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## **2021 Financial Relief Program Results and Update Information Report to Council**

Report Number: INFO-2021-38

Department(s): Financial Services

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In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

### **Purpose**

The purpose of this report is to provide members of Council with the results of the 2021 Financial Relief Program in response to COVID-19 and the steps taken to close the program on December 31, 2021.

### **Background**

On April 27, 2020, Council approved the Financial Relief program for residents and business owners to assist those financially affected by the COVID-19 Pandemic. Originally set to conclude on January 1, 2021, the program was extended to January 31, 2021. The original relief program available to property owners are indicated below:

- No penalty and interest charges for late payment of water/wastewater bills until January 1, 2021;
- No penalty and interest charges for unpaid property taxes until January 1, 2021;
- Reducing water and wastewater rates by 4.69 per cent beginning May 1, 2020; and,
- No penalty and interest charges for all Town accounts receivable including development agreements, leases and sponsorships.

In January 2021, Council approved the 2021 Financial Relief Program as a result of the on-going impact of COVID-19. The revised program as outlined below is set to end on December 31, 2021:

- Waive Penalty and Interest on Unpaid Property Taxes for Residential Property Owners;
- \$450 Property Tax Assistance to the Elderly Program;
- \$420 Residential Water and Waste Water Rebate; and,
- \$1,000 Water Rebate Program for Small Businesses, which ended in May 2021.

## **Discussion**

With the 2021 Financial Relief Program set to end on December 31, 2021, the following illustrates the results of each program component along with a strategy to communicate and extend assistance to residents who participated in the Financial Relief Program.

### **Waiving Penalty and Interest on Unpaid Property Taxes**

In 2021, residential property owners were able to apply through the Town's website for the waiving of penalty and interest on unpaid property taxes. To be eligible for this program, the applicant must:

1. Be a residential property owner in Newmarket;
2. Have suffered reduced hours, job loss or significant loss of income as a result of the pandemic
  - a. Be required to provide documents to support financial hardship (e.g., letter from employer, CRB, CRSB, CRCB, or EI eligibility letter); and,
3. Designate one residential property for financial relief

As of November 2021, the Town of Newmarket received 91 applications and have approved 82 property tax accounts to waive penalty and interest on unpaid property taxes. The nine (9) applications rejected did not meet the criteria as noted above. The amount of penalty and interest waived in 2021 is illustrated in **Table A – 2021 Waived Penalty and Interest**.

<b>Table A – 2021 Waived Penalty and Interest</b>								
	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Total</b>
<b>Approved Applications per Month</b>	54	6	7	1	9	3	2	<b>82</b>
<b>Interest Waived per Month</b>	\$9,742	\$6,649	\$4,521	\$3,993	\$9,149	\$5,514	\$6,175	<b>\$45,743</b>

To date, this initiative assisted 82 residential property owners with an average interest of \$558 waived. Through-out the year, staff engaged in on-going communication with those who participated in this program. The following notices were sent as a reminder of the outstanding balance on their account:

- May 2021 - Final Residential Tax Bill;
- September 2021 – Overdue Notice; and,
- November 2021 – Reminder Notice

As of November 30, 2021, twenty-three (23) residential property owners in the program have paid their outstanding balance. The final reminder notice was sent on November 30, 2021 to the rest of the residential property owners who are still in arrears. The notice includes a reminder that the program is ending on December 31, 2021 along with contact information (phone and e-mail) to set-up payment arrangements for the outstanding balance.

### **\$450 Property Tax Assistance to the Elderly Program**

In 2021, the property tax rebate of \$320 temporarily increased to \$450 resulting in a 40% (\$130) increase. To be eligible for this property tax assistance, low-income seniors had to be qualified for the Federal Guaranteed Annual Income Supplement.

The number of eligible applicants in the program since 2015 has been 112 seniors per year on average. As of November 2021, the amount of approved applicants increased to 121. This temporary increase has helped many seniors to cope during the economic uncertainties of the pandemic.

Before year-end, staff plans on revising the application form for the property tax assistance to the elderly to reflect the 2022 rebate amount of \$327 (\$320 + 2022 budgetary increase of 1.99%)

## **\$420 Residential Water and Waste Water Rebate**

In 2021, the water and waste water rebate temporarily increased from \$29.50 per month to \$35 per month resulting in a 19% (\$5.50) increase. To be eligible for the water and waste water rebate, residents must qualify for any of the following:

- Guaranteed Annual Income Supplement under the Old Age Security Act;
- Support under the Ontario Disability Program; or,
- Ontario Works Assistance

The total rebates applied as of October 2021 is illustrated in Table B – 2021 \$420 Water Rebate for Residential Properties.

<b>Table B – 2021 \$420 Water Rebate for Residential Properties</b>										
	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>
<b>Rebate Applied per Month</b>	\$6,685	\$6,697	\$8,180	\$8,695	\$8,645	\$8,778	\$8,647	\$8,642	\$8,855	\$8,862

Before year-end, staff plans on revising the application form for the residential water rebate to reflect the 2022 rebate amount of \$363 (\$354 + 2022 CPI increase of 2.5%).

## **\$1,000 Water Rebate Program for Eligible Small Businesses**

While the Province of Ontario provided property tax and energy bill rebates to businesses that were affected by the Provincial lockdown and modified Stage 2 measures, staff recognized the initiative fell short in providing a rebate for the water portion of business' utility bills. As a result, Council approved the \$1,000 water rebate for eligible small businesses in 2021. The eligibility is indicated as follows:

- The utility account must be identified as Non-Residential (ICI account); and,
- Meter size must be less than 2”.

This program concluded in May 2021. The results of this program is summarized below:

- 422 properties were anticipated to be eligible for the \$1,000 water rebate for small business owners.
  - 231 total applications were received
    - 188 were approved
    - 43 were rejected
  - Initial water rebate applications were mailed out on January 25, 2021
  - Reminder notices were also mailed out on March 24, 2021 to eligible small business owners who have yet to apply for the small business water rebate program
  - Phone calls were also made to some business owners to ensure that they were aware of the water rebate available
- Generally, the business owners who participated in the program provided a positive feedback. Staff also did not receive any complaints from any of the rejected applicants.

## Conclusion

Since the Financial Relief Program is ending on December 31, 2021, a reminder notice will go out to residents with unpaid tax arrears to date. Staff have performed or will perform the following to communicate the ending of the program to residents:

- An email/letter sent on November 30, 2021 as a reminder of the December 31<sup>st</sup> deadline;
  - Along with a statement of taxes as of November 30<sup>th</sup>; and,
- Updated website information regarding the Financial Relief Program.

The table below summarizes the assistance provided to residents and businesses to date:

<b>Financial Relief Program</b>	<b>\$ Amount</b>	<b>Count</b>
Waived Penalty and Interest	\$45,743	82
Senior's Tax Rebate	\$54,450	121
Residential Water Rebate	\$82,686	55
Business Water Rebate (\$1,000)	\$141,800	188
<b>Total</b>	<b>\$324,679</b>	<b>446</b>

## Business Plan and Strategic Plan Linkages

This report links to Newmarket's key strategic directions in being Well Managed through Fiscal Responsibility.

## Consultation

None.

## Human Resource Considerations

A Temporary Financial Relief Tax Clerk was hired for the duration of the program in consultation with Human Resources.

## Budget Impact

The table below provides the budget and the actual spent on the Financial Relief Program to date, November 30<sup>th</sup>, 2021.

Financial Relief Program	\$ Budget	\$ Actual	\$ Variance
			Favourable/ (Unfavourable)
Waived Penalty and Interest	\$263,000	\$45,743	\$217,257
Senior's Tax Rebate	\$41,250	\$54,450	(\$13,200)
Residential Water Rebate	\$68,750	\$82,686	(\$13,936)
*Business Water Rebate (\$1,000)	\$500,000	\$141,800	\$358,200
Financial Relief Staff	\$25,000	\$26,097	(\$1,097)
<b>Total</b>	<b>\$898,000</b>	<b>\$350,776</b>	<b>\$547,224</b>

\*The rebate was funded through the savings generated from York Region's 0% water rate increase in 2021. The savings was not included in the budget.

## Attachments

None.

## Contact

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## **Approval**

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