

**.Type: Open Session**

**Report To: Finance Standing Committee**

**Meeting Date: April 24, 2025**

**Subject: 2025 Tax Levy and Tax Rates**

### **Recommendation(s)**

1. That report FIN 25-29, Tax Levy and Tax Rates, dated April 24, 2025, be received; and
2. That the Finance Committee recommends the 2025 tax ratios and sub-class reductions as outlined in Schedule "A" be adopted in accordance with Regional By-law 2025-04; and
3. That the Town of Grimsby general tax rates as outlined in Schedule "B" be approved; and
4. That the Region of Niagara general tax rates as outlined in Schedule "C" be adopted in accordance with Regional By-law 2025-03; and
5. That the Region of Niagara waste management tax rates as outlined in Schedule "D" be adopted in accordance with Regional By-law 2025-03; and
6. That the Region of Niagara transit tax rates as outlined in Schedule "E" be adopted in accordance with Regional By-law 2025-03; and
7. That the Education tax rates as outlined in Schedule "F" be adopted in accordance with Ontario Regulation 400/98; and
8. That the Town of Grimsby Wastewater rates as outlined in Schedule "G" be approved; and
9. That the Grimsby Downtown Business Improvement Area (GDBIA) rates as outlined in Schedule "H" be approved; and
10. That a 2025 Tax Rates and Tax Levy By-law be prepared and the information outlined in Schedule A through H be included in the By-law.

## Purpose

This report seeks approval for the 2025 Tax Levy and Tax Rates, based on the 2025 Consolidated Budget.

## Background

The Municipal Act 2001 requires Council to pass a by-law annually, specifying taxes to be levied for each property class. In order to prepare this by-law, tax ratios and any subclass reductions must be approved by Niagara Region and the Town must approve the annual budget for which taxes will be levied to raise associated funds.

On February 10, 2025, Council approved the Town's 2025 Consolidated Budget which established the tax levy requirements for 2025 with By-Law 25-04. Subsequently, on February 20, 2025, Niagara Regional Council approved the 2025 tax ratios which were unchanged from 2024 with By-law 2025-04 as well as the Regional General, Waste and Transit budgets and associated levies with By-law 2025-03. The education tax rates were provided by the province in accordance with Ontario Regulation 400/98 and remain unchanged from 2024.

The Town's tax rates for 2025 have been calculated utilizing these budget by-laws.

## Analysis/Comments

The Town issues tax bills for seven levy categories, including Town General and Wastewater, Niagara Region General, Waste and Transit in addition to Education and the Grimsby Downtown Business Improvement Area (GDBIA).

### Weighted Assessment and Tax Rate Calculation

Property tax bills are calculated by multiplying a property's current assessment value (CVA) by the applicable tax rates for each class.

Tax ratios are utilized to determine how much tax each class will pay relative to the residential class. The residential class is always referred to as 1 and other classes in relationship to the residential. For example, the commercial class is a ratio of 1.7349 while Farmland is 0.25. Once the Region has confirmed the tax ratios for the current year, Finance staff complete a calculation to determine the property tax rates for different classes to ensure that each class contributes its fair share of taxes required according to the budget.

To begin, the total CVA property assessment of each class is weighted by its tax ratio to represent its burden of the total levy. The following is a weighted assessment calculation example for the 2025 Town General Levy:

- The total CVA assessment of all taxable properties in the Town is \$5,251,985,053.
- When the assessment for each class is multiplied by their tax ratios as shown in Schedule A, the total weighted assessment is \$5,609,242,798.

Once this has been calculated, the net budget to be recovered is divided by the total weighted assessment to determine the residential rate.

- For 2025, the town general net budget to be recovered (levy) is \$18,985,492.
- For 2025, the weighted assessment is \$5,609,242,798.
- For 2025, the residential tax rate for the General Town levy is 0.00338468.

The tax rates for all other tax classes are calculated by multiplying the residential rate by the tax ratio for the class.

- For example, the commercial tax rate is calculated as the residential rate x the commercial tax ratio.
- $0.00338468 \times 1.7349 = 0.00587208$ .
- The same methodology applies to the rest of the tax classes.

This method is used to calculate the Town levy, Town Wastewater and GDBIA tax rates. Tax rates supplied by the Region are calculated using the same methodology, and Education rates are supplied by the Province.

### 2025 Final Levy

Final tax bills will be prepared in the first week of July 2025. Final tax due dates are traditionally the first Friday of August and October each year. This year, being:

- Friday, August 1st, 2025
- Friday, October 3<sup>rd</sup>, 2025

The 2025 interim tax levy bill was calculated as 50% of 2024 taxes, with adjustments for any write-offs or supplementary taxes occurring in 2024 and inclusion of any newly added properties on the returned roll in 2025. The total interim levy billed of \$37,364,244 will be deducted from the final tax calculation.

The chart below outlines the total approved levies for 2025 taxation. Schedules B through H attached outline the tax rates for each specific levy type.

Levy Type	Schedule	2025 Total Levy	2025 Total General & PIL
<b>Town Levy, General</b>	B	18,731,023	18,985,510
▪ Town Levy, PIL	B	254,487	
<b>Region General</b>	C	40,312,131	40,859,828
▪ Region PIL	C	547,697	
<b>Region Waste</b>	D	2,541,523	2,576,054
▪ Region Waste PIL	D	34,531	
<b>Region Transit General</b>	E	2,153,629	2,182,889
▪ Region Transit PIL	E	29,260	
<b>School Boards General</b>	F	11,007,134	11,339,606
▪ School Boards PIL	F	262,442	
▪ School Boards Linear Acres	F	70,030	
<b>Wastewater General</b>	G	4,751,105	4,815,040
▪ Wastewater PIL	G	63,935	
<b>GDBIA -- Business Improv. Area</b>	H	87,350	87,350
2025 Total Tax Levy			\$ 80,846,277
2025 Interim Tax Levy billed			37,364,244
2025 Final Tax Levy to be billed			<u>\$ 43,482,033</u>

Figures in the chart above may differ from those in the schedules due to rounding.

## **2025 Levy Notes**

### **Town General Levy:**

The Town General levy funds services provided to property owners including items such as road maintenance, fire services, community services, libraries, transfers from operating to capital reserves, and funding for debt obligations, among others.

Below are the dollar impacts based on an average assessed residential property of \$442,000. In total, an average assessed residential property can expect to pay \$5,767 in Regional, Educational, and General Town taxes for the year.

<b>Charge</b>	<b>2024</b>	<b>2025</b>	<b>\$ Increase</b>
Regional General	\$2,944	\$3,220	\$276
Regional Transit	162	172	10
Regional Waste	201	203	2
Education	676	676	-
Town General	1,414	1,496	82
<b>Total</b>	<b>\$5,397</b>	<b>\$5,767</b>	<b>\$370</b>

The 2025 total is \$10 less than originally presented during budget deliberations now that final Regional tax rates have been provided.

### **Wastewater Levy**

Council approved a wastewater hybrid levy and fee model, which took effect in 2023. At present, financial responsibility for funding the wastewater program is divided equally between a tax levy and a wastewater user rate based on water consumption.

The 2025 total approved wastewater budget is a gross of \$9,830,640 with a net of \$9,630,080. As per the rate model, 50% of the 2025 budget will be collected as a tax levy and 50% from Wastewater rates based on water usage.

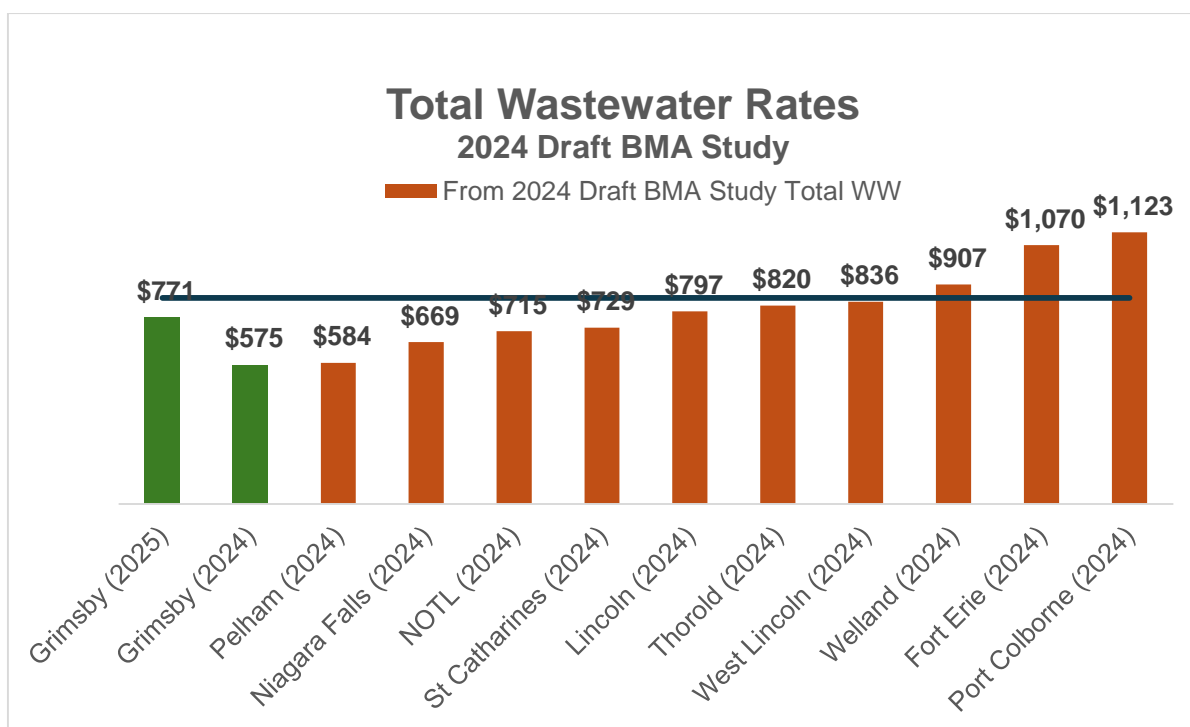
Including the rate-based charges, water and wastewater impacts are as follows. An average assessed residential property with 200m<sup>3</sup> of water consumption can expect to pay \$1,431 for the year.

<b>Charge</b>	<b>2024</b>	<b>2025</b>	<b>\$ Increase</b>
Wastewater Levy	\$329	\$427	\$98
Wastewater - Variable	246	344	98
Water - Fixed	336	346	10
Water - Variable	308	314	6
<b>Total</b>	<b>\$1,219</b>	<b>\$1,431</b>	<b>\$212</b>

Actual amounts will vary depending on property types, property assessments, and actual water consumption. As part of the 2025 budget report, the Wastewater levy for an average residential property was estimated at \$380. It was later discovered that the estimate was based on general levy weighted assessment rather wastewater specific weighted assessment. The adjusted impact is shown in the preceding table at \$427 for the year.

Main drivers of the 2025 wastewater budget increases relate to Regional asset management reviews which have increased their budget needs for infrastructure renewal. Their budget then gets apportioned among the local area municipalities. The Region bills all local area municipalities based on a three-year rolling average of consumption. The Region recently discovered a calibration error that has resulted in a recalculation of our share of costs and subsequent increased apportionment. Inflow and infiltration (I&I) of groundwater into the wastewater system may also be leading to higher flows to the treatment plant. An I&I study was conducted to identify potential problem areas and remediation work is expected to commence this year.

Despite the wastewater cost pressures being experienced, Grimsby remains below the Regional average when it comes to total wastewater rates as outlined in the graph below.



\*Grimsby values include the rate and levy portion of wastewater costs

The Town has approved a Water/Wastewater Billing Modernization project to move to a 100% rate-based model in line with the majority of Ontario municipalities. The project will also enable remote meter reading capabilities throughout the Town allowing for more frequent billing. A project update is planned for an upcoming Finance Committee meeting.

### **Strategic Priorities**

Priority: Collective Prosperity

Direction: Focus on affordability and financial sustainability for the municipality

Action: Continue to enhance financial transparency

### **Financial Impact**

The Town's taxes and water/wastewater rates remain on the lower end compared to the rest of the Niagara Region. The Town remains committed to responsible financial management through careful planning and optimizing of alternative revenue sources.

### **Conclusion**

Staff recommend that tax levy and rates be approved as outlined in this report.

Respectfully prepared by,



Lisa Martin  
Manager of Revenue and Collections

Respectfully reviewed and submitted by,



Tony Del Monaco  
Director of Finance/Treasurer

Respectfully approved by,



Sarah Kim  
Chief Administrative Officer

**Attachments**

- **Appendix A** - 2025 Tax Ratios and Subclass Reductions
- **Appendix B** - Town of Grimsby 2025 Tax Levy and Tax Rates
- **Appendix C** – Niagara Region 2025 General Tax Levy and Tax Rates
- **Appendix D** – Niagara Region Waste Management Levy and Tax Rates
- **Appendix E** – Niagara Region 2025 Transit Levy and Tax Rates
- **Appendix F** – 2025 Education Tax Levy and Tax Rates
- **Appendix G** – Town of Grimsby 2025 Wastewater Levy and Rates
- **Appendix H** – Grimsby Downtown Business Improvement Area Levy and Rates