

Centennial Auditorium,
Saskatoon, Sask.
Monday, February 12, 2001
at 7:00 p.m.; and
Council Chambers
City Hall, Saskatoon, Sask.
Monday, March 5, 2001
at 5:00 p.m.

MINUTES OF THE SPECIAL MEETING OF CITY COUNCIL

PRESENT: His Worship Mayor Maddin in the Chair (for February 12 portion only);
Deputy Mayor Penner;
Councillors Atchison, Fortosky, McCann, Sternberg, Swystun and
Waygood;
Councillor Roe (for March 5 portion only);
Councillor Heidt (for March 5 portion only);
Councillor Paulsen (for March 5 portion only);
City Manager Richards;
Solicitor Davern (for February 12 portion only);
City Solicitor Dust (for March 5 portion only);
General Manager, Corporate Services Veltkamp;
Finance Branch Manager Richards;
City Assessor Lawson;
City Clerk Mann;

Moved by Councillor Penner, Seconded by Councillor McCann,

THAT Council go into Committee of the Whole.

CARRIED.

Council went into Committee of the Whole with His Worship Mayor Maddin in the Chair for the February 12, 2001 portion of the meeting and His Worship Deputy Mayor Penner in the Chair for the March 5, 2001 portion of the meeting.

Committee arose.

His Worship the Deputy Mayor, Chair of the Committee of the Whole, made the following report:

THAT while in Committee of the Whole, the following matters were considered and dealt with as stated:

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“REPORT OF THE CITY CLERK:

Tax Policy
(Files CK. 1920-1 and 1615-1)

City Council, at its meeting held on November 20, 2000, received several letters regarding taxation for multi-unit residential rental properties, and resolved that there be a special meeting of City Council in order to deal with the matter of tax policy.

City Council has already received a copy of a report prepared by the General Manager Corporate Services Department entitled “2001 Reassessment - Tax Policy Report”. Would Council members please bring their copies of this document to the meeting. A summary of the recommendations of the report is attached as Appendix A.

Attached are copies of reports of the General Manager, Corporate Services, dated February 6, 2001 relating to the following:

- Public Information/Consultation Meetings (Appendix B)
- Assessed Value (in response to Enquiry of Councillor Paulsen) (Appendix C)
- Possible Tax Deferment Program (in response to Enquiry of Councillor Atchison) (Appendix D)

Also attached are copies of letters from the following individuals and organizations:

1. Letter dated January 5, 2001 from Lorraine J. Moxness, Executive Director, St. Ann’s Senior Citizens Village, requesting to address City Council regarding mill rate factors for multi-residential dwellings.
2. Letter dated November 13, 2000 from Jerry Fraser, Columbian Manor Tenants Association regarding mill rate factors for multi-residential dwellings. (This letter was previously submitted to City Council on November 20, 2000.)
3. Letter dated January 10, 2001 from John Reschny, Administrator, Ukrainian Orthodox Senior Citizens’ Society requesting to address City Council regarding mill rate factors for multi-residential dwellings. Also attached is a copy of Mr. Reschny’s previous submission to City Council.
4. Letter dated November 14, 2000 from Wally Servetnyk, President, K.C. Charities Inc. regarding mill rate factors for multi-residential dwellings. (This letter was previously submitted to City Council on November 20, 2000.)

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5. Letter dated January 24, 2001 from Doug Marshall, President, Rainbow Housing Cooperative Limited regarding the taxation classification of Rainbow Housing Cooperative.
6. Letter dated December 15, 2000 from Vic Karwacki, Chair, Saskatoon Condominium Owners Association, requesting to address City Council regarding the taxation of condominiums relative to single family dwellings. Also attached is a copy of the brief submitted to City Council by the Saskatoon Condominium Owners Association on December 4, 2000, as well as a letter dated February 5, 2001 from Earl and Jean Lawrence, 51-310 Kingsmere Boulevard, supporting the position of the Saskatoon Condominium Owners Association.
7. Letter dated January 25, 2001 from Angus Addley, 24 - 330 Stodola Court, regarding the taxation of condominiums. There have been over 1,140 identical letters received from condominium owners in Saskatoon. The letters are on file in the City Clerk's Office.
8. Letter dated January 5, 2001 from Kent Smith-Windsor, Executive Director, The Chamber, requesting for a representative of The Chamber to address City Council.
9. Letter dated January 19, 2001 from E.J. Kearley, P.Eng., President, Millennium III Properties Corporation, regarding property taxes in the industrial sector.
10. Letter dated January 29, 2001 from John P. LeRoux requesting to address City Council.
11. Letter dated February 1, 2001 from Dellas Jones, 537 Avenue M. North, requesting to address City Council.
12. Letter dated February 2, 2001 from Beverly A. Cantin, Chair, Civic Affairs Task Force, Eighth Street Business Association, requesting to address City Council.
13. Letter dated February 5, 2001 from Tom Wolf, Co-Chair, City Park Community Association Civics Committee, requesting to address City Council.
14. Letter dated February 5, 2001 from Kathy Derksen and residents of MacLean Crescent regarding the assessment formulas used by the City.
15. Letter dated February 7, 2001 from Diane Ashton, 11 Moxon Crescent, regarding taxation of four-suite apartments.

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16. Letter dated February 7, 2001 from Deneen Gudjonson, Executive Director, Riversdale Business Improvement District, requesting to address City Council.
17. Letter dated February 7, 2001 from Barry L. Remail, Saskatchewan Rental Housing Industry Association, requesting to address City Council.
18. Letter dated February 6, 2001 from John Maxin, 326 Avenue D South, requesting to address City Council.
19. Letter dated February 7, 2001 from Shirley Ryan, Executive Director, North Saskatoon Business Association, requesting for a representative of the North Saskatoon Business Association to address City Council.
20. Letter dated February 8, 2001 from Marilyn J. Braun, Director of Provincial Affairs, Canadian Federation of Independent Business.
21. Copy of submission from City Park Community Association Inc. (refer to Item 13 of agenda).
22. Letter dated February 12, 2001 from John Dubets, 801 Weldon Avenue, requesting to address City Council.”

Council heard from the following individuals:

1. Lorraine Moxness, Executive Director, St. Ann’s Senior Citizens Village. Ms. Moxness spoke regarding the tax rate for multi-residential dwellings. She requested that all residences be taxed at the same effective tax rate and that the shift necessary to effect this commence in 2001 and be complete by 2008.
2. John Reschny, Administrator, Ukrainian Orthodox Senior Citizens’ Society. Mr. Reschny spoke regarding the matter of taxation levels for multi-residential dwellings. He requested that all residences be taxed at the same level, and that equalization commence in 2001 and be finished in 2008.
3. Roy Lloyd, Saskatoon Condominium Owners Association. Mr. Lloyd indicated that his association’s objective is to achieve parity with other residences. He supports the development of a market-based assessment process, and the reduction from a four-year cycle to a two-year cycle. He indicated that his association supports recommendation 7 of the Administration.

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4. Kent Smith-Windsor, Executive Director, The Chamber, along with Mr. Jack Vicq reviewed the history of the tax policy issue, and reviewed the three alternatives outlined in their submitted brief.
5. John P. LeRoux addressed Council regarding reassessment and other issues.
6. Dellas Jones spoke to Council regarding reassessment and its implications on the neighbourhoods of Westmount and Mayfair. She submitted a petition containing 209 signatures, protesting the tax increases falling to Westmount and Mayfair as a result of reassessment.
7. Herb Roberts, Eighth Street Business Association, submitted a brief containing ten recommendations regarding property tax assessment and tax policy.
8. Tom Wolf, Co-Chair, City Park Community Association Civics Committee, spoke regarding issues facing core neighbourhoods and advocated the establishment of area-specific mill rates. He also expressed disagreement with a tax shift towards single-family residential units from multiple family residential units.
9. Deneen Gudjonson, Executive Director, Riversdale Business Improvement District, spoke regarding the impact of the 2001 reassessment and the effective tax rate for commercial properties. She spoke regarding the urban revitalization which has occurred and is occurring in Riversdale, and possible strategies regarding tax incentives for improving properties. She requested that any changes to taxes be phased in.
10. Barry Remail, Saskatchewan Rental Housing Industry Association, indicated that City Council should adopt a long-term plan for the complete phase in of the contemplated tax shifts. He suggested that the tax shifts be completed in eight years.
11. John Maxin spoke to Council regarding issues facing property owners in Riversdale.
12. Shirley Ryan, Executive Director, North Saskatoon Business Association, requested City Council to implement the tax policy changes as soon as possible.
13. John Dubets advised City Council that he supports a phase in of tax shifts, and does not support a flat tax. He stated that the immediate increase of taxes following home improvement is a disincentive, and felt that there should be some sort of grace period before taxes are increased.

IT WAS RESOLVED:

- 1) *that all of the letters and presentations be received;*

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- 2) *that the reports of the General Manager, Corporate Services Department, dated February 6, 2001 regarding Public Information/Consultation Meetings and Assessed Value be received;*
- 3) *that the report of the General Manager, Corporate Services, dated February 6, 2001 regarding a possible tax deferment program be referred to the Administration and Finance Committee for consideration and report to Council on any recommended changes and possible resolutions to the Saskatchewan Urban Municipalities Association;*
- 4) *that the Administration be requested to report on the ramifications of achieving the target tax ratios for commercial and multi-family categories over an eight-year period and a ten-year period, and how an eight- or ten-year phase in of tax shifts would be affected by the next reassessment;*
- 5) *that tax shifts, within property classes, be phased in, and that the term of the phase in be determined at a future date; and*
- 6) *that further consideration of the matter be deferred to March 5, 2001 at 5:00 p.m.*

The meeting was adjourned to 5:00 p.m. on March 5, 2001.

The meeting reconvened on Monday, March 5, 2001 at 5:00 p.m. in the Council Chambers with His Worship Deputy Mayor Penner in the Chair.

The City Clerk provided the following new information to Council:

- Report dated February 27, 2001 from the Chair of the Administration and Finance Committee regarding a proposed tax deferral program;
- Report of the General Manager, Corporate Services Department dated February 22, 2001, regarding the impact of an eight- and ten-year phase in of over-all tax shifts, as well as the length of time for the phase in of tax shifts within property taxes.

IT WAS RESOLVED:

- 1) *that the concept of a tax deferment program be endorsed in principle;*
- 2) *that the matter of a tax deferment program be referred to the Administration for a report to the Administration and Finance Committee on feasible options;*
- 3) *that the Administration consult with the thirteen Cities in the Province and with the*

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Saskatchewan Urban Municipalities Association regarding their support for tax deferral legislation, and include information on the results of this consultation in its report to the Administration and Finance Committee;

- 4) *that tax shifts within property classes be phased in over four years;*
- 5) *that taxes be shifted, in 2001, from the condominium residential class to the single family residential class in order to maintain the same effective tax rates for both classes of property;*
- 6) *that the increase to the commercial mill rate factor for 2000, used to finance the cost of the commercial phase in, continue and be used to recover prior period commercial assessment losses; and*
- 7) *that the temporary tax used to recover prior period commercial assessment appeals be removed from the commercial tax rate once commercial assessment appeals losses (for the municipal and library portions) have been fully recovered.*

A motion by Councillor Atchison to introduce a minimum tax was lost on a recorded vote as follows:

Yeas: Councillors Atchison, Paulsen and McCann 3

Nays: Councillors Fortosky, Penner, Roe, Steernberg, Heidt, Swystun, and Waygood 7

A motion by Councillor Steernberg that tax shifts within property classes be phased in over three years was lost.

The meeting recessed at 6:50 p.m. in order for City Council to conduct its regular City Council meeting. The meeting reconvened at 8:15 p.m.

It was moved by Councillor Heidt:

- 8) *that commercial property be taxed at 1.75 times the residential rate and that Council adopt the ten-year tax shift plan, as outlined in the report of the General Manager dated February 22, 2001, subject to the following:*
 - a) *the impact on the residential class, in 2001, be limited to 1.45%;*
 - b) *the 2001 shift be used first to equalize the effective tax rate between the residential and condominium class and secondly for a proportionate reduction in the multifamily/commercial classes; and*

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- c) *that this matter be brought forward for review during the time of the next reassessment.*

A motion by Councillor Fortosky to amend the above motion in order that commercial property be taxed at 2 times the residential rate was defeated. The above motion was then passed.

IT WAS FURTHER RESOLVED:

- 9) *that the appeals contingency for 2001, for municipal and library purposes, be set at 1% on the single family and condominium residential classes, 2% on multi-family residential class, and \$730,000 for the commercial class."*

Moved by Councillor Roe, Seconded by Councillor Steernberg,

that the report of the Committee of the Whole be adopted.

CARRIED.

Moved by Councillor Roe,

that the meeting stand adjourned.

CARRIED.

The meeting adjourned at 8:45 p.m.

Deputy Mayor

City Clerk