



**Finance and Administration Standing Committee Meeting  
Agenda**

**Tuesday, December 9, 2025, 4:30 p.m.**

**S.H. Blake Memorial Auditorium**

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**Pages**

- 1. Finance and Administration Standing Committee in the S.H. Blake Memorial Auditorium (Council Chambers) at 4:30 p.m.**

Chair: Councillor Mark Bentz

- 2. Land Acknowledgement**
- 3. Disclosures of Interest**
- 4. Confirmation of Agenda**

WITH RESPECT to the Tuesday, December 9, 2025 Finance and Administration Standing Committee meeting, we recommend that the agenda as printed, including any additional information and new business, be confirmed.

- 5. Deputations**

- 5.1 Thunder Bay Public Library Board Recruitment Process**

**5 - 7**

Correspondence dated October 30, 2025 from Charmaine McCraw,  
Chair - Thunder Bay Public Library Board, requesting an opportunity to  
provide a deputation relative to the above noted.

- 6. Minutes of Previous Meetings**

**8 - 14**

Minutes of Finance and Administration Standing Committee, held on Tuesday,  
November 25, 2025, for information.

- 7. Reports of Administration**

- 7.1 2026 Community, Youth and Cultural Funding Program**

**15 - 27**

Report 388-2025 Community Services - Recreation & Culture providing

information and a recommendation for the Community, Youth & Cultural Funding Program (CYCFP) allocations for the 2026 fiscal year, which will be included in the 2026 budget submission, for Council's consideration.

WITH RESPECT to Report 388-2025-Community Services-Recreation & Culture, we request endorsement of the Standing Committee to forward the following recommendations to City Council:

WE RECOMMEND THAT Operating Grant requests be capped at 22% of an organization's total budget, up to a maximum of \$40,000;

AND THAT the total cap for the Operating Grant category remain at \$220,000 for the 2027 intake;

AND THAT seed funding requests in the Project Grant category be capped at \$3,000;

AND THAT the revised Community, Youth & Cultural Funding Program Model be approved as attached to reflect changes to the Operating Grant cap and new program governance structure;

AND THAT final Review Team recommendations, including funding appeal outcomes, be reflected in the 2026 budget submission for Council's consideration;

AND THAT any necessary by-laws be presented to City Council for ratification.

#### **Resolution to Resolve into Closed Session**

THAT we resolve into Closed Session in order to receive information that is relative to Report 373-2025-Community Services-Recreation & Culture pursuant to the Municipal Act (Section 239 (2)):

- (a) the security of the property of the municipality or local board;
- (j) a trade secret or scientific, technical, commercial or financial information that belongs to the municipality or local board and has monetary value or potential monetary value;
- (k) a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

## **7.2 Long Term Financial Plan**

28 - 54

Report 354-2025 Corporate Services - Finance presenting the draft

Long-Range Financial Plan (LRFP) for tax-supported operations; a strategic framework for guiding the City's financial management over the long term. The Plan identifies key policies, guiding financial principles, and financial indicators to support sustainable, responsible, and strategic decision-making. With endorsement from the Finance and Administration Standing Committee, the LRFP, including a 10-year financial forecast, will be presented to the Special Committee of the Whole in January 2026, prior to the 2026 Operating Budget presentation.

WITH RESPECT to Report 354-2025 Corporate Services - Finance, we request endorsement of the Standing Committee to forward the following recommendations to City Council:

WE RECOMMEND THAT City Council adopt the Long-Range Financial Plan as presented;

AND THAT any necessary by-laws be presented to City Council for ratification.

### **7.3 2025 Unsuccessful Tax Sale Properties**

55 - 61

389-2025-Corporate Services-Revenue seeking endorsement from the Finance and Administration Standing Committee to vest properties that did not sell in the 2025 tax sale.

WITH RESPECT to Report 389-2025-Corporate Services-Revenue 2025 Unsuccessful Tax Sale Properties, we request endorsement of the Standing Committee to forward the following recommendations to City Council:

WE RECOMMEND THAT Administration be authorized to enter into an agreement with the Crown relative to any Crown liens registered against the following property that did not sell in the 2025 tax sale:

Roll Number	Address	Balance at December 1, 2025
04.140.01600.0000	208 Simpson Street	\$202,631.51

AND THAT upon entering into an agreement with the Crown relative to any Crown liens, the City Treasurer vest the following property in the name of the municipality, having low environmental risk and that the property be declared surplus to municipal needs and either demolished and sold or sold in an "as is" "where is" condition on the open market:

Roll Number	Address
04.140.01600.0000	208 Simpson Street

AND THAT upon the vesting of the property, taxes be written off as uncollectible;

AND THAT immediately upon the vesting of property, Administration take the appropriate steps to manage all risks associated with ownership of the property;

AND THAT the Director – Development Services be authorized to execute all required documentation with respect to the sale of the property in a content and form satisfactory to the Manager - Realty Services;

AND THAT any necessary by-laws be presented to City Council for ratification.

- 8.    **Petitions and Communications**
- 9.    **New Business**
- 10.   **Adjournment**

**From:** [webmaster@thunderbay.ca](mailto:webmaster@thunderbay.ca) <[webmaster@thunderbay.ca](mailto:webmaster@thunderbay.ca)>

**Sent:** October 30, 2025 4:03 PM

**To:** Krista Power <[Krista.Power@thunderbay.ca](mailto:Krista.Power@thunderbay.ca)>; Jeff Walters <[Jeff.Walters@thunderbay.ca](mailto:Jeff.Walters@thunderbay.ca)>

**Subject:** New Response Completed for Speak to City Council

Hello,

Please note the following response to Speak to City Council has been submitted at Thursday October 30th 2025 4:01 PM with reference number 2025-10-30-015.

- **What would you like to speak to Council about:**  
Changing the Thunder Bay Public Library Board Recruitment Process
- **Is this an item scheduled on a current agenda?:**  
No
- **Provide as much information as you can about the matter you would like to speak to:**  
As Chair of the Thunder Bay Public Library Board, I am requesting that Council consider updating the process for Library Board appointments to allow the TBPL Board to participate in the recruitment and vetting of applicants prior to final appointment by Council.

Currently, Library Board recruitment operates as a blind process—applications are received and reviewed by the City, and the Board has no opportunity to meet or assess candidates before appointments are made. While this process ensures fairness, it limits our ability to assess candidates' alignment with the Library's strategic direction, governance needs, and community representation goals.

Proposed Process:

The City would continue to receive and screen all applications. The shortlist of applicants would then be shared with the TBPL Board. The TBPL Board Chair and CEO would meet with candidates to outline expectations, discuss governance responsibilities, and assess fit. Following this, the TBPL Board would provide a list of recommended candidates to Council for consideration and appointment.

Benefits of this approach include:

Better alignment with strategic priorities: Ensures new members bring skills and perspectives needed to advance the Library's mission and current strategic plan.

Enhanced diversity and representation: Allows intentional recruitment

to reflect the full community the Library serves.

Improved onboarding and retention: Early engagement with candidates sets clear expectations and fosters long-term commitment.  
Shared accountability: Strengthens collaboration between Council and the Board in ensuring effective governance of this vital public institution.

This collaborative model is already in place in several Ontario municipalities, as well as Thunder Bay and supports both transparency and good governance. We respectfully ask that Council consider adopting this updated process for future Library Board appointments.

- **Provide specific actions you would like Council to take:**

Amend the current Library Board appointment process to include formal participation by the TBPL Board in the recruitment and vetting of applicants.

Authorize the City Clerk's Office to share the list of eligible applicants with the Library Board following the application deadline.

Permit the Library Board to meet with applicants to outline board expectations, describe the scope of governance responsibilities, and assess suitability.

Allow the Library Board to provide a list of recommended candidates to Council for final appointment consideration.

- **Have you already been in contact with City staff in regards to the subject matter of your deputation request?**

Yes

- **Who did you speak to in City Administration? What was the outcome?**

We spoke with Krista Power and she advised us to request a deputation to the Finance and Administration Standing Committee; Standing Committee would receive the deputation and refer it to her office to complete the associated work to bring the process change to City Council for approval.

- **Please select the date of the meeting:**

Standing Committee - Tuesday, December 9 2025

- **Please choose**

Deputant

- **First name:**  
Charmaine
- **Last name:**  
McCraw
- **Email:**  
[cmccraw@tbpl.ca](mailto:cmccraw@tbpl.ca)
- **Phone:**  
(807) 356-2123
- **Organization you represent: (optional)**  
Thunder Bay Public Library Board
- **Please note the names of the presenters that will be attending with you:**  
Jordan Hudyma (Board Vice Chair) and Richard Togman (TBPL CEO)
- **Please indicate how you intend to participate in the meeting.**  
In Person

[This is an automated email notification -- please do not respond].



## **Finance and Administration Standing Committee Meeting Minutes**

**Tuesday, November 25, 2025, 7:05 p.m.**

**S.H. Blake Memorial Auditorium**

Present: Mayor Ken Boshcoff  
Councillor Albert Aiello  
Councillor Mark Bentz  
Councillor Brian Hamilton  
Councillor Michael Zussino

Officials: Jeff Walters, Deputy City Clerk  
John Collin, City Manager  
Patty Robinet, City Solicitor  
Keri Greaves, Commissioner - Corporate Services & City Treasurer  
Kerri Marshall, Commissioner - Growth  
Kelly Robertson, Commissioner - Community Services  
Joel DePeuter, Director – Development Services  
Andrea Morrison, Director - Finance  
Shannon Lane, Manager – Corporate Financial Services  
Deanna Walker, Manager – Realty Services  
Summer Stevenson, Project Manager  
Crystal DePeuter, Council & Committee Clerk

### **1. Finance and Administration Standing Committee in the S.H. Blake Memorial Auditorium (Council Chambers)**

Chair: Councillor Bentz

### **2. Land Acknowledgement**

Councillor Michael Zussino provided a land acknowledgement.



**3. Disclosures of Interest**

**4. Confirmation of Agenda**

MOVED BY: Councillor Brian Hamilton

SECONDED BY: Councillor Albert Aiello

WITH RESPECT to the Tuesday, November 25, 2025 Finance and Administration Standing Committee meeting, we recommend that the agenda as printed, including any additional information and new business, be confirmed.

CARRIED

**5. Minutes of Previous Meetings**

Minutes of the Finance & Administration Standing Committee, held on October 14, 2025, for information.

**16. Reports of Administration**

**6.1 Thunder Bay Community Tennis Centre**

Report 368-2025-Corporate Services-Finance providing the Finance and Administration Standing Committee with information relative to the Thunder Bay Community Tennis Centre.

Correspondence received from Jamie Grieve and Deborah Rosnow, Thunder Bay Community Tennis Centre dated October 30, 2025 requesting the opportunity to provide a deputation relative to the Thunder Bay Community Tennis Centre.

Jamie Grieve and Deborah Rosnow, Thunder Bay Community Tennis Centre appeared before Committee, provided a deputation and responded to questions.

MOVED BY: Councillor Brian Hamilton

SECONDED BY: Mayor Ken Boshcoff

WITH RESPECT to Report 368-2025, we recommend administration review an additional financial contribution of up to \$650,000 for the capital costs associated

with the construction of the indoor tennis facility, to be provided to the Thunder Bay Community Tennis Centre (TBCTC) in the form of a loan and/or grant and report back to City Council at the December 2, 2025 meeting of City Council;

AND THAT the source of financing to support the grant and/or load be the Municipal Accommodation Tax Fund and/or Renew Thunder Bay;

AND THAT any necessary by-laws be presented to City Council for ratification.

CARRIED

## **6.2 2024 Audited Consolidated Financial Statements**

Report 327-2025-Corporate Services-Finance seeking endorsement of the Finance and Administration Standing Committee relative to the draft Audited Consolidated Financial Statements and the Trust Fund Statements was distributed separately on Monday, November 24, 2025.

Director-Finance Andrea Morrison provided a PowerPoint presentation and responded to questions.

David Kubinec and Ania Berezowski of MNP LLP to provide a presentation.

David Kubinec and Ania Berezowski, MNP LLP appeared before Committee, provided a PowerPoint presentation and responded to questions.

### **Resolution to Recess and Resolve into Closed Session**

MOVED BY: Councillor Albert Aiello

SECONDED BY: Councillor Michael Zussino

THAT we resolve into Closed Session in order to receive information that is relative to the confidential memorandum dated November 17, 2025 associated with Report 327-2025-Corporate Services-Finance pursuant to the Municipal Act (Section 239 (2)):

(a) the security of the property of the municipality or local board;

(b) personal matters about an identifiable individual, including municipal or local board employees;

(j) a trade secret or scientific, technical, commercial or financial information that belongs to the municipality or local board and has monetary value or potential monetary value.

CARRIED

**Finance and Administration Standing Committee – Closed Session in the McNaughton Room at 9:16 p.m.**

Present: Mayor Ken Boshcoff  
Councillor Albert Aiello  
Councillor Mark Bentz  
Councillor Brian Hamilton  
Councillor Michael Zussino

Officials: Jeff Walters, Deputy City Clerk  
John Collin, City Manager  
Patty Robinet, City Solicitor  
Keri Greaves, Commissioner - Corporate Services & City Treasurer  
Andrea Morrison, Directory - Finance  
Shannon Lane, Manager – Corporate Financial Services

Guests: Dominic Pasqualino  
David Kubinec, Auditor MNP LLP  
Ania Berezowski, Auditor MNP LLP

**6.2.1 Finance and Administration Standing Committee – Closed Session**

Chair: Councillor Mark Bentz

**6.2.2 Disclosures of Interest**

### **6.2.3 Reports of Municipal Officers**

#### **2024 Auditor Report – Management Letter**

Confidential Memorandum from Commissioner – Corporate Services & City Treasurer Keri Greaves dated November 17, 2025 relative to Report 327-2025-Corporate Services-Finance was distributed separately to Members of City Council, City Manager, City Solicitor, and Commissioner – Corporate Services & City Treasurer only on Friday, November 21.

Commissioner - Corporate Services & City Treasurer Keri Greaves, Director – Finance Shannon Lane, Manager – Corporate Financial Services Andrea Morrison, and MP LLP Auditor David Kubinec responded to questions.

At 9:49 p.m. Keri Greaves, Andrea Morrison, and Shannon Lane left the room.

At 10:01 p.m. the Closed Session concluded.

#### **Finance and Administration Standing Committee – Open Session in the S.H. Blake Memorial Auditorium (Council Chambers) at 10:01 p.m.**

Present: Mayor Ken Boshcoff  
Councillor Albert Aiello  
Councillor Mark Bentz  
Councillor Brian Hamilton  
Councillor Michael Zussino

Officials: Jeff Walters, Deputy City Clerk  
John Collin, City Manager  
Patty Robinet, City Solicitor  
Keri Greaves, Commissioner - Corporate Services & City Treasurer  
Kerri Marshall, Commissioner - Growth  
Kelly Robertson, Commissioner - Community Services  
Joel DePeuter, Director – Development Services  
Andrea Morrison, Directory - Finance  
Shannon Lane, Manager – Corporate Financial Services  
Deanna Walker, Manager – Realty Services  
Summer Stevenson, Project Manager  
Crystal DePeuter, Council & Committee Clerk

#### **6.2.4 Finance and Administration Standing Committee – Open Session**

Chair: Councillor Mark Bentz

#### **2024 Audited Consolidated Financial Statements**

MOVED BY: Mayor Ken Boshcoff  
SECONDED BY: Councillor Albert Aiello

WITH RESPECT to Report 327-2025-Corporate Services-Finance, we request endorsement of the Standing Committee to forward the following recommendations to City Council:

WE RECOMMEND THAT the draft Audited Consolidated Financial Statements and the Trust Fund Statements of The Corporation of the City of Thunder Bay, for the year ended December 31, 2024, be approved;

AND THAT any necessary by-laws be presented to City Council for ratification.

CARRIED

#### **6.3 Building Faster Fund and Housing Accelerator Fund Funding Reallocation**

Report 262-2025-Growth-Development Services seeking endorsement of the Finance and Administration Standing Committee relative to Appropriation No. 20-2025 reallocating Building Faster Fund and Housing Accelerator Fund funding.

MOVED BY: Mayor Ken Boshcoff  
SECONDED BY: Councillor Brian Hamilton

WITH RESPECT to Report 262-2025-Growth-Development Services, we request endorsement of the Standing Committee to forward the following recommendations to City Council:

WE RECOMMEND THAT Appropriation No. 20-2025 be approved to reallocate

Building Faster Fund and Housing Accelerator Fund funding between the Burwood Road Network Expansion Phase II and Empire Avenue – Brown Street to 100M West projects, and increase the Empire Avenue project budget by \$180,000;

AND THAT any necessary by-laws be presented to City Council for ratification.

CARRIED

**9:30 p.m. Resolution**

MOVED BY: Councillor Brian Hamilton

SECONDED BY: Mayor Ken Boshcoff

THAT the hour being 9:30 p.m. or later that Standing Committee continue with the business at hand.

CARRIED

**6.4 2025 Operating Budget Q3 Financial Status Update**

Report 370-2025-Corporate Services-Finance providing the Finance and Administration Standing Committee with updated variance projections for the 2025 fiscal year, for information.

**7. Adjournment**

The meeting adjourned at 10:14 p.m.

# Standing Committee Report

<b>REPORT NUMBER</b> 388-2025-Community Services-Recreation & Culture		
<b>DATE PREPARED</b>	November 21, 2025	<b>FILE</b>
<b>STANDING COMMITTEE MEETING DATE</b>	December 9, 2025	
<b>SUBJECT</b>	2026 Community, Youth & Cultural Funding Program	

**PURPOSE – Requesting endorsement of the Standing Committee on Finance & Administration.**

WITH RESPECT to Report 388-2025-Community Services-Recreation & Culture, we request endorsement of the Standing Committee to forward the following recommendations to City Council:

WE RECOMMEND THAT Operating Grant requests be capped at 22% of an organization's total budget, up to a maximum of \$40,000;

AND THAT the total cap for the Operating Grant category remain at \$220,000 for the 2027 intake;

AND THAT seed funding requests in the Project Grant category be capped at \$3,000;

AND THAT the revised Community, Youth & Cultural Funding Program Model be approved as attached to reflect changes to the Operating Grant cap and new program governance structure;

AND THAT final Review Team recommendations, including funding appeal outcomes, be reflected in the 2026 budget submission for Council's consideration;

AND THAT any necessary by-laws be presented to City Council for ratification.

## EXECUTIVE SUMMARY

This report provides information on the recommended Community, Youth & Cultural Funding Program (CYCFP) allocations for the 2026 fiscal year, which will be included in the 2026 budget submission for Council's consideration. This program is the City Council-approved mechanism by which the City of Thunder Bay invests in and supports

the operation and sustainability of non-profit community, youth and cultural organizations.

The total recommended funding for 2026 is \$3,169,300. This includes nineteen (19) sustaining/operating grants and \$55,000 to be allocated in-year for project grants. The CYCFP review process, as approved by Council, has been followed in making the recommendations.

Administration received two (2) appeals. They are the Thunder Bay Art Gallery and the Thunder Bay Community Auditorium. As per the new governance structure for this program, the Finance and Administration Standing Committee fulfills the role of the previously established Community Youth and Cultural Funding Appeals Committee. The Standing Committee will be responsible for reviewing and making recommendations on Appeals prior to the final funding recommendations being presented to Council through the 2026 budget process.

Administration is also seeking endorsement on setting a cap for individual funding requests in the operating grant category, and for accepting the revised CYCFP Model that reflects the new appeal process due to the governance structure changes.

### **KEY CONSIDERATIONS**

The CYCFP generates significant economic impact. It is a major source of revenue for the 19 organizations that receive operating or sustaining funding through this program, with many relying on the program as core operating funding (Attachment A - 2024-2026 CYCFP Recommendation and Allocation Summary). For every \$1.00 invested through CYCFP, funded organizations leverage \$5.64 in other funding or earned revenue. Organizations receiving funding through this program employ over 558 staff (Attachment B – Funding Impact Infographic).

Each funding recommendation is based on criteria related to community need/impact, financial need, organizational and Board capacity, sustainability, and evidence of other sources of revenue. Applications are evaluated by grant review teams comprised of Administration and community members. Any appeals are reviewed by the Finance and Administration Standing Committee (formerly by the CYCFP Appeals Committee) prior to final recommendations being included in the annual operating budget submission for Council's consideration (Attachment C – Funding Program Model).

### **Operating Grant Request Cap**

The existing funding model includes an annual cap for all recommendations within the operating grant category. This is currently \$220,000. There is currently no cap on the request that an applicant can make in this category.



The recommendation to introduce a cap on each organization's requests within this category will provide a clearer guideline for applicants as they develop their requests. It will also help mitigate the potential for receiving large or unforeseen requests that exceed the total cap for the Operating program. This practice is common in funding programs.

Administration is recommending a cap on individual requests of 22% of an organization's budget (to a maximum of \$40,000). This cap accommodates the funding level of all current recipients in this category.

The Operating Grant category provides operating funding for 1-3 year terms. This category differs from the Sustaining Grant category, which provides core funding to organizations that are deemed as integral to the community, have a proven track record of delivering high quality programs and services, and have been funded for a minimum of 5 consecutive years.

### **Project Grant Request Cap (Seed Funding)**

Currently, all Project Grant requests have a cap of \$10,000, with a total budget of \$55,000. Organizations, collectives and/or individual artists may apply for a special one-time activity or seed funding for a new organization to help cover costs associated with incorporation. The costs of seed funding is typically lower than the cost of larger scale special activities in this category. Introducing a cap will provide more guidance to applicants when determining their request amounts, while providing an opportunity to support a higher number of projects. The number of requests have increased significantly in recent years with increased program awareness efforts. The Project Grant Review Team recommends a cap of \$3,000, which is informed by the budget details submitted within seed funding applications in recent years.

### **Recommendations and Appeals**

Organizations have been notified of Administration's initial recommendations for budget planning and leveraging purposes. For the Sustaining Grant category, the Review Team's recommendations followed budget directives per the Council-approved funding model. One expansion above the budget direction is highlighted for Council's consideration as allowed by the funding model - Regional Food Distribution Association. This recommended expansion is related to increased need to address food insecurity in the community, and increased operating costs related to the organization's recent facility expansion.

Operating and Sustaining organizations may appeal the Review Team's decision if they feel they can provide new or clarifying information. Appeals are now reviewed and considered by the Finance and Administration Standing Committee, based on the approval of Procedural By-law 217-2025.

Two organizations have appealed the Review Team's recommendation: Thunder Bay Art Gallery and Thunder Bay Community Auditorium.

While there were only two appeals, other applicants have expressed concern that funding increases in recent years have not aligned with costs of inflation and in some cases, may represent a decrease in the City's portion of the organization's overall budget. Feedback from recipients included a request for Sustaining funding to be indexed to CPI in future years.

### ***FINANCIAL IMPLICATION***

The total recommended funding for 2026 is \$3,169,300. This includes nineteen (19) sustaining/operating grants and \$55,000 to be allocated in-year for project grants. All funding recommendations, including those that may require adjustment following the appeal process, will be included in the 2026 operating budget submission for Council's consideration.

### ***BACKGROUND***

#### **Funding Program**

The Funding Model for the City of Thunder Bay's support of Community, Youth & Cultural service organizations and projects has been adopted by City Council (Report No. 2007.195 (Office of the City Clerk) – F.A.R.G. and Cultural Funding Program Review – Ad Hoc Committee No. 2). It establishes three funding categories, Sustaining, Operating and Project Grants, and allows for multi-year funding terms for Sustaining and Operating Grants.

The program has been expanded and clarified over time, including the addition of the Youth Stream to the former Community & Cultural Streams (Report No. 2009.178 (Recreation & Culture); (Report No. 2013.175 Youth Services Plan – Youth Services Advisory Committee Recommendations, Recreation & Culture and Municipal Child Care).

A three-year funding history of applicant organizations is provided in Attachment A.

On June 16, 2025 Council approved a new governance structure through Procedural By-law 217-2025 and dissolved several Advisory Committees of Council, including the Community, Youth & Cultural Funding Program Appeals Committee. This resulted in a change of process, whereby appeals are now reviewed by the Finance and Administration Standing Committee.

On January 6, 2025, City Council approved the adoption of the pilot categories of Anti-Racism, Truth & Reconciliation and Sport Development on an ongoing basis in the Project Grant category.

On April 27, 2020 City Council approved a \$235,000 COVID-19 Emergency Fund for Sustaining and Operating Grant recipients in the Community, Youth & Cultural Funding Program. COVID-19 Emergency funds were also included in the 2021 and 2022 program budget.

On January 14, 2019, Council approved a pilot expansion of eligibility of the Project Grant Category in 2019-2020 to include community non-profit sport (R1/2019 – 2019 Community Youth & Cultural Funding Program. Community Services - Recreation & Culture). On March 3, 2020 Council also approved another pilot expansion of the same category to include Anti-Racism & Reconciliation projects with the first intake being October 2020.

On January 16, 2017, Council approved changes to the Project Grant application process and budget, implementation of a recommendation cap on Operating Grants, adoption of budget directives for Sustaining Grants, and creation of a centralized Grant Review Team for all three streams of the Program (R11/2017 – 2017 Community, Youth & Cultural Funding Program and Proposed 2018 Program Changes (Recreation & Culture)).

### **REFERENCE MATERIAL ATTACHED**

*List all reference material, in order, that will be attached to the item in escribe.*

Attachment A – 2024-2026 CYCFP Recommendation and Allocation Summary

Attachment B – Funding Impact Infographic

Attachment C – Funding Program Model

### **REPORT PREPARED BY**

Callie Hemsworth, Supervisor – Strategic Initiatives, Marketing & Community Support, Recreation & Culture Division, Community Services Department

### **REPORT SIGNED AND VERIFIED BY**

Kelly Robertson, Commissioner, Community Services

Date (12/02/2025)

# COMMUNITY, YOUTH & CULTURAL FUNDING PROGRAM

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## *Funding Model*

### **General Funding Criteria**

The Community, Youth and Cultural Funding Program offers grants in three funding streams - Community, Youth and Culture. Funds in each stream are allocated on an annual basis to applicants to the following three categories:

Sustaining Grant – Up to 5 year term

Operating Grant – 1 to 3 year term

Project Grant – 1 year term

In addition to general Funding Program eligibility criteria, each funding stream (Community, Youth and Cultural Funding) and category (Sustaining, Operating and Project Grant) has its own eligibility and funding criteria.

### **General Eligibility Criteria**

#### **Applicants must:**

- Have a community, youth, or culture-sector focus/mandate.
- Be an incorporated non-profit or charitable organization or, for project grants only, an individual artist or non-incorporated collective which operates on a non-profit basis.
- Have a clearly stated purpose and function and be fully responsible for the planning and provision of its services.
- Be operating from a location in the City of Thunder Bay and carry out programs in this community for the benefit of its people.
- Extend its services to the general public in Thunder Bay, and accommodate for needs related to race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex (including pregnancy and gender identity), sexual orientation, age, marital status, family status and disability, unless to do so would cause undue hardship.
- Have an independent, active governing board composed of volunteers and a considerable volunteer component.
- Demonstrate need for the requested funding and provide evidence that funds are confirmed/projected from a variety of other sources (i.e. donations/sponsorships, user fees, other government sources).

#### **An application may not be considered if:**

- The organization receives 80% or more of its funding from other government sources.<sup>1</sup>
- The organization possesses an operating surplus in excess of three (3) months of operating expenses.<sup>2</sup>
- The organization acts in the capacity of a funding body for, or makes grants to, any other group or organization that is eligible for funding through this program.
- The request includes capital or deficit funding.
- The applicant is in default to the City due to failure to account satisfactorily for previous Grants, or to refund Grant overpayments.
- The organization's programs/services primarily benefit organization members as opposed to the general public, e.g. sports clubs, professional associations.

### **General Application Process**

Organizations that are eligible for funding through this program according to the general eligibility criteria stated above must apply through this program to request project, operating or sustaining funding from the City of Thunder Bay.

Applicants will submit a complete application by the advertised application deadline at the frequency required by the applicable funding category. The application will include a section common to all streams containing information such as organization information (name, contact, etc.) and intended use of the grant. The application will also include sections specific to each stream and will require additional information and/or support materials unique to each funding stream.

As per Council's Procedural By-law, Section 5.08(c)(2), organizations and individuals may not make a deputation or presentation to City Council or any Committee of Council aside from the established Standing Committee in relation to their funding application or any other financial support for a purpose which falls within the criteria of the City's established financial programs.

### **General Review Process**

Sustaining grant applications will be reviewed by an Administrative Review Team. Operating and Project Grant applications will be reviewed by a Grant Review Team which may include community representatives.

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<sup>1</sup> Applications may be considered if the organization can demonstrate that the activity for which they are requesting funding falls outside the core mandate for which they are funded 80% or more by other government sources.

<sup>2</sup> Organizational surpluses and reserves will be examined. The organization will be given the opportunity to justify surpluses and reserves.

All applicants will be notified of their recommended funding category, allocation and reason(s) for recommendation four (4) weeks before the final recommended allocation is forwarded to Corporate Services for inclusion in the Budget. Applicants are required to keep their recommendation amounts and rationales confidential until this information is presented to the relevant Standing Committee and Council for consideration.

## **Appeal Process**

Once applicants have been notified of their recommended funding allocation and reason(s) for the recommendation, the four (4) week appeal period commences.

Where the applicant believes that they can provide significant new information in addition to the information provided in the original submission and/or site visit, they must notify the funding program supervisor of their intent to provide additional information within two (2) weeks of the date of notification.

New information must be received for review within four (4) weeks of notification of recommendation. This information must change the substance of, strengthen or clarify the information upon which the recommendation was made in order to be considered for the appeal.

Applicants that appeal their funding recommendations may be invited to the meeting at which their appeal will be considered to speak to the contents of their appeal.

Applicants may not make a deputation or presentation to City Council or any Committee of Council, aside from the relevant Standing Committee, in relation to their funding application or any other request for project or operating funding.

Funding allocation recommendations are final and cannot be appealed after review by the Standing Committee. Applicants must sign a declaration acknowledging and agreeing to this condition in the application.

## **Sustaining Grant (Up to 5 year term)**

### **Eligibility**

The City of Thunder Bay has deemed these organizations to be an integral part of the City's identity. These organizations fill a void in service provision in the City, positively affect the quality of life of the residents of the City and/or generate an economic benefit for the City. These organizations also have:

- many years of demonstrated administrative competence,
- budget practices and financial statements in accordance with Canadian generally accepted accounting principles,
- a track record of providing quality programming and/or services,

- attendance/participation/demographic records that support their program and/or service
- employment practices that comply with applicable legislative requirements, as the case may be, such as the Employment Standards Act of Ontario, the Pay Equity Act of Ontario, and the Ontario Human Rights Code
- A Board of Directors which will assume full responsibility for the administration of the funds or an agent acceptable to City Council
- at least 5 years of successfully completed operating funding from the City

City Council will determine which organizations will be funded in the sustaining grant category with input from administration.

Organizations funded in this category will complete a full application every new funding term (5 year maximum).

### Review and Allocation

An Administrative Review Team, under the direction of the Community Services Department, will review the applications and recommend funding levels to City Council during the annual budget process. The team will consist of:

Funding Program Supervisor(s)  
 Director of Financial Services (or designate)  
 Director of Recreation and Culture (or designate)

The Administrative Review Team will utilize the general and stream-specific criteria and processes to evaluate applications and recommend funding level and term of funding.

An initial advance of up to 25% of recommended annual funds will be provided in January. If the budget is not ratified by March 31, a second advance of up to 25% of recommended annual funds will be provided. In no case will more than 50% of the recommended annual funds be advanced. The remainder of allocated funds will be provided following municipal budget ratification and Council approvals.

### Requirements and Reporting

The City will enter into a service agreement with organizations approved for funding terms of 3 or more years in the sustaining category.

Sustaining organizations will be required to report annually on performance, including but not limited to, financial and statistical information. City Administration may conduct site visits as part of the review of annual performance.

Full reporting will be required at the conclusion of the funding term with a full application completed for further funding.

## **Operating Grant (1 to 3 Year Term)**

### **Eligibility**

This program is intended for organizations that have an ongoing presence in Thunder Bay and a track record of providing quality programming or services. It is designed to support a range of social service, youth and arts and heritage organizations.

### **Application Process**

Applicants in this category will submit a complete application for each new funding term (every 1 to 3 years). Funding requests are capped at 22% of an organization's overall budget to a maximum of \$40,000.

### **Review and Allocation**

A Grant Review Team, which may include community representatives, will utilize the general and stream-specific criteria and processes to evaluate applications and recommend funding level and funding term.

Administration will present the recommendations to City Council for consideration during the annual budget process.

Allocated funds will be provided following Council approval and ratification of the City budget.

### ***Multi-year Funded Organizations Only:***

An initial advance of up to 25% of recommended annual funds will be provided in January. If the City budget is not ratified by March 31, a second advance of up to 25% of recommended annual funds will be provided. In no case will more than 50% of the recommended annual funds be advanced. The remainder of allocated funds will be provided following Council's approval and ratification of the City budget.

### **Requirements and Reporting**

Full reporting will be required at the conclusion of the funding term by way of full application for the following year's funding, or by post-grant report if the organization is not applying for funding in the subsequent year.

The City will enter into a service agreement with any organization granted a multi-year term of 3 years. Multi-year funded organizations will be required to report annually on performance, including but not limited to, financial and statistical information. City Administration may conduct site visits as part of the review of annual performance.

## **Project Grant (1 Year Term)**

### **Eligibility**

This program is intended to assist community, youth and cultural organizations in funding projects.



This program will also support an individual artist or artists working together in the development and creation of a community based arts or heritage project.

The maximum grant amount in the Project category is \$10,000 for special, one-time activities and up to \$3,000 for seed funding requests (eg. to help with the costs of incorporation).

### **Application Process**

A complete application form must be submitted annually.

### **Review and Allocation**

A Grant Review Team, which may include community representatives, will utilize the general and stream-specific criteria and processes to evaluate applications and recommend funding level and term.

Administration will present the recommendations to City Council for consideration during the annual budget process.

Allocated funds will be provided following Council approval and ratification of the City budget.

### **Reporting**

A post-project report must be submitted within 3 months following completion of the project.

# COMMUNITY, YOUTH & CULTURAL FUNDING PROGRAM IMPACT

The Community, Youth & Cultural Funding Program supports numerous non-profit organizations and individual artists, contributing to Thunder Bay's economy. Funding provided helps organizations leverage contributions from other public and private sources while creating and maintaining jobs in Thunder Bay.

## Economic Impact

**For every \$1  
invested...**



**\$5.64 is  
leveraged**

**\$1.81 in other grants  
+  
\$3.83 in earned revenue**

**\$20.5M**  
total revenue  
generated by funded  
organizations



## Social Impact



**558+ paid  
individuals**

**4170+  
volunteers**



**300,000+  
participants, clients  
and audiences**

accessing food programs, shelter,  
social services, youth programs,  
recreation, cultural activities and more.

Note: Numbers are based on 2024 year end data from organizations recommended for funding in 2026. Leveraged funding amounts may vary year to year based on the number of organizations funded and special one-time funding from other grant programs.

Attachment A: 2024-2026 CYCFP Recommendation and Allocation Summary

Organization	2026				
	2024 Allocation	2025 Allocation	2026 Request	Request as % of Org's Budget	2026 Review Team Recommendation
<b>Sustaining Grants</b>					
<b>Community Funding</b>					
Regional Food Distribution Association	200,000	105,900	179,368	10	125,000
Roots Community Food Centres (Roots to Harve	37,800	37,800	37,800	1	37,800
Shelter House	330,800	330,800	330,800	16	330,800
<b>Youth Funding</b>					
Boys and Girls Club	123,400	123,400	123,400	10	123,400
<b>Culture Funding</b>					
Definitely Superior Art Gallery	70,500	70,800	70,800	26	70,800
Magnus Theatre	144,400	145,000	145,000	12	145,000
Northwestern Ontario Sports Hall of Fame	70,500	70,900	72,300	30	72,300
Thunder Bay Art Gallery	405,300	408,100	490,300	29	418,700
Thunder Bay Community Auditorium	836,900	836,900	1,000,000	27	858,700
Thunder Bay Historical Museum	482,100	485,000	510,002.21	57	497,600
Thunder Bay Symphony Orchestra	244,700	244,700	306,966	17	251,100
<b>Total Sustaining</b>	<b>2,946,400</b>	<b>2,859,300</b>	<b>3,266,736</b>		<b>2,931,200</b>
<b>Operating Grants</b>					
<b>Community Funding</b>					
Community Clothing Assistance	25,000	25,000	25,000.00	21	25,000
Lakehead Social Planning Council	32,600	32,600	32,600.00	1.2	32,600
Northwestern Ontario Women's Centre	12,000	12,000	12,000.00	4.5	12,000
Our Kids Count	16,300	-	38,500.00	8	25,000
<b>Youth Funding</b>					
Biidaajiwun			76,000.00		-
Evergreen a United Neighbourhood	30,000	30,000	40,000.00	19	32,500
Female Boarder Collective (Cinema 5)	10,000	20,000	20,000.00	20	20,000
MANWO/RMYC		15,000	90,000.00	21	15,000
<b>Cultural Funding</b>					
CAHEP	18,500	21,000	21,000.00	16	21,000
Lakehead Transportation Museum			60,000.00	46	-
Superior Multicultural Music Development Society			20,000.00	9	-
<b>Total Operating</b>	<b>144,400</b>	<b>155,600</b>	<b>435,100</b>		<b>183,100</b>
<b>Total Operating + Sustaining</b>	<b>3,090,800</b>	<b>3,014,900</b>	<b>3,701,836</b>		<b>3,114,300</b>
<b>2026 Project Grants</b>					
<b>Total Projects - to be allocated within fiscal year</b>	<b>47,621</b>	<b>55,000</b>	<b>55,000</b>		
<b>Funding Program Total</b>	<b>3,138,421</b>	<b>3,069,900</b>	<b>3,701,836</b>	<b>3,169,300</b>	

# Standing Committee Report

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**REPORT NUMBER** 354-2025-Corporate Services-Finance

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**DATE**

**PREPARED**

November 28, 2025

**FILE**

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**STANDING**

**COMMITTEE**

December 9, 2025

**MEETING DATE**

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**SUBJECT**

Draft Long-Range Financial Plan – Tax-Supported Operations

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**PURPOSE** – *To seek feedback and endorsement from the Finance and Administration Standing Committee for the draft Long-Range Financial Plan.*

WITH RESPECT to Report 354-2025, we request endorsement of the Standing Committee to forward the following recommendations to City Council:

WE RECOMMEND THAT City Council adopt the Long-Range Financial Plan as presented;

AND THAT any necessary by-laws be presented to City Council for ratification.

## **EXECUTIVE SUMMARY**

This report presents the draft Long-Range Financial Plan (LRFP) for tax-supported operations; a strategic framework for guiding the City's financial management over the long term. The Plan identifies key policies, guiding financial principles, and financial indicators to support sustainable, responsible, and strategic decision-making.

With endorsement from the Finance and Administration Standing Committee, the LRFP, including a 10-year financial forecast, will be presented to the Special Committee of the Whole in January 2026, prior to the 2026 Operating Budget presentation.

## **KEY CONSIDERATIONS**

The purpose of a Long-Range Financial Plan (LRFP) is to provide a strategic, long-term framework that guides how the City will manage its financial resources to meet current and future needs. It connects day-to-day financial decisions with broader community priorities, ensuring that investments are affordable, sustainable, and aligned with Council's direction. By identifying emerging pressures, assessing risks, and outlining strategies to maintain stability, the plan will help the City make informed choices that

protect service levels, support growth, and strengthen overall financial health. Ultimately, the LRFP fosters transparency, accountability, and confidence in the City's long-term financial stewardship.

Since rate-supported operations already operate under Council-approved financial plans, this LRFP focuses exclusively on tax-supported operations.

The Corporate Strategic Plan, set by each new term of Council, establishes the City's priorities, and the LRFP must align with those priorities to ensure financial decisions support Council's direction. To maintain this alignment, the LRFP will be updated in 2027 to reflect the next Corporate Strategic Plan and then updated every two years after. This regular update cycle ensures the LRFP remains current, responsive, and firmly connected to Council's evolving goals.

The LRFP highlights both the suite of financial policies the City currently has in place and the key policy gaps that must be addressed to strengthen the overall financial framework. Financial policies need regular review and updating to stay aligned with changing conditions, legislation, and best practices; a formal policy control plan will help ensure they remain current through scheduled reviews and clear accountability. Identified gaps include the Debt Management Policy, Corporate Enterprise Risk Management Policy, and a Performance Measurement Framework. Administration will work to develop these missing components and modernize existing policies to support long-term financial sustainability.

In April 2025, Administration presented Report 107-2025, which contained nine guiding financial principles structured under three financial pillars:

### **Financial Sustainability**

1. Respect for Tax and Ratepayers
2. Sustainable & Integrated Capital Planning
3. Maximizing Value for Money

### **Financial Resiliency**

4. Supporting Growth and Economic Development
5. Users Pay Where Appropriate
6. Fair and Sustainable Tax Policy

### **Financial Flexibility**

7. Strategic Debt Management
8. Prudent Reserve and Reserve Fund Management
9. Responsible Investing

These principles are intended to serve as a stable and enduring framework for financial decision-making, ensuring consistency in the City's approach to long-term financial planning.

Building off these principles, the LRFP includes a Financial Health Dashboard to serve as an ongoing monitoring tool that tracks key indicators over time. The dashboard helps City Council and the public clearly see how the City's financial position is evolving. This transparency supports more informed, evidence-based decision-making and allows the City to identify early warning signs, adjust strategies, and ensure that long-term financial goals remain on track.

The LRFP will eventually include a Financial Forecast section that projects future revenues, expenditures, and contributions to the capital plan based on current trends and inflationary assumptions. A placeholder for the Financial Forecast section has been included in this draft with no figures populated. Once Administration has completed work on the draft 2026 Operating Budget, it will be used as the basis for the 10-year financial forecast. The LRFP, including the full 10-year forecast, will be presented to the Special Committee of the Whole prior to the 2026 Operating Budget presentation.

While this Financial Forecast is a valuable tool for identifying emerging pressures and understanding the long-term implications of today's decisions, it is not a prediction. Economic conditions, legislative changes, community growth, and market forces will inevitably shift in ways that make any long-term estimate imperfect. The forecast is therefore best understood as a guide, rather than a precise projection of what will occur.

### ***FINANCIAL IMPLICATION***

There are no direct financial implications associated with this report. The Long-Range Financial Plan provides the framework for sustainable, responsible, and strategic financial decision-making.

### ***BACKGROUND***

The Long-Range Financial Plan was included in the 2025-2027 City Manager's Workplan presented to City Council on February 10, 2025.

### ***REFERENCE MATERIAL ATTACHED***

Attachment A: Draft Long-Range Financial Plan 2026-2035

### ***REPORT PREPARED BY***

Keri Greaves, CPA, Commissioner – Corporate Services & City Treasurer

***REPORT SIGNED AND VERIFIED BY***

Keri Greaves, CPA, Commissioner – Corporate Services & City Treasurer

Date 12/02/2025 (MM/DD/YEAR)



# DRAFT LONG-RANGE FINANCIAL PLAN 2026-2035

## TAX-SUPPORTED OPERATIONS

A Roadmap to the City of Thunder Bay's Financial Future

December 2025





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## WHY THE CITY NEEDS A LONG-RANGE FINANCIAL PLAN

A Long-Range Financial Plan (LRFP) for tax-supported operations provides a roadmap for the City's financial future. It outlines how resources will be managed to ensure sustainability, resiliency, and flexibility in the face of changing economic and community conditions. The plan offers a broader, long-term perspective that connects today's decisions with tomorrow's needs. Its purpose is to give City Council, residents, and stakeholders confidence that the City's finances are being managed responsibly and strategically.

The City of Thunder Bay faces increasing pressures from aging infrastructure, shifting demographics, and rising service demands. At the same time, revenue growth is limited, and external funding sources are often uncertain. A LRFP helps the City proactively address these challenges by identifying future risks, aligning resources with priorities, and ensuring that investments are both affordable and sustainable. Without a long-term view, short-term decisions risk undermining the City's financial health and limiting its ability to serve the community effectively.

A LRFP should support and enable City Council's strategic priorities. By aligning financial strategies with corporate plans, a LRFP helps guide resources toward the goals most important to residents and businesses. This connection creates a clear line of sight between high-level priorities, day-to-day financial decisions, and the outcomes delivered to the community.

Accountability and transparency are central to responsible financial management. A LRFP provides a clear framework for how decisions will be made, how performance will be measured, and how results will be reported to City Council and the public.



# ENVIRONMENTAL SCAN

Understanding the environment in which the City operates is essential to developing a sound financial strategy. The environmental scan highlights the external and internal factors that shape the City’s financial position and service demands.

## Demographics

Population size, age distribution, and household characteristics shape the demand for municipal services and infrastructure. An aging population, shifting household income, and migration patterns all affect service delivery needs, revenue capacity, and long-term growth planning. Understanding demographic change is critical to ensuring that financial strategies remain responsive to community needs.

The population of the City of Thunder Bay has been slowly growing over the last 5 years. Per the BMA Municipal Study projections, the population has grown 4.2% since 2020.

	2025	2024	2023	2022	2021	2020
Population <sup>1,2</sup>	117,003	115,747	114,707	113,356	112,315	112,330

The Ministry of Finance projects the population to grow another 3% by 2035, without any intervention to increase growth.<sup>3</sup> In that time span, the population 0 to 14 years of age will decrease 7%, those in the 15 to 64 range will increase 0.4%, and people aged 65 and over will increase 16%. If the trends continue as projected, the working age will not expand, but the number of people of retirement age will increase, which will affect demand for social and health services in the community.

Net migration continues to lift Thunder Bay’s population according to the Conference Board of Canada. The North Superior Workforce Planning Board projects the working age population to decrease by 6.1% over the next ten years (2025-2035) without in-migration, which will leave fewer people working. In-migration is vital to support the local economy.

An age distribution graph is provided below for the 2025 population estimates as well as the 2035 population projections.

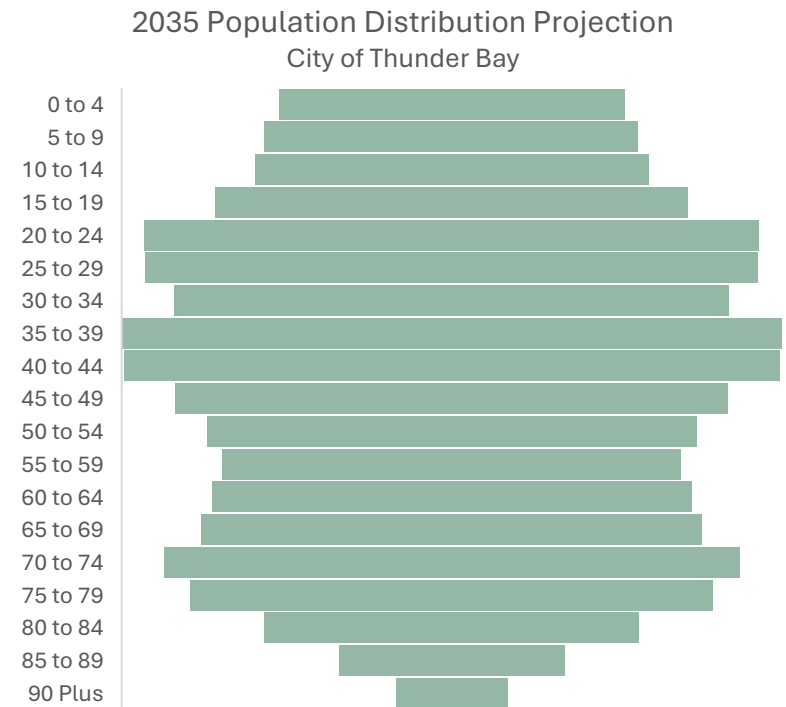
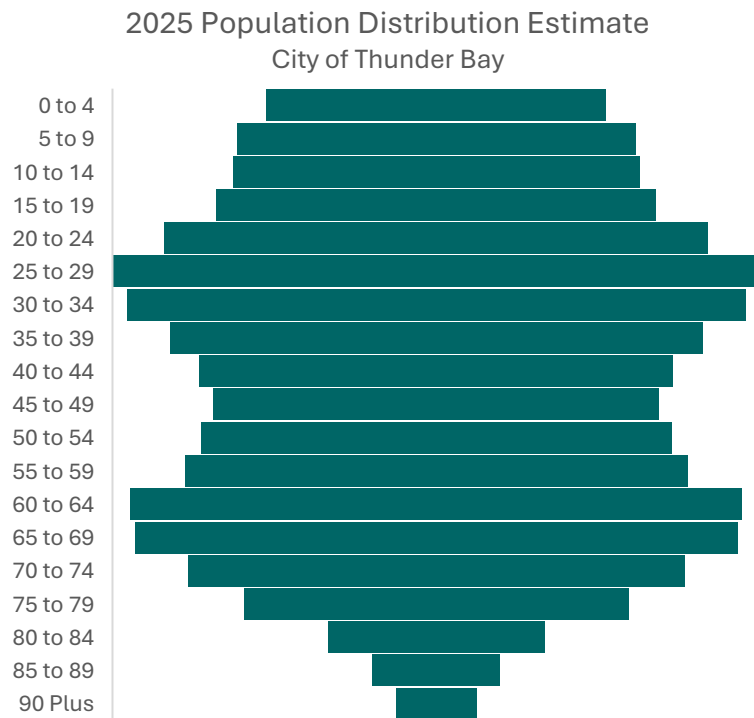
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<sup>1</sup> Statistics Canada. 2025 Population Estimates.

<sup>2</sup> BMA Municipal Study. Manifold Data Mining. 2022-2025

<sup>3</sup> Ministry of Finance. Population Projections by Age and Gender, 2023-2051.





The visuals show the proportion of the population within working age has aged, but remained relatively stable, while the proportion of people above 65 years of age has increased substantially from 2025 estimates.

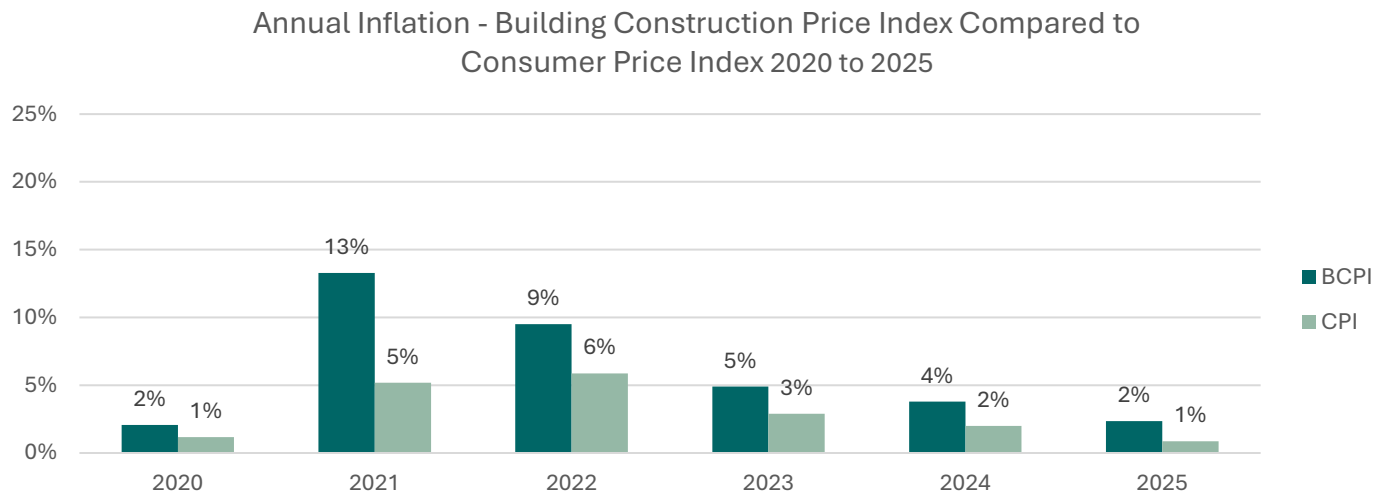


## Economic Conditions

The state of the local economy has a direct impact on the City’s financial outlook. Employment levels, inflation, interest rates, and economic growth influence both the City’s revenues and the community’s ability to absorb costs. Monitoring these conditions helps ensure that financial planning reflects current trends and prepares for future changes.

### Consumer Price Index

Inflation has a significant influence on the City’s long-term financial outlook, affecting both operating and capital budgets. While the Consumer Price Index (CPI) is commonly referenced as a measure of inflation, it reflects household spending patterns and does not fully align with the types of goods and services purchased by municipalities. For the City, construction-sector inflation is a major cost driver, and the Building Construction Price Index (BCPI) may provide a more accurate measure. The comparison of these two measures for the last five years is depicted in the graph below.<sup>4,5</sup>



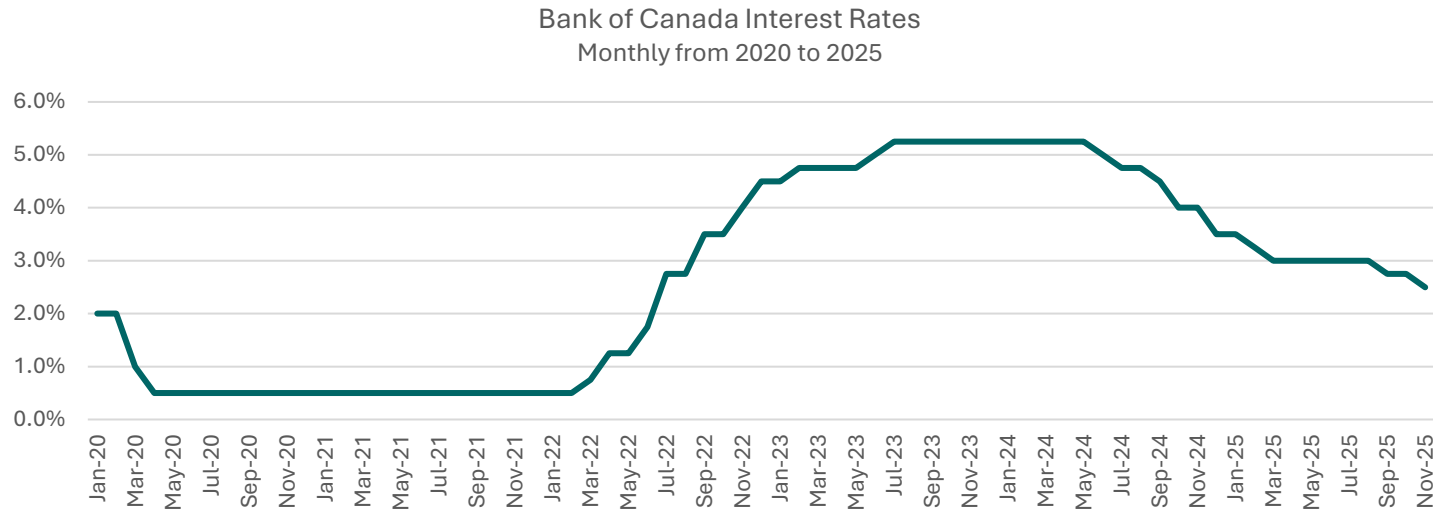
<sup>4</sup> Statistics Canada. Table 18-10-0289-02 Building construction price indexes, percent change, quarterly. <https://doi.org/10.25318/1810028901-eng>

<sup>5</sup> Bank of Canada. Price Indexes. <https://www.bankofcanada.ca/rates/price-indexes/cpi/>



## Interest Rates

Interest rates also have a significant impact on municipal capital and operating budgets, as higher rates lead to higher costs to repay debt. Bank of Canada interest rates began rising in February 2022 to adjust for a hot housing market and surging inflation. In July 2024, rates began to decrease as inflation eased, and economic growth slowed. The current interest rate is 2.5%.<sup>6</sup>



## Employment

In October 2025, the unemployment rate for the Thunder Bay census metropolitan area was 5.0%, compared to the province at 7.8%. Employment continues to rise, with 71,800 workers employed in October 2025, an increase from 65,000 in 2024.

	2025 YTD	2024	2023	2022	2021	2020
Employment Rate <sup>7</sup>	61.1%	56.1%	59.9%	58.4%	57.0%	55.5%
Participation Rate <sup>8</sup>	64.3%	61.0%	62.7%	61.6%	61.6%	60.2%
Unemployment Rate <sup>9</sup>	5.0%	4.0%	4.4%	5.2%	7.5%	8.1%

<sup>6</sup> Bank of Canada, Data and Statistics Office

<sup>7</sup> Statistics Canada. Table 14-10-0459-01 Labour force characteristics by census metropolitan area, three-month moving average, seasonally adjusted

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.



## Households

While the statistic for number of households is only counted during the census, it should be noted that there has been an increase in residential construction in recent years.

	2025 YTD	2024	2023	2022	2021	2020
Number of Households <sup>10</sup>	48,405	48,405	48,405	48,405	48,405	47,180
Average Household Income <sup>11</sup>	\$101,552	\$98,708	\$96,022	\$93,040	\$92,986	\$91,670

CMHC reports the annual housing starts for the City of Thunder Bay to be 200 in 2023, and 256 in 2024. There were 128 completions in 2023, and 188 in 2024. 207 of the completions over the last two years have been apartments, significantly adding to the housing stock.<sup>12</sup>

## Construction Activity (residential and non-residential)

Construction activity provides a measure of growth in a municipality. Building permits and capital investment are strong indicators about how business feels about the economy. Construction activity also impacts other economic factors such as employment, income, and property value. As building activity is cyclical, it is best to look at long-term trends.

	2025	2024	2023	2022	2021	2020
Number of Building Permits Issued <sup>13</sup>	TBD	1,008	1,142	1,280	1,723	1,442
Construction Value of Building Permits Issued (\$ million) <sup>14</sup>	TBD	287.2	476.1	183.4	161.4	96.0

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<sup>10</sup> Statistics Canada. 2021 Census of Population.

<sup>11</sup> BMA Municipal Study, Manifold Data Mining, 2022-2025.

<sup>12</sup> CMHC. Housing Market Information Portal.

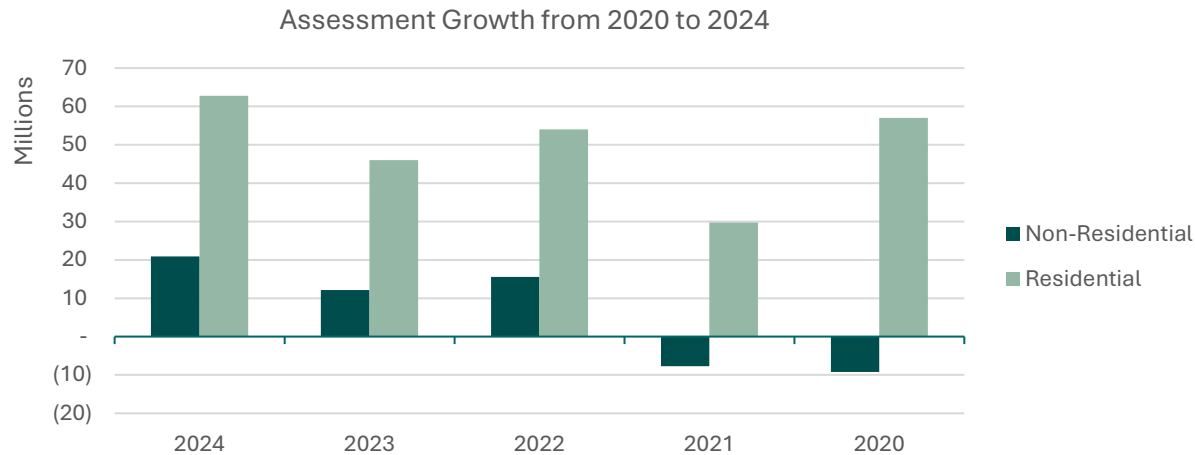
<sup>13</sup> Statistics Canada, 2025.

<sup>14</sup> Ibid.



## Property Assessment

Over the past five years, the majority of the City's taxable assessment growth has occurred in the residential sector.



In the City of Thunder Bay, approximately 84% of taxable assessment is considered residential (including multi-residential). While the City does not maintain a target split between residential and non-residential assessment, non-residential growth will play an important role in strengthening the City's revenue base and supporting long-term financial sustainability.

Unweighted Assessment for Municipalities over 100,000 for 2024 <sup>15</sup>	Residential	Multi-Residential	Commercial	Industrial	Pipelines	Farmland	Forests
Thunder Bay	79.3%	4.4%	15.1%	0.9%	0.3%	0%	0%
Average of Municipalities >100,000	76.7%	2.4%	9.2%	1.9%	0.9%	8.7%	0%
Median of Municipalities >100,000	78.9%	1.3%	8.4%	1.4%	0.3%	2.1%	0%

Municipal tax policy is applied through tax ratios, therefore future increases in non-residential assessment will have a proportionately greater impact on overall tax revenues.

<sup>15</sup> BMA Municipal Study 2021-2025.





# FINANCIAL POLICY FRAMEWORK

The City's financial planning is guided by a broad framework of policies, strategies, and plans that provide direction for decision-making. Together, these documents establish the principles and rules for how resources are raised, managed, and invested. A periodic review of the policy framework supports alignment between financial strategy and Council's priorities, identifies where existing policies are working effectively, and highlights areas where gaps may exist. Addressing these gaps will strengthen consistency, transparency, and accountability in financial decision-making.

## Existing Financial Policies

Policy/By-law	Purpose	Last Update
Budget Process Policy 05-02-01	To establish the annual budget process and assign responsibility for the tasks related to the preparation, approval and administration of the annual budget.	1996
Budget Public Consultation Policy 05-02-05	To ensure that opportunities are provided for a consistent, standardized and meaningful public consultation process as part of the annual budget process.	2004
User Fee Framework Policy 05-06-01	To ensure consistency across the Corporation with respect to the calculation of user fees.	2004
Reserve and Reserve Fund Policy 05-01-08	To establish guiding principles for the establishment, maintenance, management and accounting of Reserves and Reserve Funds.	2024
Reserve Fund By-law 220-2023	To consolidate and provide for the establishment of and maintenance of all Reserve Funds of The Corporation of the City of Thunder Bay.	2023
Capital Financing and Debt Policy 05-01-12	To ensure that all statutory requirements with respect to incurring debt for capital purposes and the issuance of debentures and prescribed financial instruments for or in relation to the debt are complied with.	2014
Tangible Capital Asset Policy 05-01-15	To ensure that all statutory requirements with respect to the accounting for and reporting of tangible capital and infrastructure assets are fulfilled.	2019
Investment Policy 05-01-04	To summarize and define the investment objectives, risk tolerance and liquidity needs and investment horizon for the City's investment portfolio.	2024
Supply Management By-law 359-2024	To govern the way the Corporation purchases goods, services and construction.	2024
Assessment Growth Funds Policy 05-02-06	To establish the parameters for how Assessment Growth Funds will be allocated through the annual budget process.	2025



## Financial Policy Gaps

### Policy Control Plan

Although the City has a strong base of financial policies, many are now over 10 years old. A regular review cycle will help confirm that these policies remain relevant and effective in guiding financial decision-making. A formal policy control plan ensures that policies remain relevant, consistent, and aligned with the City's broader financial framework. Regular policy reviews also promote accountability, provide staff and Council with clear guidance, and reduce the risk of relying on outdated or incomplete information in decision-making.

### Debt Management Policy

The City's Debt Management Strategy, approved through a Corporate Report in 2014, outlines an approach to support strategic investment in infrastructure while maintaining affordability for taxpayers. Borrowing under this strategy is guided by principles and affordability metrics, distinguishing between regular capital program needs and special legacy or growth-related projects. Although the strategy provides direction, the City does not yet have a formal debt management policy.

A formal debt management policy would provide visible, structured guidance for the City's borrowing, reinforcing sustainability and affordability. While the existing Debt Management Strategy already directs borrowing decisions, a policy would enhance transparency, establish consistent criteria and limits, and ensure the strategy stays current and aligned with Council priorities.

### Corporate Enterprise Risk Management

A structured approach to enterprise risk management (ERM) helps the City identify, assess, and manage risks that could impact service delivery, financial stability, or strategic objectives. While risk management practices exist across departments, they are not yet integrated into a unified corporate framework. A formal ERM program would establish consistent processes, clarify roles and responsibilities, and ensure risks are monitored and reported in a systematic way. Embedding ERM into financial and operational planning strengthens decision-making, promotes resiliency, and enables the City to prepare for emerging challenges rather than react to them.

### Performance Measurement Framework

A comprehensive performance measurement framework provides a clear way to evaluate how well City services are performing and whether resources are producing the intended results. Although departments track performance metrics, the City does not yet have a consistent, organization-wide framework. A formal approach would establish standardized metrics, targets, regular reporting cycles, and alignment with strategic priorities and budgeting. Strong performance measurement improves transparency, supports evidence-based decisions, and helps Council and the public understand the value delivered through municipal services.



## SUPPORTING PLANS AND STRATEGIES

An effective LRFP should incorporate and support all corporate plans and strategic priorities of the municipality to ensure financial decisions align with long-term goals. Among the supporting plans and strategies are the Corporate Strategic Plan, Asset Management Plan, and Smart Growth Action Plan.

### Corporate Strategic Plan

City Council's 2023-2027 Maamawe, Growing Together Strategic Plan centred around 4 pillars:

- Maamawe All Together – We honour the truth and reconcile for the future.
- Safety and Well-being – Our community is healthy, safe, and strong.
- Growth – We attract and retain new and diverse businesses and community members.
- Sustainability – We advance a thriving economy and environment.

At the start of every new Council term, a Corporate Strategic Plan is developed to guide priorities for the coming years.

### Asset Management Plan

The Asset Management Plan provides a comprehensive framework for managing the City's infrastructure to deliver sustainable, reliable services. It establishes a consistent approach for the construction, maintenance, rehabilitation, replacement, and disposal of municipal assets based on sound asset management principles.

### Smart Growth Action Plan

The Smart Growth Action Plan is a 10-year community-driven strategy that sets out how the City can grow its tax base and population, strengthen its economy, and enhance quality of life. The Plan was developed in partnership with community stakeholders through the Task Force on Growth and shaped by extensive public engagement, including focus groups, targeted meetings, and broad community consultation.

The Plan identifies more than 100 actions to achieve its growth targets, organized under three key pillars:

- Readiness – Creating the conditions and infrastructure needed to support growth.
- Attraction – Drawing new residents, businesses, and investment to Thunder Bay.
- Talent – Developing, retaining, and attracting the skilled workforce needed for long-term prosperity.



# GUIDING FINANCIAL PRINCIPLES

The City's guiding financial principles provide the foundation for responsible decision-making and long-term sustainability. They set out a clear framework for how financial resources are managed, ensuring that taxpayers receive value for money while the City maintains the flexibility to respond to emerging challenges and opportunities. Together, they guide the City in building a stable financial future that supports growth, economic development, and the well-being of the community.

## Financial Sustainability

*The ability to provide and maintain service and infrastructure levels without unplanned rate increases or service reductions while also ensuring the capacity to invest in future growth and development.*

- **Respect for Tax and Ratepayers:** The commitment to responsible financial management that balances service delivery with affordability for residents and businesses.
- **Sustainable & Integrated Capital Planning:** The development and implementation of a dynamic, long-term capital funding plan that aligns infrastructure needs with financial capacity, supports asset stewardship, and enables the City to respond effectively to growth opportunities.
- **Maximizing Value for Money:** The pursuit of optimal return on investment and efficient resource allocation to deliver high-quality, cost-effective services.

## Financial Resiliency

*The degree to which the City relies on external funding beyond its control and its ability to adapt to unforeseen challenges while meeting financial and service commitments.*

- **Supporting Growth and Economic Development:** The alignment of financial strategies with economic opportunities to foster a thriving community.
- **Users Pay Where Appropriate:** The application of fair and equitable user fees to ensure those who benefit directly contribute to the cost of services.
- **Fair and Sustainable Tax Policy:** The adoption of a well-structured and equitable approach to setting tax ratios for residential and non-residential properties, balancing competitiveness, revenue stability, and the City's long-term financial sustainability.

## Financial Flexibility

*The degree to which the City can expand its financial resources to seize opportunities and mitigate risks.*







- **Strategic Debt Management:** The responsible use of debt financing to support key infrastructure and service needs where appropriate.
- **Prudent Reserve and Reserve Fund Management:** The management of reserves and reserve funds to capitalize on strategic opportunities and mitigate significant fluctuations in property taxes and rates.
- **Responsible Investing:** The prudent management of investments to safeguard financial resources and support long-term goals.



# FINANCIAL HEALTH DASHBOARD







The Financial Health Dashboard provides a consolidated view of the key indicators that measure the City's long-term financial condition. By monitoring these indicators over time, the City can assess its overall fiscal position, identify emerging risks, and support informed decision-making that aligns with long-term strategic and financial goals.

## Financial Sustainability







Indicator	Target	2024	2023	2022	2021	2020	Result
 <b>Positive Audit Outcome</b> This indicates that the auditor was able to complete their work, express an opinion, and did not identify concerns that would call into question the City's ability to meet its financial obligations or continue to operate on a sound financial basis.	Positive Report	Positive Report	Positive Report	Positive Report	Positive Report	Positive Report	
 <b>Financial Position Per Capita</b> This measures the City's net financial position relative to the population and includes all the City's financial assets and liabilities. Negative results indicate that liabilities exceed financial assets and future revenues will be required to pay for past transactions and events.	Positive Trend	TBD	(\$106)	(\$193)	(\$165)	(\$620)	
 <b>Asset Consumption Ratio</b> This reflects the value of the tangible capital assets that have been consumed and provides an indication of the aged condition of the assets and the potential asset replacement needs. A higher ratio may indicate significant replacement needs.	51-75% Moderately Old	TBD	60.9%	60.7%	60.7%	60.1%	



## Financial Resiliency

Indicator	Target	2024	2023	2022	2021	2020	Trend
 <b>Property Tax as a % of Household Income</b> This measures the relative affordability of municipal taxation for residents. By tracking this measure regularly, the City can better ensure that its property tax policies remain fair, equitable, and aligned with the community's ability to pay.	4-5%	TBD	4.1%	5.4%	5.3%	3.9%	
 <b>Tax Arrears as a % of Tax Levied</b> This indicates the ability of residents to pay their annual taxes. The City's tax collection procedures allow for the ability to operate without cash flow concerns.	Under 8%	TBD	6.4%	5.6%	5.1%	5.7%	
 <b>Rates Coverage Ratio</b> This measures the City's ability to cover its costs through its own source revenue. A high ratio means that the City is less dependant on transfers from other levels of government.	60-90% Intermediate	TBD	90.1%	87.8%	93.2%	90.6%	

## Financial Flexibility

Indicator	Target	2024	2023	2022	2021	2020	Trend
 <b>Debt Service Ratio</b> This compares the annual principal and interest costs to the City's own source revenue and is a measure of the City's ability to service its debt payments.	Under 10%	TBD	6.3%	5.9%	6.1%	6.3%	
 <b>Debt to Reserve Ratio</b> This provides a measure for financial prudence by comparing total debt to discretionary reserves and reserve fund balances.	1:1 or under	TBD	0.9	1.1	1.0	1.3	
 <b>Investment Returns</b> This indicates the extent to which marketable securities return on investments exceed current inflation.	Higher than CPI	TBD	4.0%	3.4%	1.9%	2.1%	



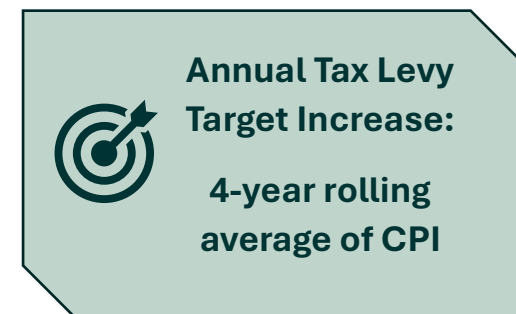
# FINANCIAL STRATEGY

The LRFP outlines the key financial factors that shape the City’s fiscal outlook over the next 10 years. This includes understanding the unique inflationary pressures faced by municipalities, managing debt responsibly and maintaining adequate reserves to preserve financial flexibility.

## Municipal Revenue Outlook

The City’s approach to revenue must balance the role of property taxes, user fees, grants, and growth-related revenues to support both current service delivery and long-term community development.

It is reasonable for residents to expect that the municipal tax levy and user fees should not increase faster than inflation over the long term, since households themselves must manage within similar financial constraints. Striking this balance between cost pressures and taxpayer affordability remains a key consideration in long-term financial planning. A stable and predictable municipal tax levy can be a competitive advantage for the City as it seeks to drive responsible growth moving forward. To reinforce this stability, the City will target the 4-year rolling average of CPI as its annual tax levy increase .



However, over time, the gap between municipal cost inflation and the revenue generated through tax increases limited to general inflation is not sustainable. When expenditure growth consistently outpaces revenues, it erodes the City’s capacity to maintain service levels, address infrastructure needs, and invest in community priorities. To ensure long-term financial sustainability, the City must continue to explore and develop new revenue-generating opportunities and growth-related funding tools that help align revenues with the true cost of providing municipal services.

## Municipal Inflation and Cost Drivers

Inflation has a significant influence on the City’s long-term financial outlook, affecting both operating and capital budgets. While the Consumer Price Index (CPI) is commonly referenced as a measure of inflation, it reflects household spending patterns and does not fully align with the types of goods and services purchased by municipalities. For the City, construction-sector inflation is a major cost driver, and the Building Construction Price Index (BCPI) may provide a more accurate measure.

Over the past 5 years, the average spread between BCPI and CPI on a quarterly basis has been approximately 2%, underscoring the higher inflationary pressures the City faces in delivering and renewing infrastructure. For the purposes of long-term planning, general inflation is projected at 2.5%, while construction-related inflation is forecast as CPI + 2%, or 4.5%.



## Personnel Services

Like other municipalities, staffing-related costs represent the most significant budget drivers, accounting for approximately two-thirds of the City's tax-supported operating budget. As a service-based organization, the City's ability to deliver programs, maintain infrastructure, and meet community expectations depends heavily on its workforce. Strategic workforce planning, ongoing process improvements, and investments in training and technology all contribute to delivering services more efficiently while maintaining high standards of quality and safety. Through proactive human resource management and continuous review of service delivery models, the City aims to contain personnel-related cost growth while ensuring the organization remains well-equipped to meet community needs.

## Goods, Services, and Supplies

Beyond staffing, the cost of goods, services, and supplies represents a substantial portion of the City's operating budget and directly influences the cost of delivering municipal programs and maintaining infrastructure. These expenditures encompass a wide range of essential items and services such as fuel, utilities, materials, equipment maintenance, and contracted services that enable day-to-day operations across all departments. Many of these costs are subject to market volatility, global supply chain pressures, and inflationary trends that often outpace the general CPI. Managing these expenses effectively requires a focus on strategic procurement, lifecycle costing, and continuous review of service delivery models to identify efficiencies.

## Agencies Boards and Commissions

The City has limited control over the budgets of its Agencies, Boards, and Commissions (ABCs), yet these entities play a critical role in delivering services to the community. While the City cannot dictate their spending, it is hoped that ABCs will follow the City's lead in managing expenditures to help keep property taxes low. Promoting alignment with municipal budget priorities supports financial sustainability while allowing ABCs to fulfill their service mandates.

## Contributions to Capital

Consistently funding the capital program allows the City to protect service levels, maintain asset value, and plan proactively for both renewal and growth. Increasing the annual contribution to capital by an amount equivalent to the tax levy ensures a steady, predictable funding base, while supplementing this contribution with the Tbaytel Dividend and other non-tax revenue sources provides additional resources to accelerate investments. Together, this approach can support a targeted 5% annual increase in capital funding, aligning with the priorities identified in the Asset Management Plan (AMP) and helping to address the City's infrastructure deficit.





## Debt Management

Debt servicing represents the annual cost of repaying principal and interest on the City's outstanding debt. While borrowing is a key tool for funding major infrastructure and long-term projects, if borrowing levels rise too high, the associated debt servicing costs could place pressure on the City's operating budget, potentially limiting flexibility to fund other essential services. By adhering to responsible debt policies and maintaining borrowing within sustainable limits, the City seeks to meet capital investment needs without compromising long-term financial stability or creating undue strain on future budgets.

In the spring of 2025, Standard & Poor's (S&P) Global Ratings reaffirmed the City of Thunder Bay's credit rating of AA+ with a stable outlook for the fourth year in a row. The credit rating is an independent third-party assessment of the City's financial health based on several factors:

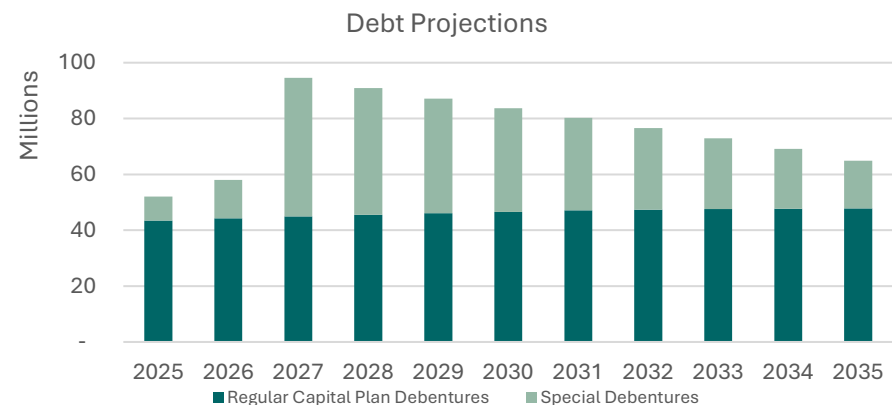
Key Rating Factors	Score
Institutional Framework	1
Economy	2
Financial Management	3
Budgetary Performance	1
Liquidity	1
Debt Burden	1
<b>Issuer Credit Rating</b>	<b>AA+/Stable</b>

**S&P Global**  
Ratings

The shift to multi-year (two-year) capital budgeting, combined with this long-term capital plan, demonstrates improved financial management practices that could contribute positively to the City's credit rating.

## Debt Projections

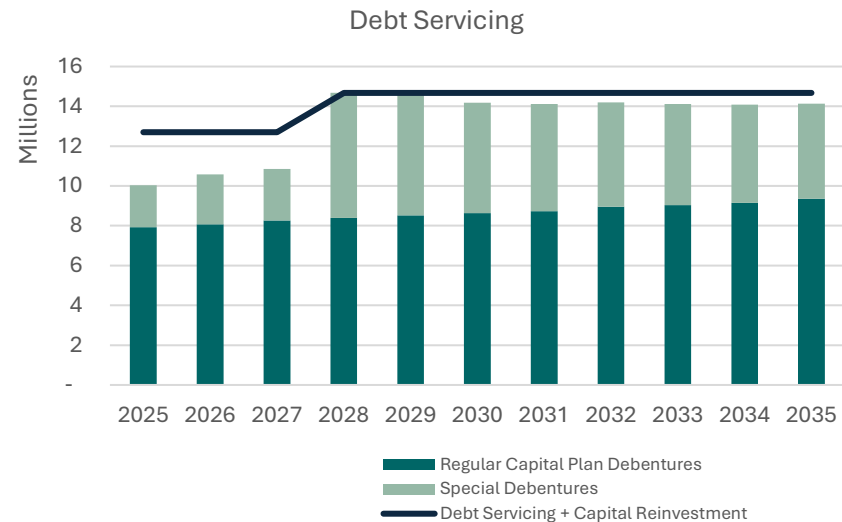
As of December 31, 2025, the City's tax-supported debt totals approximately \$52.0 million, comprised of \$43.5 million for the regular capital plan and \$8.5 million in special debentures. Debt levels have been managed prudently within Council-approved limits, ensuring that annual repayment obligations remain sustainable and consistent with the City's financial strategy.



Looking ahead, projected debt levels reflect both known and committed capital projects as well as ongoing annual borrowing to support the City’s capital plan. Based on current projections, tax-supported debt is anticipated to rise sharply in the coming years, peaking in 2027. This increase is driven by the completion of major debt-financed capital projects, including Victoriaville and the Organics Processing Facility, as well as the City’s contribution to the Thunder Bay Art Gallery facility.

## Debt Servicing

With the maturation of the Homes Debenture in 2023, the City was able to redirect previously committed debt payments into the capital budget, providing additional funding for infrastructure projects. Beginning in 2028, when payments on the new special debentures commence, this capacity will be returned to debt servicing, supplemented by additional tax-supported funding to meet the City’s peak repayment requirements. Debt servicing costs are projected to reach their highest point in 2028, corresponding to a debt service ratio of approximately 5.2%. There will be an opportunity to maintain this peak debt servicing level going forward and, as repayment obligations decline in future years, reinvesting the resulting capacity into the capital program to support long-term infrastructure renewal.



## Reserve and Reserve Fund Strategy

Reserves and reserve funds are an essential financial tool that provide the City with flexibility to manage both planned and unexpected expenditures. Strategically funding reserves ensures that resources are available for future infrastructure needs, major capital projects, or unforeseen emergencies, reducing reliance on debt or sudden tax increases. At the same time, prudent utilization of reserves allows the City to strategically smooth expenditures, support one-time initiatives, and respond to evolving priorities without creating ongoing budget pressures. The reserve and reserve fund policy is designed to maintain adequate funding to manage unforeseen events, stabilize the budget, and provide for future capital needs.

As of December 31, 2024, the City’s total tax-supported reserve and reserve fund balance was approximately \$197 million. However, planned drawdowns are anticipated to fund major capital commitments, most notably the Multi-Use Indoor Turf Facility, along with infrastructure investments underway but not yet completed. The uncommitted balance was approximately \$100 million



Looking forward, the City will continue to monitor reserve and reserve fund levels closely and evaluate opportunities to replenish balances through future operating contributions, year-end surpluses, or other funding sources. Maintaining reserves and reserve funds at appropriate levels remains essential to supporting long-term financial stability and ensuring ongoing flexibility in the City's financial planning framework.

At present, the City does not maintain a dedicated reserve fund for asset renewal. As new assets, such as the Tbaytel Multiplex and the Organics Processing Facility come into service, establishing contributions toward an asset renewal reserve represents a critical first step in planning for their future lifecycle needs. Over time, the City can expand this approach to other asset classes, strengthening its ability to manage long-term infrastructure obligations proactively and sustainably.



**Establish Asset  
Renewal Reserve  
Fund(s)**



## Financial Forecast

	Budget	Forecast								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
REVENUES										
Taxation Revenues										
Grants										
User Fees										
Other										
<b>TOTAL REVENUES</b>										
EXPENDITURES										
Personnel Services										
Goods Services and Supplies										
Debt Servicing										
Contributions to Reserve										
Contributions to Capital Plan										
Agencies, Boards, & Commissions										
<b>TOTAL EXPENDITURE</b>										
<b>BUDGET PRESSURE</b>										



## MONITORING

A structured monitoring process ensures that the LRFP remains relevant, aligned with Council’s strategic priorities, and responsive to changing conditions. The LRFP will be formally approved every two years, timed to coincide with the second and final year of each Council term. This approach provides a newly elected City Council with sufficient time to develop its strategic plan and ensures the LRFP reflects those priorities. In addition to the biennial approval cycle, the Financial Health Dashboard will be updated and presented to Council annually, providing consistent oversight and a clear, ongoing connection between long-term planning and yearly financial decisions.

## CONCLUSION

The LRFP provides a clear framework to guide the City through the fiscal challenges and opportunities of the next decade. By grounding decisions in strong financial principles – sustainability, resiliency, and flexibility – the LRFP help guide today’s actions in ways that strengthen tomorrow’s outcomes.

Through the Financial Health Dashboard, the City has a transparent, accessible way to monitor performance and identify emerging risks before they impact services or affordability. The financial strategy outlined in the LFRP recognizes the unique cost pressures faced by municipalities, reinforces the importance of responsible debt and reserve management, and underscores the necessity of stable, predictable revenues to maintain service levels and invest in infrastructure renewal and growth.

The LRFP is a proactive, forward-looking approach that supports City Council’s strategic priorities, strengthens accountability, and positions the City for long-term prosperity. The LRFP is not a static document. It is a living roadmap that will evolve as conditions change, helping the City remain financially strong, investment-ready, and able to meet the needs of residents and businesses for years to come.



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# Standing Committee Report

<b>REPORT NUMBER</b> 389-2025-Corporate Services-Revenue		
<b>DATE PREPARED</b>	November 24, 2025	<b>FILE</b>
<b>STANDING COMMITTEE MEETING DATE</b>	December 9, 2025	
<b>SUBJECT</b>	389-2025-Corporate Services-Revenue 2025 Unsuccessful Tax Sale Properties	

**PURPOSE** - The purpose of this report is to seek endorsement from the Finance and Administration Standing Committee to vest a property that did not sell in the 2025 tax sale.

WITH RESPECT to Report 389-2025-Corporate Services-Revenue 2025 Unsuccessful Tax Sale Properties, we request endorsement of the Standing Committee to forward the following recommendations to City Council:

WE RECOMMEND THAT Administration be authorized to enter into an agreement with the Crown relative to any Crown liens registered against the following property that did not sell in the 2025 tax sale:

Roll Number	Address	Balance at December 1, 2025
04.140.01600.0000	208 Simpson Street	\$202,631.51

AND THAT upon entering into an agreement with the Crown relative to any Crown liens, the City Treasurer vest the following property in the name of the municipality, having low environmental risk and that the property be declared surplus to municipal needs and either demolished and sold or sold in an “as is” “where is” condition on the open market:

Roll Number	Address
04.140.01600.0000	208 Simpson Street

AND THAT upon the vesting of the property, taxes be written off as uncollectible;

AND THAT immediately upon the vesting of property, Administration take the appropriate steps to manage all risks associated with ownership of the property;

AND THAT the Director – Development Services be authorized to execute all required documentation with respect to the sale of the property in a content and form satisfactory to the Manager - Realty Services;

AND THAT any necessary by-laws be presented to City Council for ratification.

### ***EXECUTIVE SUMMARY***

City Council authorized tax registration and sale proceedings for 331 properties in 2023 and 432 properties in 2024 that were in two years of tax arrears. Arrears were paid on 716 properties, and extension agreements were approved for 39 properties. A tax sale was held in June 2025 resulting in seven properties being sold. This report recommends an approach to deal with the remaining one property that did not sell in the 2025 tax sale.

Within two years from the tax sale date, a municipality can vest the properties that did not sell. Upon vesting, a property is free and clear of Provincial liens, but Federal liens remain on a property, therefore the municipality would enter into agreements with the Crown relative to any Federal liens. After a failed tax sale, the municipality can also write-off outstanding taxes owing on a property, allowing the municipality to recover the education portion of the taxes that have already been passed on to the school boards.

The *Environmental Protection Act* provides some protective measures for municipalities vesting property as a result of unsuccessful tax sale proceedings, but that protection is limited. Therefore, environmental pre-screening is conducted to help inform whether a property should be vested. The one property subject to this report has been assessed as having low environmental risk and is recommended to be vested and sold on the open market.

### ***KEY CONSIDERATIONS***

Each year, City Council authorizes tax sale proceedings for properties that are two years in tax arrears. A tax arrears certificate is registered, and the property owner/interested party has one year to pay the property tax account in full (cancellation price) or enter into an extension agreement.

If the cancellation price is not paid or an extension agreement is not executed within one year of the tax arrears certificate being issued, the property is offered for public sale.

The chart below provides details of the number of properties that were approved for tax registration and sale proceedings.



Year Approved	# Properties Approved	# Properties Paid Before Tax Sale	# Properties Entered into Extension Agreements	# Properties Sold	# Properties Not Sold
2023	331	313	14	3	1
2024	432	403	25	4	0

This report recommends an approach to dealing with the one property that did not sell in the 2025 tax sale. See Attachment 1 for further details of the property recommended to vest. This approach is consistent with the Vacant & Dilapidated Buildings program and provides an opportunity to assess and respond to a vacant building in a priority area.

### Provincial and Federal Crown Liens

There is legislation that applies to Provincial Crown liens. Section 353 of the *Municipal Act, 2001* provides that upon vesting, a property vests free and clear of Provincial liens, but if it is subsequently sold within seven years by the municipality, then net sale proceeds are to be proportionally shared among Crown lien holders and the City in relation to amounts written off. If a municipality sells a property after seven years, all proceeds are retained by the municipality.

Although there is no similar legislation at the Federal level, historically Federal lien holders have been receptive to arrangements that mirror Provincial legislation.

A Federal lien has been registered against the subject property.

Administration is recommending that it be authorized to enter into agreements with the Federal lien holder, whereby liens will be removed from the property and upon sale of the land, any proceeds net of costs incurred by the municipality will be shared in an agreed upon manner with the Federal lien holder. The recommendation to vest the property is subject to reaching an acceptable agreement with the Federal lien holder.

### Environmental Risks

The *Environmental Protection Act* provides some protective measures for municipalities vesting property as a result of unsuccessful tax sale proceedings. Protection is limited to a period of five years from the date the municipality becomes the owner of the property. During that time, the Province will not issue any order under the *Environmental Protection Act* to the municipality with respect to the property because of the presence or discharge of a contaminant on, in or under the property, unless any of the following circumstances exist:

1. There is danger to the health or safety of any person
2. There is impairment or serious risk of impairment of the quality of the natural environment for any use that can be made of it.

3. There is injury or damage or serious risk of injury or damage to any property or to any plant or animal life.

This legislation provides a five-year period of protection for the municipality to vest and sell off property that could potentially have contamination issues.

The subject property is identified as having a low environmental risk and is recommended to vest in the name of the municipality, declared surplus to municipal needs and advertised for sale on the open market or demolished as may be determined following vesting.

### **Write Off of Taxes**

The Municipality can recover the education portion of the taxes from school boards when the taxes are written off. The education taxes that were billed have already been passed on to the school boards on the assumption the municipality would collect them. Recognizing them as uncollectible and writing them off will allow the municipality to recover the monies advanced in previous years. If a property is sold within seven years of vesting, and the cancellation price exceeds \$10,000, the municipality is required to share the net sale proceeds in proportion to amounts written off with the school boards.

Administration is recommending that upon the vesting of the property, taxes be written off as uncollectible, thereby allowing the municipality to recover \$21,953.68 from the respective school boards.

### **FINANCIAL IMPLICATION**

The municipal portion of arrears totaling \$180,677.83 recommended for write-off has been accounted for in the 2025 operating budget.

The education portion of arrears totaling \$21,953.68 recommended for write-off will be recovered from the respective school boards.

If demolition of the property is deemed necessary, those costs would be eligible for funding from the Vested Property Rehabilitation Reserve Fund. This reserve fund is intended to provide funds for the restoration of properties that are no longer generating taxation revenues and are not considered saleable due to environmental or other concerns. Any use of the fund for this purpose would require further approval from City Council.

### **BACKGROUND**

The *Municipal Act, 2001* provides a two-year deadline from the date of a tax sale for the Treasurer to make a decision to vest a property in the name of the municipality. If after the two-year deadline, the property has not been vested, tax sale proceedings are deemed to have been cancelled. The *Municipal Act, 2001* also provides authority for

Council to write off unpaid taxes as uncollectible after an unsuccessful tax sale whether or not the property vests in the municipality.

In 2008, City Council approved a Tax Sale Vesting Policy. The policy establishes guidelines with respect to the management of unsuccessful municipal tax sale properties. The intent of the Policy is to provide an equitable and advantageous method to restore under-utilized and potentially contaminated properties to productive tax generating uses. However, the Policy does provide consideration for situations, whereby an unsuccessful tax sale property may have characteristics that would make vesting not viable and, in these situations, proceedings are cancelled.

***REFERENCE MATERIAL ATTACHED***

Attachment 1 – Details of Unsuccessful Tax Sale Properties Recommended to Vest

***REPORT PREPARED BY***

Kathleen Cannon, CPA, Director-Revenue

***REPORT SIGNED AND VERIFIED BY***

Keri Greaves, CPA, Commissioner – Corporate Services & City Treasurer

Date 12/01/2025 (MM/DD/YEAR)

## **208 SIMPSON STREET**

### **PROPERTY DETAILS:**

Roll Number: 04.140.01600.0000  
Legal Description: PLAN 54 BLK 2 LOT 4 TO 5  
Area: 477.63 sm (5,141.2 sf.), Frontage 50 feet Depth 102.82 feet  
Pin Number: 62072-0128

### **EXISTING STATUS:**

Structures: 2 Storey Commercial Building with Residential  
Taxes Outstanding: \$202,631.51  
Current Assessment: \$86,000  
Crown Lien(s): Ministry of Finance - \$971,119 plus interest  
Canada Revenue Agency - \$1,852 plus interest  
Present Official  
Plan Designation: Service Commercial  
Present Zoning: Service Commercial Zone  
Present Use: Vacant building

### **RECOMMENDATIONS:**

Disposal Method: Open market sale  
Appraisal Required: Yes  
Appraisal Value: To be determined

### **ENVIRONMENTAL ISSUES:**

No knowns issues  
Low risk

### **COMMENTS:**

The property is not required for municipal purposes. Administration recommends that this property be vested and either demolished and sold or sold in an "as is" "where is" condition on the open market

THIS MAP IS FOR GENERAL ILLUSTRATIVE PURPOSES ONLY. DIMENSIONS AND/OR AREAS ARE APPROXIMATE.

208 Simpson St

LEGAL: PLAN 54 BLK 2 LOT 4 TO 5

<b>Prepared By:</b>	CK	<b>Date:</b>	2025-09-08	<b>Scale:</b>	As Noted
<b>Commissioner:</b>	Kerri Marshall	<b>Author:</b>	JT	<b>File No:</b>	25-502139RS
<b>LRO PIN:</b>	620720128	<b>Roll No:</b>	5804040140016000000		