

CONCERN		DESCRIPTION	OPTIONS	RECOMMENDED BY ADMIN	REASON FOR RECOMMENDATION
1. POLICY PURPOSE					
1.1	The policy should focus on value contribution as opposed to financial need.	The policy should reflect the impact non-profits have on the quality of life for Regina's residents, rather than on the demonstrated 'hardship' of a non-profit. A business should never be asked to write a business case based on hardships. The policy does not provide "incentives" .	1 - No change to policy	N	Not recommended, based on the consultants observations, Administration recommends changing the policy to clarify the intent and purpose of the policy.
			2 - Change the title of the policy to remove the word "Incentive"	Y - included in revised policy	Changing the title to align with the purpose and objectives of the policy will remove confusion as to the purpose of the policy.
			3 -Clarify policy purpose	Y - included in revised policy	Changing the policy purpose statement to reflect the intent of the policy will provide assistance to organizations with financial need.
1.2	This policy misses the mark. The purpose of this tax policy is unclear.	Participants recognize the value of having a policy; however, they said this one missed the mark. One group agreed, "there is value in the process and we are in favour of a policy, but I'm not sure the purpose is articulated".	4 - Review the language in the policy	Y - included in revised policy	Additional language changes are recommended to recognize the value of the work done by non-profit groups.
			5 - Remove financial need criteria	N	It is administration's understanding that one of Council's objectives for this policy is that applicants must demonstrate financial need.
			2. FINANCIAL NEED		
2.1	Non-Profits receiving tax incentives should be asked to demonstrate fiscal responsibility.	Replace the need to demonstrate financial need with the requirement to demonstrate fiscal responsibility. All participants agreed sharing financial statements with the City for the purposes of tax exemption applications was appropriate and that applicants should have to demonstrate the impact to an organization if they were to lose the tax exemption.	1 - No change to policy	Y	Policy requires applicants to demonstrate fiscal responsibility by stating that an applicant must: - be a registered non-profit for at least one year, this demonstrates they are publicly accountable entities with the authority to manage funds. - provide last three years of financial statements. - provide a business case that demonstrates: how funding will be used to deliver services, how it will continue to deliver its core services if a tax exemption is not received, how a lack of a tax exemption would impair services to the community or impose hardship on the users of the services of the program.
			2 - Add specific criteria to the policy to require organizations to demonstrate fiscal responsibility	N	The above requirements are in line with the criteria for funding through the CIGP.

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3 ALIGNMENT					
3.1	The policy does not encourage growth of the non-profit sector.	Participants were of the opinion that the proposed policy is restrictive to the non-profit/charitable sector and creates competition within the sector.	1 - No change to policy	N	Not recommended
		Participants believe the policy will limit entrepreneurship, new opportunities, and the growth of organizations.	2 - Change the title of the policy to remove the word "Incentive"	Y - included in revised policy	Changing the title to align with the purpose and objectives of the policy will remove confusion as to the purpose of the policy.
		Policy dis-incentivizes economic partnership, which contradicts messages received from other levels of government.	3 - Clarify policy purpose	Y - included in revised policy	Changing the policy purpose statement to reflect the intent of the policy will provide assistance to organizations with financial need.
		The criteria that a business needs to have existed for one year to apply is limiting for entrepreneurs.	4 - Review the language in the policy	Y - included in revised policy	Additional language changes are recommended to recognize the value of the work done by non-profit groups.
3.2	Inconsistent messaging from the City.	Some participants expressed confusion regarding the proposed policy and the Community Investment Grants Program(CIGP), they felt one is asking non-profits to demonstrate hardship, and the other offers their organizations incentive to grow.	1 - No change to policy	Y	The OCP is designed to manage the city's growth and to set the stage for its longer-term development. It contains a comprehensive policy framework that guides the physical, environmental, economic, social and cultural development of the city. The principles outlined in the policy are in alignment with the OCP, the Cultural Masterplan and the Recreation Master Plan. While applicants may qualify for both the CIGP and a property tax exemption through the proposed policy, the two programs have different objectives: - Through the Community Investment Grants Program (CIGP), the City funds and partners with community non-profit organizations to deliver programs and services to Regina residents that align with city priorities, have a clear community impact and respond to community needs. - the proposed policy is designed to support the services and organizations with financial need that further Council's priorities and for which the burden resulting from the tax exemptions is a justifiable expense to the taxpayers of Regina.
		Some participants did not believe the policy aligns with the OCP, since the OCP is designed for growth	2 - Combine the CIGP and the Non-Profit Tax Incentive Policy into a single program	N	A full discussion on why combining the two programs is not recommended is included in EX18-15.

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3.3	Principle #3 excludes child care	Daycare group requested that child care be added as a criteria to principle #3. The group stated many of these centres also provide additional community services that contribute to the health, safety, and social development of the community such as food security and shelter.	1 - No change to policy	Y	Any applicant that demonstrates alignment with the City's plans and programs, as outlined in the policy criteria will be considered for an exemption. Daycares are not excluded simply because they are daycares.
	Child care centres contribute to the social economic development of Regina.	Participants stated that there is an opportunity for the City to introduce a new tax policy with the objective of incenting daycares to locate to areas in Regina where there is a high need of child care.			Strategic placement of any non-profit, such as incenting a daycare in a certain location is outside the scope of this policy.
	Principle #3 does not "Align with the City's Plans and Programs".	OCP suggests daycares are an important economic driver; however, the criteria stated in 3.1 policy exclude child care from tax relief. To demonstrate the economic impact of this group, the participants stated there are 75 Centres in the city and asked the facilitators to consider the impact, should they close.	2 - Amend policy to include daycare centres	N	Many commercial operations in the City, provide similar economic benefits, it is not the intent of the OCP for the City to provide financial support to all organizations that are economic drivers.
	Misses the opportunity to strategically place daycares.	Child care centres shared that they contribute to the social and economic development of Regina by addressing social issues like poverty and crime and by offering wages to new Canadians, creating positive economic spin off. They also shared that -increased quality of child care centres will make Regina more attractive to potential investors.			Section 13.5 of the OCP recognizes these benefits by stating the City will encourage the provincial government and the community to establish locally based child care facilities.
					Administration has submitted a supplemental report that provides an overview of daycare regulation in Saskatchewan, how daycare properties are assessed and taxed in the City , and an analysis of methods related to tax policy for City Council to consider. The risk and benefits of adding daycare centres to this policy are discussed in that report.

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4. CAP					
4.1	Limited funding available. Remove anything that encourages competitiveness.	Participants requested the 'cap' in the Policy be changed to a 'floor', or an indexed percentage reviewed annually. Some participants felt that the cap encouraged competitiveness in the non-profit sector. A 'cap' that will ultimately lessen the pool of resources available for all, forcing them to compete with other non-profits. Participants all suggested the 'cap' should not be static	1 - No change to policy	Y	A recommendation was made by City Council at the July 4, 2018 Executive Committee meeting to change the cap in the proposed policy be to \$1.2 million.
			2 - Change the wording of the funding requirements in policy to read: The total amount of exempted municipal tax dollars will be the lesser of: (a)0.55 per cent of the previous year's budgeted municipal levy, (b)the previous year's levy exempt under this policy plus \$50,000, or (c)\$1.5 million.	N	
			3 - Change the wording of the funding requirements in policy to read: The total amount of exempted municipal tax dollars will not exceed 0.55% of the previous year's budgeted municipal levy.	N	
4.3	Large Non-profits should be treated differently.	The large non-profit group requested a grandfather clause be established to ensure the large non-profits continue to receive full tax exemptions, regardless of cap or number of applicants.	1 - No change to policy	Y	Purpose of the policy is to provide fair, consistent treatment and consideration for all applicants providing non-profit and charitable services for the benefit of Regina residents. Having a grandfather clause for certain organizations, does not align with the purpose.
			2 - Add a grandfather clause for larger non-profits to continue to receive the same level of funding as they have in the past	N	

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5. APPLICATION PROCESS					
5.1	Refine the application process	The application process would be administratively burdensome for organizations and participants stated the need for a simple and efficient process.	1 - No change to policy	Y	<p>It is not the intent of Administration for the application process to be cumbersome. If the proposed policy is approved, the application process will:</p> <p>(a) align with the CIGP application process where possible.</p> <p>(b) will be simplified where feasible. Possibly incorporating a simplified process for smaller volunteer organizations, such as community gardens, and shortened application when re-applying each year.</p> <p>The business case is designed for each applicant to tell their own unique story. Given the range of non-profit organizations eligible under the policy, having a simple questionnaire is not a feasible way to capture the need of each unique organization.</p> <p>With financial limitations such as a cap, having a four year application process may not allow for new applicants to apply if all funding is dispersed. However, options for multiple year agreements are available in the policy, and will be recommended where applicable.</p>
		The Policy should recognize the diversity of non-profits/charitable organizations.	2 - Remove business case criteria	N	
		The Policy, application process, and exemption granted should reflect the operating capacity of each organization.	3 - Implement a 4 year rolling application process	N	
		Participants requested the City consider a rolling four year application process.			
		Organizations provide much of the information outlined in Section G to the City for the Community Investment Grants Program. This information should be able to be shared within the City, for tax exemptions.			
		It was also requested that the City provide resources to assist in completing the application.			
5.2	Establish set criteria for evaluation.	<p>Participants wanted standard criteria on which their organization would be evaluated when allocating tax exemptions, so their submission could be written appropriately.</p> <p>-Delete 'open to the public' in Criteria 4.1.</p>	1 - Change to criteria for Principle #4 - Accessible to the Public	Y - included in revised policy	<p>Recommended changes to the wording of principle #4 criteria to clearly reflect the intent that programs and activities should be equally available to all residents of Regina.</p> <p>Criteria was designed to judge whether the principles have been met by applicants. Given the wide range of non-profit organizations, having simple checklist style criteria for applicants is not feasible.</p> <p>While stakeholders requested clear criteria, the consultant observed that participants of the sessions recognized the complexity in developing criteria and did not come to an agreement on what such specific criteria would look like</p> <p>It is administration's understanding that participants believe applications will be weighted and ranked accordingly. This is not how the application process is designed. In order to qualify, applicants must meet all of the principles and criteria in the policy.</p>
			2 - Change criteria to a clear checklist	N	

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6. GENERAL					
6.1	Does not encourage partnerships.	Policy is missing the opportunity to incent non-profits to partner together (joint initiatives, programs, co-locations, etc.)	No recommended change		Policy does not exclude organizations that have private partnerships but is designed to support those in financial need.
6.2	The policy does not provide support for the legion.	The Royal Canadian Legion 001 received a statutory property tax exemption when they owned the building they resided in. In 2013 the building was sold and became taxable, although the Legion still leases space.	1 - Amend policy to include	Y - included in revised policy	<p>Upon further review of provincial legislation, Administration recommends criteria 3.1 (e) be changed to reflect the intent of the legislation. The proposed change reads as follows: (e) any organization that would receive a statutory exemption as per Sections 262 (j) and (p) of The Cities Act if they owned the building and land.</p> <p>Section (j) refers to properties owned by The Public Library and Section (p) refers to properties owned by The Royal Canadian Legion Saskatchewan Command, Army, Navy and Air Force Veterans of Canada, the Disabled Veteran's' Association of Saskatchewan and the Canadian Mental Health Association (Saskatchewan Division).</p>
			2 - No change to policy	N	
6.3	Flow of funds.	<p>Daycare participants felt that provincial funding for child care centres going toward municipal property taxes is not the intent of the funding.</p> <p>Participants stated that parents are paying the child care centre's property tax through user fees while also paying the property tax for their own residence. Some believed this "double tax" to be a potential concern of their users.</p>	No recommended change		<p>Funding received from the Ministry is in the form of an Early Childhood Services monthly grant. Intent of this grant is to provide support for costs such as monthly overhead and operating costs such as wages and benefits, rent/mortgage, utilities. Using this funding for property taxes is not outside the intent of the grant.</p> <p>Many commercial businesses are used by residents who pay property taxes on their personal residence.</p>

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6.4	Policy does not consider uniqueness of child care and fuels disparity in Regina's child care sector.	<p>Daycare participants discussed the importance of differentiating themselves from the larger non-profit sector as well as from other child care facilities. They believe they are unique because they are regulated by the provincial government and must follow a prescribed early years education curriculum. Thus, they believe their child care centres provide a standard of service/care that is different from other child care facilities.</p> <p>Child care participants are of the opinion that many families being served by their organizations live in poverty and their user fees are directly impacted by property tax. One participant noted, "We are on the fringe ... we get the requirements but not the funding."</p> <p>Participants requested the City consider licensed, non-profit child care centres as part of the education sector and remove them from the pool of other non-profits.</p> <p>Policy does nothing to address the uneven playing field that exists in this sector, which contributes to a disparity in the quality of child care services for Regina's residents from one centre to another. e.g.: several of the Centres do not pay property tax because they are tenants of schools, assuming that these centres have more money to invest in better food, programs, facilities, and increased wages for staff.</p>		No recommended change	<p>Child care in Saskatchewan is governed by The Child Care Act, 2014 and The Child Care Regulations, 2015 and is the responsibility of the Ministry of Education.</p> <p>Provincial legislation governs when a license is required and sets the standards for licensed child care facilities.</p> <p>Provincial budgeting determines when and what grant funding will be available for the creation of new childcare spaces.</p> <p>Statutory exemptions are provided to schools through provincial legislation. Many schools have deemed the daycares as an essential use for school operations and have operating agreements with non-profit daycares to run the facility.</p> <p>Administration has submitted a supplemental report that provides an overview of daycare regulation in Saskatchewan, how daycare properties are assessed and taxed in the City, and an analysis of methods related to tax policy for City Council to consider. The risk and benefits of adding daycare centres to this policy are discussed in that report.</p>