

Town proposes 3.68% tax hike ahead of Budget talks]

By Zachary Roman

Caledon Council will soon be discussing the Town's 2023 budget.

On January 10, at 2:30 p.m., Town of Caledon staff will present their proposed 2023 Budget for the Town to Council at its General Committee meeting.

Caledon residents are welcome to attend this meeting in person at Town Hall in Caledon East, or virtually on the Town of Caledon's website.

The proposed budget was made available for the public to view on January 4, and a highlight from the document is the proposed property tax increase of 3.68 per cent for Caledon residents.

The Budget is divided into two sections, Operating and Capital. The Operating budget includes background information about the Town, the Town's budget process, financial policies, proposed changes in service levels, and operating budget changes by department.

The capital budget contains information on the Town's capital projects and how they are proposed to be funded.

In creating the 2023 Operating budget, Town staff started with the approved 2022 balanced budget, with \$121.5 million in revenues and expenditures.

From this starting point, staff adjust expenses and revenues based on projections for items impacted by the consumer price index (CPI) and other items affected by non-CPI factors such as annualization of expenses, reads the budget document.

Unavoidable budget increases are operating items approved by Council in 2022 or previous years that will impact the 2023 budget. The proposed 2023 budget has \$3,037,081 in unavoidable budget increases.

There is a projected decrease of \$1,139,805 in the Town's Operating budget for both expenses and revenues overall for 2023.

The Town will see \$2,253,824 in assessment growth in 2023, which comes mainly from taxes levied on new homes and businesses. This revenue will be split between the Town's operating and capital budgets.

The Town's Capital budget is composed of the purchase and construction of tangible assets such as roads and bridges, as well as one-time expenses like studies. Town staff are proposing a \$77.9 million capital investment from the Town in 2023, of which a main source of funding is tax levy funding.

A portion of property taxes collected is allocated to the Town's capital program as a sustainable, consistent source of funding for both repair/maintenance/replacement

of aging infrastructure and purchase/construction of new infrastructure to support growth, reads the budget document.

The Town owns approximately half a billion dollars of infrastructure, such as Recreational Centres, Libraries, Fire Stations, Roads, Fleet Vehicles, (and) Fitness Equipment.

A survey of Caledon residents on the proposed 2023 Caledon budget closed on January 3. An online question-and-answer portal about the budget is currently open on the Town's civic engagement website, haveyoursaycaledon.ca. This question-and-answer

portal will be open until February 20.

As mentioned above, Caledon Council will be presented the proposed 2023 budget on January 10. Council will then deliberate on the budget at a February 14 general committee meeting, before undertaking final considerations and a vote on the budget on February 28.

?Council ultimately makes the decision on spending and the resulting impact on the tax rate,? notes the budget document. ?During budget discussions, Council may direct staff to replace projects proposed to be funded with unfunded projects, remove projects proposed to be funded altogether, and/or add unfunded projects to the proposed funded list. The Council discussion and decisions will result in the overall tax impact and tax increase required to deliver the service levels and capital program approved by Council.?

Overall, Caledon's proposed operating budget increase for 2023 is \$4,907,776, and its proposed capital budget increase is \$456,000. However, after taking into account the \$2,253,824 of assessment growth, the proposed net increase of Caledon's overall budget is \$3,110,452. This number is the reason for the proposed 3.68 per cent property tax increase.

Once the Region of Peel and Education portions of the tax bill are known to Town staff, an update with the estimated overall tax increase to Caledon residents will be provided to Council and Caledon residents.