

Preliminary budget projects small increase in taxes

By Mark Pavilons

After being told by councillors to trim some staff expenses, King's treasurer is charged with bringing forward a responsible, and affordable 2019 budget.

If the preliminary budget is any indication, taxpayers should be spared surprises and substantial increases this year.

Treasurer Allan Evelyn presented the draft 2019 budget, which, for the first time, includes a four-year forecast and cost projections. This, councillors said, helps give them a longer-term perspective on the big tax picture.

The operating and capital budgets, according to Evelyn, set the foundation for building and maintaining a sustainable fiscal framework that also invests in municipal infrastructure.

Evelyn noted they are operating as efficiently "as we can" and eliminating redundancies across all departments.

The preliminary estimates show a net increase of 2.8%, or a blended 2.6% hike. For a home assessed at \$833,400, that means an additional \$176.89 in taxes per year. King has to wait for word on final York Region and school board budgets to finalize the figures. As it stands, King's portion of that increase is \$63.73.

As in the past, council directed the treasurer to draft budgets that maintain service levels, ensure adequate resources (people, financial and capital), plan construction strategically and levy "responsible" tax impacts.

Looking ahead, staff believe net increases in the neighbourhood of 2.9% will continue through 2022. The draft 2019-2022 capital budgets include 138 projects worth \$125.7 million. Over the term of council, the proposed capital program will support new construction and rehabilitation of buildings, new fleet requirements, roads, bridges, parks and recreation and the new library.

Evelyn noted that capital assets are expensive, so shoring up King's reserves is vital.

In preparation for the term ahead, staff created the 2017 and 2018 budgets with an eye on future infrastructure investments.

As King City and Nobleton begin to reach capacity, it's critical that incremental sources of taxation revenue directly linked to assessment growth be aligned to support tangible capital assets.

This, Evelyn pointed out, will ensure that King is able to maintain service levels as the population grows, while managing impacts on tax rates in a "predictable and responsible manner."

The treasurer pointed out that every property in King will see different tax impacts. It's based on the annual change in phased-in assessment value, relative to the growth rate. As well, assessments come from MPAC every four years and the next one will arrive in 2020. That, in itself, will have an impact on tax bills.

Residents do carry the bulk of the tax burden in small municipalities like King, given the relative lack of industrial and commercial assessment.

Frugality seems to be the key this year. Staff have asked for the equivalent of 17.8 full-time positions over the next four years. These relate directly to service level pressures that demand additional staffing.

Councillor Bill Cober praised staff and the robust discussions held in preparing this year's budget. He appreciates the long-term forecasts and capital investments to improve the quality of life for residents. However, Cober asked staff to consider holding off on staff increases and perhaps postpone it until 2020. He'd prefer to see any added costs staggered.

Councillor Jakob Schneider said some of the "basics" in the budget need to be looked at. He also asked that big ticket items be reviewed.

Mayor Steve Pellegrini said it's all about priorities. Councillors have been told, loud and clear, by residents that roads need to be improved. He did point out staff is keeping the tax increases near the rate of inflation.

In the 2019 operating budget, staff have based their projections on assumptions, that include an assessment growth of 4%; a reduction in the residential tax rate; the impact of a collective bargaining agreement this March and an arbitrary zero increase in the base budget.

Major projects impacting the coming budgets include the multi-purpose recreation complex; King City library and seniors' complex; sewer work in Nobleton and road improvements.

Council has set certain priorities for staff and those include maintaining investment in infrastructure, delivering projects on time and on budget, improving rural roads, acquiring and disposing of municipal property. It was also suggested that King review its

inventory of surplus lands and consider selling them off. Other taxpayer-centric priorities include customer service at the Township, community engagement, the completion of the Official Plan and more.

The final budgets will be delivered to council March 18 for discussion and approval.