

## Town looking at increasing its tax share by 4.72 per cent

By Bill Rea

It's still early days, but as things stand now, Caledon resident could be looking at a two per cent hike this year in their total municipal tax bill.

Town staff gave councillors their first presentation on the proposed 2015 budget Tuesday. It calls for a \$74.8 million in spending, which is an increase of about \$2.8 million over last year's budget. To finance that will require an increase of 4.72 per cent to the Town's portion of the property tax bill.

The Town, as a lower-tier municipality, has the job of collecting the taxes for Peel Region, as well as the local school board. Treasurer Peggy Tollett said the Town's share last year amounted to about 36 per cent of the total tax bill, with about 33 per cent going to the Region and 31 per cent toward education.

Chief Financial Officer Fuwing Wong said the combined increase for Caledon residents will likely be about two per cent. He said that's based on the Region increasing its share of taxes by 1.9 per cent (the Region has not yet had any formal budget presentations) and an assumption that the education rates will not change. Those rates are set by the Province, and Tollett said that figure likely won't be known until April or May.

She added the 1.9 per cent increase from the Region seems reliable at this point.

"That's just what they're working for right now," she said.

Wong told councillors an overall increase of two per cent would mean an additional \$82.32 to the annual tax bill for a Caledon property assessed at \$480,000.

Tollett told councillors the process toward a balanced budget started with the base 2014 budget, that called for \$72 million in spending and revenue.

Some additional expenditures were factored in, such as inflation and increases in employee compensation, but there have been savings and efficiencies found as well. The result was base spending is slated to increase by only about \$50,000.

There were also unavoidable budget increases that had previously been approved and impacted on expenditures, to the tune of a little more than \$250,000, as well as decreases in certain sources of revenue.

There is also assessment growth to be considered. Wong said it's going to impact the budget to the tune of about \$1.3 million.

He also explained that about three years passes between the issuing of a building permit and that development actually resulting in taxes. As well, he said that development involves incremental increases in the services required for roads, recreation, libraries, etc.

"What you're telling me is money starts to roll in for the next council, and not for us," Councillor Doug Beffort joked.

Wong also said the Town is working on a fund to repair and replace capital assets. That fund has been growing for some years. He said it was about \$3.4 million in 2009, but is budgeted at \$12.3 million this year. The target is \$20 million.

A couple of the line items in the proposed budget came in for some question from councillors.

There are proposals to create a position for a general programmer in Caledon East, to be paid for from a fund that was set up from savings from the closing of Caledon Central Pool. Beffort pointed out that was meant to be a fund for facilities on the west side of town.

Councillor Barb Shaughnessy agreed the fund was set up for a facility in northwest Caledon. "It did not say to a person in Caledon East," she said.

"It's not just a budget promise," she added. "We've got to build some faith in the community."

There are also proposals for an assistant to council and a communications coordinator for council. The proposed 2015 allocation for the communication coordinator is \$94,430.

"That's a lot of money," Councillor Annette Groves commented, adding it would be hard to justify.

Mayor Allan Thompson pointed out there is a demand for council to do more to get its message out. "We have to reach people differently," he declared.

The budget proposals will be presented at a special council meeting this coming Wednesday (Jan. 21) in the council chambers at Town Hall, starting at 7 p.m. The various Town departments will be making presentations to council Feb. 2 and 3.

Final approval of the budget is planned for March 3.

"The big challenge is we just do not have enough employment base here in Caledon," Thompson commented after Tuesday's meeting. "We're into municipal services and we're trying to deliver it the best we can for our taxpayers."