Town?s tax increase could be reduced

By Bill Rea

Nothing has been decided yet, but Town of Caledon staff have found a way for council to reduce the proposed tax increase in the 2014 budget.

Staff had been proposing a hike of 4.98 per cent to the Town's share of the municipal tax bill. But Town Treasurer Fuwing Wong told councillors Monday an anticipated cut in money from the Ontario Municipal Partnership Fund (OMPF) was not as great as had been anticipated. That means the Town is going to be getting additional funding of between $350,000 and $400,000, which could facilitate reducing the tax increase to 4.19 per cent.

The Town collects all the property taxes, but in 2013, it kept only about 35 per cent for its own use. Peel Region got about 33 per cent and the local school boards got the other 32 per cent.

Wong also said a 4.98 increase to the Town's portion would translate to $88.08 being added to the tax bill for a home assessed at $480,000. A hike of 4.19 per cent would add only $74.49 to the bill.

Chief Financial Officer Ron Kaufman told councillors Tuesday night that while the tax increase could be reduced, staff wanted them to consider putting that increased money into capital funding. There is currently a gap between the amount needed to maintain that Town's capital infrastructure and the amount being put into the tax-funded capital program. Using that money would reduce the gap, although he also stressed council will have to make that decision.

He also said the Region has set a targeted tax increase of 1.8 per cent. There's no word from the Province yet on what, if any, increase there will be to the education program. It's remained at the same level for the last couple of years, and he said the freeze might remain in place for another year.

Kaufman also told councillors the tax rates in Caledon are still low, compared to other municipalities in the Greater Toronto Area (GTA). He cited a survey of 26 GTA municipalities that indicated Caledon's tax rate in 2013 was the eighth lowest.