

**Cape Breton Regional Municipality**

**Special Council Meeting**

**AGENDA**

**MONDAY, MAY 4, 2020**

**1:30 P.M.**

**VIA  
VIDEO/TELECONFERENCING**

# Cape Breton Regional Municipal Council

## Council Meeting

Monday, May 4, 2020  
1:30 p.m.

Via  
Video/Teleconferencing

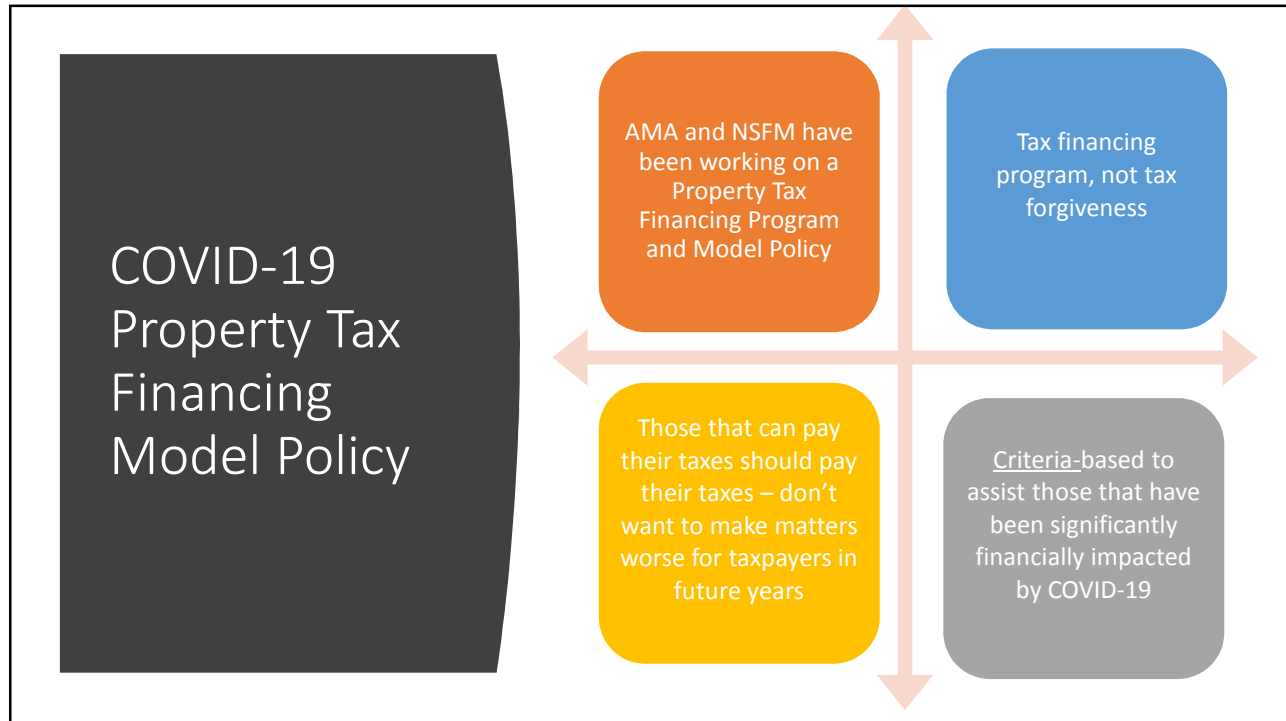
### **AGENDA ITEMS**

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#### Roll Call

1. **APPROVAL OF MINUTES:** (Previously Distributed)
  - **Council Meeting – April 22, 2020**
  
2. **APPROVAL OF AGENDA:** (Motion Required)
  
3. **PRESENTATION:**
  - 3.1 **COVID-19 Property Tax Financing Model Policy:** John MacKinnon,  
Deputy Chief Administrative Officer (See page 3)
  
4. **Property Tax Financing Program:** Jennifer Campbell, Chief Financial Officer  
(See page 8)

#### ADJOURNMENT



## Model Policy Criteria

### Financial hardship through loss of revenue related to the State of Emergency

- Individuals through proof of access to provincial or federal program
- Commercial through documentary proof of hardship

### Account must be in good standing before and during the period

- This includes accounts where tax payment arrangements exist and are current

## Suggested Residential Criteria

### Includes

- Residents of Nova Scotia
- Registered property owners who are ordinary residents and have lost their jobs due to service reductions from the State of Emergency (documentation required)
- Property owned and registered as a Tourism Operator with *Tourism Nova Scotia* for the 2019 tourist season

### Excludes

- Vacant land
- Properties owned by non-residents of Nova Scotia

## Suggested Commercial Criteria

### Includes

- A taxable commercial property and has a total taxable 2020 property assessment value equal to or under \$\$\$
- Without limitation on assessed value, ~~owner occupied~~:
  - Land owned by a tourism operator registered with the *Tourist Accommodations Registration Act*
  - Automotive and recreational/leisure dealership
  - Private and non-profit recreation facilities
  - Hospitality industry – restaurants, bars, cafes, coffee shops, hotels
  - Service industry – hairdressers, nail salons, gyms, tattoo studios, airport
  - Health care providers required to reduce hours – dentists, naturopaths, doctors, chiropractors, physiotherapists

## Suggested Commercial Criteria

### Excludes

- Property owners who have not experienced financial hardship through loss of revenue related to the State of Emergency
- Property owners who have received compensation from *Business Interruption Insurance* towards the payment of property taxes
- Provincially-subsidized day care centres
- Properties used for landfill, pipeline, managed forest, parking and commercial vacant land
- Properties with an active tax agreement with the Municipality through legislation or bylaw
- Municipally-funded non-profit organizations with property taxes already partially exempted by the municipality
- All properties managed under Payment-In-Lieu (PILT) programs

## Potential variables in the model policy for Council

### Variables

- Nominal payment for the 6 months prior to the 24 months amortization (\$25/month suggested by AMANS/NSFM)
- admin fee rate (.25% was suggested by AMANS/NSFM as admin fee)
- Criteria for approval into program.
- Limit for assessment value for commercial properties to qualify for program. City of Ottawa has a similar program and their limit is \$7.5 million.

## Processes

- Policy would have to go through normal council process to approve a policy
- online intake process to help reduce administrative burden for those municipalities who choose to adopt the model policy.





# **CBRM**

*A Community of Communities*

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**Cape Breton Regional Municipality**

## **Issue Paper**

**Date:** April 29, 2020

**To:** Mayor and Council

**From:** Jennifer Campbell, CPA, CA Chief Financial Officer

**Re:** Property Tax Financing Program

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On April 28, 2020 the Province of NS announced that Municipalities may access a low interest loan to bridge property tax cash flow pressures and allow financing options for 2020 tax bills to taxpayers with demonstrated financial losses due to COVID-19.

The loan to the municipality is provided through Municipal Finance Corporation. Once advanced, the loan bears interest at 1.1% annually, repayable in 3 equal annual principal instalments. Interest is payable every 6 months.

In order to access a loan under this program, Councils must adopt a Property Tax Financing Plan Policy and approve a borrowing resolution for the requested loan amount. A draft policy is under development by the Association of Municipal Administrators of Nova Scotia. Key items for policy consideration at the local level include:

- 1) Eligibility criteria;
- 2) Minimum payments for initial 6 months of the plan;
- 3) Administration fee % to be added to the interest rate.

Once established, the Municipality can then accept applications from taxpayers to finance 2020 tax bills over a 30 month period, with repayment commencing after the tax bill due date (June 30). The first 6 months of repayment would be at a reduced monthly amount, with the balance financed in 24 equal monthly payments. The taxpayer shall pay interest at a rate equal to that of the MFC loan of 1.1% plus a % for administration of the plan.

As you are aware, CBRM has an established \$44M low interest line of credit to bridge annual operating and capital cash flow fluctuations. Because the loan program offered through the province is at a favorable and fixed annual rate, it is recommended that CBRM initiate the process of obtaining the Property Tax Financing Loan to hedge this incremental cash flow pressure.

Respectfully,

Jennifer Campbell, CPA, CA  
Chief Financial Officer

Recommended motion:

- Draft a Property Tax Financing Plan Policy for Council consideration;
- Initiate the process for a Temporary Borrowing Resolution to support the application for the Property Tax Financing Loan offered through MFC.

