activity to assist in understanding some of the basic facts about each municipality and the overall growth patterns.

Population

- *The report includes an analysis of 79 Ontario municipalities, representing in excess of 80% of the Ontario population:*
 - *Ranging in population from 5,800 to approximately 2.5 million—there was a good distribution of comparable properties across various population groups*
 - *Ranging in land area from 16 km to 3,200 km*
 - *Ranging in population per square kilometre (Density) ranges from 15 to 3,900*
 - *Includes single tier and two-tier municipalities*
 - *Includes municipalities from across all parts of Ontario—North, South, East and West*
- *Average estimated population growth of municipalities in the study between 2001-2006 is 9.0% and the Ontario average is 6.6%.*

2001 - 2006 Population % Growth by Location		
Area	2001-2006 Growth	Rank Against Survey Average
GTA	18.1%	Above
Simcoe/Muskoka/Dufferin	9.4%	Above
Southwest	5.9%	Below
Niagara/Hamilton	5.2%	Below
Eastern	4.5%	Below
North	0.6%	Below
Survey Average	9.0%	

- *Municipalities surrounding the City of Toronto have experienced the largest population growth.*
- *The Town of Milton which grew by 103% was by far the fastest growing municipality.*

Age Demographics

The age profile of a population may affect municipal expenditures. For example, expenditures may be affected by seniors requiring higher public service costs and families with young children demanding services for recreational, and related programs. As shown in the table, the GTA, on average has a lower median age than the rest of the geographic areas. For example, the GTA municipalities have on average 11% of the population 65 years of age or greater compared with 19% in Eastern Ontario municipalities.

Area	0-19	20-64	65+	Median Age
GTA	28%	61%	11%	37.8
Simcoe/Muskoka/Dufferin	24%	59%	17%	42.2
Southwest	26%	59%	15%	39.2
Niagara/Hamilton	24%	59%	17%	42.0
Eastern	23%	59%	19%	42.5
North	24%	61%	16%	41.4

Age and Condition of Private Dwellings

These statistics provide a general indication of the age of the infrastructure and the growth rate of a municipality.

Northern Ontario has the highest percentage of dwellings constructed before 1986 and the highest percentage of dwellings needing major repairs.

Area	% of Dwellings Requiring Major Repair	% of Dwellings Constructed Before 1986
GTA	4.5%	51%
Simcoe/Muskoka/Dufferin	6.0%	57%
Southwest	6.0%	70%
Niagara/Hamilton	6.5%	73%
Eastern	7.2%	75%
North	7.5%	83%

Assessment Per Capita

Average Taxable Assessment per Capita by Location Rank Against Survey Average		
Area	Amount	Average
GTA	\$ 125,463	Above
Simcoe/Muskoka/Dufferin	\$ 119,755	Above
Niagara/Hamilton	\$ 87,256	Below
Southwest	\$ 84,356	Below
Eastern	\$ 78,431	Below
North	\$ 52,686	Below
Survey Average	\$ 97,261	

Unweighted assessment per capita which is a measure of the "richness" of the assessment base ranged significantly across the survey, from \$46,466 to \$194,729 with a survey average of \$97,261. The taxable assessment on a per capita basis in the GTA is over twice that of Northern municipalities.

% Change in Unweighted Assessment 2006 -2007		
Area	%Change	Rank Against Survey Average
GTA	3.3%	Above
Simcoe/Muskoka/Dufferin	2.3%	Above
Southwest	2.3%	Below
Eastern	1.9%	Above
Niagara/Hamilton	1.6%	Above
North	0.7%	Below
Survey Average	2.0%	

Change in Unweighted Assessment

From 2006—2007 assessment increased by 2.0% on average. The GTA experienced the largest increase at 3.3%. The change in assessment between 2006 and 2007 reflects primarily the impact of growth as there was no reassessment.

Building Permit Value

Building permits per capita were analyzed between 2003-2006 to provide a measure of relative building activity in each municipality. The range in activity for 2006 was \$632 per capita to \$9,474 per capita, with an average of \$2,183.

2006 Building Permit Activity per Capita by Location		
Area	Per Capita Building Activity	Rank Against Survey Average
GTA	\$ 2,845	Above
Simcoe/Muskoka/Dufferin	\$ 2,506	Above
Southwest	\$ 2,031	Below
Niagara/Hamilton	\$ 1,823	Below
Eastern	\$ 1,727	Below
North	\$ 1,344	Below
Survey Average	\$ 2,183	

Financial Indicators

Net Municipal Levy per Capita

This analysis does not indicate value for money or the effectiveness in meeting community objectives. Net municipal expenditures per capita may vary as a result of:

- *Different service levels*
- *Variations in the types of services*
- *Different methods of providing services*
- *Different residential/non-residential assessment composition*
- *Varying demand for services*
- *Locational factors*
- *Demographic differences*
- *Socio-economic differences*
- *Urban/rural composition differences*
- *User fee policies*
- *Age of infrastructure*
- *What is being collected from rates as opposed to property taxes*

2007 Net Municipal Levy per Capita and by \$100,000 of Assessment (by Location)		
Area	Per Capita	\$100,000 Assessment
North	\$ 1,110	\$ 2,125
Eastern	\$ 1,165	\$ 1,570
Niagara/Hamilton	\$ 1,174	\$ 1,396
Southwest	\$ 1,070	\$ 1,331
Simcoe/Muskoka/Dufferin	\$ 1,086	\$ 952
GTA	\$ 1,143	\$ 945
Survey Average	\$ 1,121	\$ 1,270

Net municipal levy per capita was calculated using 2006 Stats Canada population and the 2007 municipal levies. The net levy on a per capita basis ranged across the municipalities from \$744 to \$1,696 (with an average of \$1,121 per capita). Average spending per capita is within a 10% range, however, because of the variations in assessment in each of the areas, there is a substantial range in levy per \$100,000 of assessment.

Municipal Position

A municipality's financial position is defined as the total fund balances including equity in business government enterprises less the amount to be recovered in future years associated with long term liabilities. A comparison was made of each municipality's overall financial position (assets less liabilities) over time. As shown in the table to the right, there is a significant range in municipal financial position across Ontario, with the GTA municipalities, on average having the strongest financial position.

Area	Average Municipal Position Per Capita
Eastern	\$ 60
Southwest	\$ 123
North	\$ 175
Simcoe/Muskoka/Dufferin	\$ 289
Niagara/Hamilton	\$ 486
GTA	\$ 528
Survey Average	\$ 306

Reserves

Reserves are a critical component of a municipality's long-term financing plan. The purpose for maintaining reserves is to:

- Provide stability of tax rates in the face of variable and uncontrollable factors (consumption, interest rates, unemployment rates, changes in subsidies)
- Provide financing for one-time or short term requirements without permanently impacting the tax and utility rates
- Make provisions for replacements/acquisitions of assets/infrastructure that are currently being consumed and depreciated
- Avoid spikes in funding requirements of the capital budget by reducing their reliance on long-term debt borrowings
- Provide a source of internal financing
- Ensure adequate cash flows
- Provide flexibility to manage debt levels and protect the municipality's financial position
- Provide for future liabilities incurred in the current year but paid for in the future

Reserves	Reserves as a % of Expenditures Excluding W/S	Water Reserves as a % of Water Expenditures	Sewer Reserves as a % of Sewer Expenditures
Average	41.9%	57.6%	45.0%
Median	31.4%	24.8%	31.9%
Maximum	191.0%	1013.7%	267.0%
Minimum	3.4%	0.0%	-22.9%

Debt

The Ministry of Municipal Affairs and Housing regulates the level of debt that may be incurred by municipalities, such that no more than 25% of the total own purpose revenue can be used to service debt and other long term obligations without receiving OMB approval. In addition to confirming that the debt is within the legislated limits, Government Finance Officers' Association (GFOA) recommends the following analysis be undertaken:

Measures of the tax and revenue base, such as:

- *projections of key, relevant economic variables*
- *population trends*
- *utilization trends for services underlying revenues*

Evaluation of trends relating to the government's financial performance, such as:

- *revenues and expenditures*
- *net revenues available after meeting operating requirements*
- *reliability of revenues expected to pay debt service*
- *unreserved fund balance levels*

Debt service obligations such as:

- *existing debt service requirements*
- *debt service as a percentage of expenditures, or tax or system revenues*

Measures of debt burden on the community such as:

- *debt per capita*
- *debt as a percentage of full or equalized assessed property value*

Debt Charges	Debt Charges as a % of Total Expenditures	Water Debt Charges as a % of Water Expenditures	Sewer Debt Charges as a % of Sewer Expenditures
Average	3.8%	7.1%	10.9%
Median	3.6%	2.2%	5.9%
Maximum	12.0%	39.4%	61.9%
Minimum	0.0%	0.0%	0.0%

Taxes Receivable

Every year, a percentage of property owners is unable to pay property taxes. If this percentage increases over time, it may indicate an overall decline in the municipality's economic health. Additionally, as uncollected property taxes rise, liquidity decreases. If the percentage of uncollected property taxes increases, the municipality should try to identify the causes and devise action strategies.

Taxes Receivable as a % of Tax Levies	
Area	% of Tax Levies
Eastern	4.7%
Southwest	4.8%
GTA	6.1%
North	6.3%
Niagara/Hamilton	7.5%
Simcoe/Muskoka/Dufferin	7.7%
Survey Average	6.0%

Revenue & Expenditure Analysis & MPMPs

The following summarizes the lowest, highest and survey average of net expenditures per capita for select municipal services.

Municipal Service	Low Net Expenditures per Capita	High Net Expenditures per Capita	Average Net Expenditures per Capita
Protective Services			
Fire	\$ 38	\$ 199	\$ 111
Police	\$ 86	\$ 374	\$ 220
POA	\$ (17)	\$ 3	\$ (5)
Transportation Services			
Roadways (lower and single tier)	\$ 14	\$ 292	\$ 113
Winter Control (lower and single tier)	\$ 1	\$ 94	\$ 23
Transit	\$ 3	\$ 227	\$ 52
Parking	\$ (5)	\$ 29	\$ 6
Environmental Services			
Storm	\$ -	\$ 55	\$ 13
Waste Collection	\$ (33)	\$ 59	\$ 16
Waste Disposal	\$ (21)	\$ 62	\$ 17
Recycling	\$ (4)	\$ 35	\$ 17
Health Services			
Public Health	\$ 13	\$ 50	\$ 24
Ambulance	\$ 18	\$ 487	\$ 52
Cemeteries	\$ -	\$ 27	\$ 4
Social and Family Services			
General Assistance	\$ 33	\$ 528	\$ 200
Assistance to the Aged	\$ 1	\$ 106	\$ 20
Child Care	\$ (5)	\$ 48	\$ 16
Social Housing	\$ 15	\$ 229	\$ 81
Recreation and Culture			
Parks - MPMP	\$ 1	\$ 67	\$ 35
Recreation Programs and Facilities	\$ 12	\$ 202	\$ 68
Library	\$ 1	\$ 63	\$ 36
Cultural Services	\$ (34)	\$ 35	\$ 10
Planning and Development Services			
Planning and Zoning	\$ (6)	\$ 60	\$ 19
Commercial and Industrial	\$ -	\$ 199	\$ 25

As illustrated on the previous page, there is a wide variation across the survey in the cost of municipal services. Certain factors may be attributed to factors beyond the control of the municipality such as location, topography, climate conditions, demographics and economic conditions. Factors that a municipality controls include how the service is provided, extent to which user fees are established, service levels and service standards. MPMPs have been included in the report.

Select User Fee and Revenue Information

The **Select User Fee and Revenue Information** section of the report includes select user fees based on feedback received from the participating municipalities. The following information is provided to assist municipalities in understanding some basic facts about each municipality included in the study.

- Development Charge Fees
- Building Permit Fees and Comparison of Building Permit Costs on a Residential Property
- Commercial Solid Waste Tipping Fees
- Transit Fare Comparison
- Penalties and Interest on Taxes and Other Fine Revenues
- Gaming and Casino Revenues Per Capita
- OMPF Per Capita
- Contributions from Reserves, Reserve Funds

Development Charges

The following table summarizes the findings for 2007 development charges. Information on each of the municipalities is included in the study. There are some clear trends across Ontario in terms of Development Charges and costs, with the lowest DCs generally in the North and the East and the highest DCs in the GTA where the majority of growth is occurring. Note: some municipalities do not charge any development charges.

Development Charges	Residential	Multiples Dwelling 3+	Apartments Units >=2	Non-Residential Commercial Sq. Ft.	Non-Residential Industrial Sq. Ft.
Average	\$ 15.813	\$ 13.087	\$ 10.025	\$ 7.16	\$ 4.92
Median	\$ 12.751	\$ 10.514	\$ 8.372	\$ 5.98	\$ 5.02
Min	\$ 1.216	\$ 901	\$ 696	\$ 0.30	\$ 0.19
Max	\$ 35.148	\$ 28.723	\$ 21.993	\$ 17.22	\$ 12.63

Average Development Charges	Residential	Multiples Dwelling 3+	Apartments Units >=2	Non-Residential Commercial Sq. Ft.	Non-Residential Industrial Sq. Ft.
North	\$ 3.405	\$ 2.511	\$ 1.984	\$ 0.67	\$ 0.67
Eastern	\$ 8.537	\$ 7.102	\$ 5.626	\$ 4.40	\$ 4.88
Southwest	\$ 9.919	\$ 8.132	\$ 6.344	\$ 4.55	\$ 4.56
Niagara/Hamilton	\$ 12.046	\$ 9.175	\$ 6.967	\$ 6.30	\$ 3.57
Simcoe/Muskoka/Dufferin	\$ 16.610	\$ 13.386	\$ 10.892	\$ 5.73	\$ 4.54
GTA	\$ 27.391	\$ 23.350	\$ 17.368	\$ 11.66	\$ 6.24
Average	\$ 15.788	\$ 13.064	\$ 10.013	\$ 7.15	\$ 4.85

Building Permit Fees

Building permit fees were calculated on an 1,800 sq. ft. residential property with a construction value of \$135,000. Building permit fees ranged from a low of \$825 to a high of \$2,402 across the 79 Ontario municipalities, with a survey average of \$1,527.

Building Permit Fees by Location (Residential 1,800 Sq. Ft. Property, \$135,000 Value)	
Area	Amount
Simcoe/Muskoka/Dufferin	\$ 1,284
Eastern	\$ 1,402
Southwest	\$ 1,392
North	\$ 1,568
Niagara/Hamilton	\$ 1,629
GTA	\$ 1,663
Survey Average	\$ 1,527

Commercial Solid Waste Tipping Fees

Commercial solid waste tipping fees ranged from a low of \$40 per tonne to a high of \$120 per tonne, with an average of \$76 per tonne

OMPF Grants Per Capita

The Ontario Municipal Partnership Fund assists municipalities with their social program costs; includes equalization measures; addresses challenges faced by Northern and rural municipalities and responds to policy costs in rural municipalities.

OMPF Grants per Capita by Location	
Area	Amount
GTA	\$ 5
Niagara/Hamilton	\$ 39
Southwest	\$ 58
Simcoe/Muskoka/Dufferin	\$ 83
Eastern	\$ 111
North	\$ 329

Other Revenue Sources Per Capita

Other Revenues	Low Revenues per Capita	High Revenues per Capita	Average Revenues per Capita
Ontario & Canada Conditional Grants	\$ 1	\$ 1,040	\$ 185
Licenses, Permits, Rents, etc.	\$ -	\$ 187	\$ 42
Penalties and Interest on Taxes	\$ 8	\$ 41	\$ 19
Investment Income	\$ 1	\$ 77	\$ 24
Gaming & Casino Revenues	\$ 4	\$ 88	\$ 29
Contributions From Reserves	\$ -	\$ 469	\$ 56
Revenues From Government Business Enterprise	\$ 3	\$ 74	\$ 26

Tax Policies

The following table summarizes the tax ratios ranking across the survey for each of the classes.

Municipality	Multi-Residential	Commercial (Residual)	Industrial (Residual)	Industrial (Large)
Barrie	1.0787	1.4331	1.5163	
Belleville*	2.5102	1.9191	2.9261	
Brantford*	2.1355	1.9360	2.9842	
Brockville	1.8500	1.9785	2.6276	
Central Elgin*	2.3458	1.6376	2.2251	2.8318
Chatham-Kent*	2.1488	1.9671	2.4370	2.9289
Cornwall	2.3492	1.9650	2.6300	
Dufferin	2.6802	1.2200	2.1987	
Durham	1.8665	1.4500	2.2598	2.2598
Essex*	1.9554	1.0697	1.9425	2.6861
Guelph	2.7400	1.8400	2.6300	
Halton	2.2619	1.4565	2.3599	
Hamilton*	2.7400	2.0591	3.4273	4.0189
Kawartha Lakes	1.9931	1.2782	1.7825	
Kingston	2.7389	1.9800	2.6300	
Lambton*	2.5014	1.6585	2.0536	3.0124
London	2.1455	1.9800	2.6300	
Middlesex Centre	1.7697	1.1449	1.7451	
Mississauga	1.7788	1.4098	1.5708	
Muskoka	1.0000	1.1000	1.1000	
Niagara	2.0600	1.7586	2.6300	
Norfolk	1.6929	1.6929	1.6929	
North Bay	2.2436	1.9048	1.4000	
Northumberland	2.2160	1.5152	2.6300	
Ottawa*	1.8000	2.1461	2.7468	2.3588
Owen Sound	2.6424	2.3683	2.9067	5.0172
Oxford	2.7400	1.9018	2.6300	
Parry Sound	1.5145	1.6646	1.5162	
Peel (Brampton, Caledon)	1.7050	1.2971	1.4700	
Peterborough (City)	2.0440	1.8912	2.6300	
Sault Ste. Marie*	1.2829	1.6730	1.9251	2.7431
Simcoe	1.5385	1.2521	1.5385	
St. Thomas*	2.4987	1.9475	2.2281	2.6774
Stratford*	2.1539	2.1638	3.3123	
Sudbury*	2.0591	1.7206	2.5596	2.9012
Thunder Bay	2.7400	1.9527	2.4300	2.6275
Timmins*	1.6816	1.7501	2.1783	2.7114
Toronto*	3.6350	3.6737	4.0900	
Waterloo	2.2400	1.9500	2.4500	
Windsor*	2.7400	1.9833	2.4233	3.2377
York	1.0000	1.2070	1.3737	
Average	2.1175	1.7536	2.3034	3.0009
Minimum	1.0000	1.0697	1.1000	2.2598
Maximum	3.6350	3.6737	4.0900	5.0172
Provincial Threshold	2.7400	1.9800	2.6300	2.6300

* denotes municipalities with one or more ratios above the Provincial Threshold

XXX reflects increase in tax ratios
 XXX reflects decrease in tax ratios

The highlighted cells reflect changes in tax ratios between 2006 and 2007

Comparison of Relative Taxes

Like property comparisons were undertaken on 11 property types that were of most interest to the participating municipalities.

Residential

Multi-Residential

Commercial

Industrial

Farmlands

*In order to calculate the relative tax burden of “like” properties, every effort was made to hold constant those factors deemed to be most critical in determining a property’s assessed value. However, given the number of factors used to calculate the assessed value for each property, and the inability to quantify each of these factors, the results should be used to provide the reader with **overall trends** rather than exact differences in relative tax burdens between municipalities. By selecting multiple property types within each taxing class (e.g. Residential—Detached Bungalow, Executive), and by selecting multiple properties from within each municipality and property subtype, the likelihood of anomalies in the database has been reduced. Every effort was made to select a minimum of 3-8 properties from each municipality and from within each property type.*

There are many driving factors impacting a municipality’s relative property tax position, including but not limited to the following:

There are many reasons for differences in relative tax burdens across municipalities and across property classes. These include, but are not limited, to the following:

- *The values of like properties varies significantly across municipalities*
- *The tax burden within a municipality varies based on the tax ratios used. As such, it is possible for a municipality to have a relative low tax burden in a particular class of property and a relatively high tax burden in another class*
- *The use of optional classes*
- *Non-uniform education tax rates in the non-residential classes*
- *Tax burdens across municipalities also vary based on the level of service provided and the associated costs of providing these services*
- *Extent to which a municipality employs user fees*
- *Access to other sources of revenues such as dividends from hydro utilities, gaming & casino revenues*

Residential

Area	Detached Bungalow	Senior Executive
Eastern	\$ 2,623	\$ 4,975
GTA	\$ 3,161	\$ 5,255
Niagara/Hamilton	\$ 2,849	\$ 5,178
North	\$ 2,480	\$ 5,052
Simcoe/Muskoka/Dufferin	\$ 2,329	\$ 4,575
Southwest	\$ 2,498	\$ 4,929
Survey Average	\$ 2,750	\$ 5,038

Multi-Residential

Multi-Residential Comparison by Location		
Area	Walk-Up	Mid/High-Rise
Eastern	\$ 1,479	\$ 1,624
GTA	\$ 1,368	\$ 1,409
Niagara/Hamilton	\$ 1,286	\$ 1,412
North	\$ 1,104	\$ 1,362
Simcoe/Muskoka/Dufferin	\$ 1,050	\$ 1,280
Southwest	\$ 1,333	\$ 1,591
Survey Average	\$ 1,312	\$ 1,469

Commercial

Commercial Properties				
	Neighb.			
	Office	Shopping	Hotel	Motel
Eastern	\$ 3.40	\$ 3.98	\$ 2,225	\$ 1,446
GTA	\$ 3.23	\$ 3.73	\$ 1,856	\$ 1,302
Niagara/Hamilton	\$ 2.25	\$ 3.25	\$ 2,310	\$ 1,272
North	\$ 3.16	\$ 3.45	\$ 2,439	\$ 1,491
Simcoe/Muskoka/Dufferin	\$ 2.19	\$ 2.48	\$ 1,784	\$ 1,156
Southwest	\$ 2.76	\$ 3.34	\$ 1,818	\$ 1,386
Survey Average	\$ 2.94	\$ 3.43	\$ 2,029	\$ 1,347

Industrial

Industrial Properties			
	Standard		
	Large	Vacant	
Eastern	\$ 1.51	\$ 1.32	\$ 2,092
GTA	\$ 2.26	\$ 1.38	\$ 4,810
Niagara/Hamilton	\$ 1.78	\$ 1.14	\$ 2,511
North	\$ 2.04	\$ 1.97	\$ 1,919
Simcoe/Muskoka/Dufferin	\$ 1.27	\$ 1.19	\$ 2,256
Southwest	\$ 1.92	\$ 1.31	\$ 2,001
Survey Average	\$ 1.80	\$ 1.35	\$ 2,598

Comparison of Water/Sewer Costs

- The establishment of water and sewer rates is a municipal responsibility and the absence of standard procedures across Ontario has resulted in the evolution of a great variety of rate structure formats.
- There was considerable diversity across the survey in terms of the costs of water/sewer and how services are charged. Municipal decisions on whether the rates are uniform, increasing or decreasing, whether the rate varies by meter size or whether a service charge is levied impacts the relative ranking across the various property types

Comparison of Water/Sewer Costs by Various Consumptions						
Volume Meter Size	Residential 300 m3 5/8"	Commercial 10,000 m3 2"	Industrial 30,000 m3 3"	Industrial 100,000 m3 4"	Industrial 500,000 m3 6"	Industrial 1,000,000 m3 6"
Average	\$ 700	\$ 18,598	\$ 54,745	\$ 176,558	\$ 874,665	\$ 1,724,486
Median	\$ 675	\$ 17,601	\$ 51,564	\$ 170,795	\$ 852,011	\$ 1,699,336
Min	\$ 319	\$ 7,439	\$ 22,316	\$ 74,385	\$ 300,132	\$ 580,130
Max	\$ 1,215	\$ 39,612	\$ 118,748	\$ 328,000	\$ 1,640,000	\$ 3,280,000

Taxes and Water/Sewer as a % of Income

A comparison was made of relative property tax burdens and water/sewer costs on comparable properties against the median household incomes. The report also calculates the total municipal tax burden as a percentage of income available on an average household. As shown below, the ability to pay for municipal services (measured in municipal burden as a percentage of household income) in the GTA is greater than other geographic locations.

Area	2007 Est. Avg. Household Income	2001 Average Value of Dwelling	Property Taxes as a % of Household Income	Total Municipal Burden as a % of Household Income
North	\$ 60,460	\$ 122,588	4.0%	5.0%
Niagara/Hamilton	\$ 70,250	\$ 162,695	3.6%	4.7%
Eastern	\$ 65,263	\$ 144,372	3.4%	4.5%
Simcoe/Muskoka/Dufferin	\$ 66,563	\$ 166,641	3.2%	4.5%
Southwest	\$ 73,314	\$ 165,196	3.2%	4.3%
GTA	\$ 105,436	\$ 259,535	2.8%	3.3%
Survey Average	\$ 79,304	\$ 186,462	3.2%	4.2%

Economic Development Programs

- *A summary was completed on programs that municipalities have implemented to promote economic development. This included a review of the following:*
 - *Municipal Land Assembly & Industrial Land Prices*
 - *Business Retention & Expansion Programs*
 - *Downtown/Area Specific Programs*
 - *Brownfield Redevelopment*
- *Municipal Land Assembly—approximately 50% of the municipalities surveyed have municipal industrial lands.*
- *Business Retention and Expansion Programs—the majority of the municipalities surveyed provide programs to retain existing business and attract new businesses. These include company visitation programs, seminars, ambassador programs, business enterprise centres, partnership funds, entrepreneurship centres, recruitment programs, marketing alliances, venture centres and cluster marketing.*
- *Downtown/Area Specific Programs—These include interest free loans, business incentive programs, waiving of fees, grants, tax incremental waiver programs, façade programs and tax rebates. Hamilton, London, Cambridge, Oshawa, Kitchener and Waterloo have numerous proactive programs to encourage economic redevelopment, particularly targeted to their downtown cores.*
- *Brownfield Redevelopment—several municipalities have developed and implemented their Brownfield programs.*