



City of North Bay Report to Council

Report No: CORP 2021 - 20

Date: March 10, 2021

Originator: Marc A. Gauthier

Business Unit:
Corporate Services

Department:
Financial Services Department

Subject: LIPI Funding Agreement for 2020 Residential Property Tax Hardship Program

Closed Session: yes ☐ no ☒

Recommendation

1. That the Mayor and Clerk be authorized to execute the Agreement between the Corporation of the City of North Bay and Low Income People Involvement of Nipissing (LIPI) when the agreement has been finalized to the satisfaction of the Chief Administrative Officer, Chief Financial Officer and City Solicitor.

Background

The 2021 Operating Budget contains a Reserve transfer to fund a 2021 Tax Hardship Program for residential property owners to assist residential taxpayers with 2020 property tax arrears or 2021 property tax arrears that arose during the shutdown period of Jan 2021 to March 2021. This program would be open to applicants impacted by the Covid-19 pandemic and whose primary residence had tax arrears limited to the 2020 taxation year or the 2021 interim tax bill.

The attached draft agreement provides that qualified applicants meet the following criteria:

- Available to North Bay Residents Only
- Must be for primary residence (owner listed on title)
- Aid to be provided for 2020 Final and 2021 Interim property tax arrears due to impact of COVID-19
- Applications with property tax arrears prior to February 1, 2020 are not eligible for the program
- Resident must demonstrate ability to maintain property taxes under normal circumstances
- Resident must demonstrate significant impact to household income resulting from Covid-19 pandemic:
 - Impact defined as:
 - Experienced, at minimum, a decrease of 50% of total household income during either of the lockdown periods outlined below in comparison to 2019 income levels during the same timeframe
 - Lockdown Periods defined as:
 - Period 1 – March 23, 2020 to June 12, 2020
 - Period 2 – December 26, 2020 to March 7, 2021

Further, program details provide for the following:

- Program will match taxpayer payments made to property tax account
- Maximum contribution of 50% of tax arrears determined at time of application
- LIPI will make payments directly to City on behalf of taxpayer

The draft agreement authorizing LIPI to operate the program is attached as Appendix A. LIPI has been consulted during the development of the program and is prepared to operate the program as defined above.

Financial/Legal Implications

The 2021 budget approval is for a Municipal contribution of \$300,000. LIPI will be receiving a ten percent (10%) administration fee as part of the program.

Corporate Strategic Plan

- | | |
|---|--|
| <input type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input checked="" type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

- Ensure the efficient and effective operations of the city, with particular consideration to the impact of decisions on the property tax rate
 - Provide smart, cost effective services and programs to residents and businesses
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Options Analysis

1. Do not approve a motion to authorize the City to enter into an agreement with LIPI. This option is not recommended.
 2. Approve a motion to authorize the execution of the North Bay Residential Tax Hardship Program Agreement with LIPI.
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Recommended Option

1. That the Mayor and Clerk be authorized to execute the Agreement between the Corporation of the City of North Bay and Low Income People Involvement of Nipissing (LIPI) when the agreement has been finalized to the satisfaction of the Chief Administrative Officer, Chief Financial Officer and City Solicitor.

Respectfully submitted,

Name: Marc A. Gauthier, CPA, CMA
Manager of Revenues and Taxation

I / We concur with this report and recommendation.

Margaret Karpenko, CPA, CMA
Chief Financial Officer/Treasurer

Peter Leckie
City Solicitor

David Euler, P.Eng., PMP
Chief Administrative Officer

Attachment: Appendix A - Draft LIPI Funding Agreement